



Meeting Agenda

Date & Time: 5/14/2026 | 9:30 AM

Location: SLDMWA Boardroom

Board of Directors Regular Meeting

842 6th Street, Los Banos

(List of Member/Alternate Telephonic Locations Attached)

Public Participation Information

Join Zoom Webinar -

<https://us02web.zoom.us/j/83758365043?pwd=itaOpbbabyZa9undXb5awUKTNgjigp.1>

NOTE: Any member of the public may address the Board concerning any item on the agenda before or during consideration of that item.

NOTE FURTHER: Meeting materials have been made available to the public on the San Luis & Delta-Mendota Water Authority's website, <https://www.sldmwa.org>, and at the Los Banos Administrative Office, 842 6th Street, Los Banos, CA 93635.

Agenda

Item	Topic	Lead

1.	Call to Order/Roll Call	
2.	Board to Consider Additions or Corrections to the Agenda, as Authorized by Government Code Section 54950 <i>et seq.</i>	
3.	Opportunity for Public Comment – Any member of the public may address the Board concerning any matter not on the agenda, but within the Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Board may waive this limitation.	

CONSENT CALENDAR

4.	Approval of April 9, 2026 Regular Meeting Minutes	
5.	Acceptance of Financial & Expenditures Reports	
6.	Finance & Administration Committee Recommendation to Accept the Treasurer's Report for the Quarter Ending March 31, 2026	
7.	Acceptance of Staff Reports: a. O&M Budget to Actual b. Operations & Maintenance c. Science Program d. Activity Agreements e. Procurement Activity	

8. **Finance & Administration Committee Recommendation Regarding Execution of Agreement for Fuel Delivery Services and Expenditure of Up to \$300,000 from the FY 2027 OM&R Budget**

ACTION ITEMS

9. **Water Resources Committee Recommendation Regarding Adoption of Resolution Providing Support for ACWA Vision for Our Water Future** Barajas
10. **Water Resources Committee Recommendation Regarding Adoption of Staff Recommendation for Positions on Legislation** Petersen
 - A. H.R. 8259 (Bentz), Reclamation Project Consultation Improvement Act of 2026
 - B. A.B. 2214 (Jackson), Government finance: deposits
 - C. A.B. 2215 (Calderon), Water rights: permits: State Water Project
 - D. A.B. 2216 (Aguiar-Curry), Sacramento-San Joaquin Delta Conservancy
 - E. A.B. 2447 (Bauer-Kahan), Water: Nitrogen Pollution Reduction Act
 - F. A.B. 2739 (Soria), Water: affordability and system stabilization
 - G. S.B. 1001 (Archuleta), Local agency, public utility, or mutual water company: personnel access: Person Identity Verification-Interoperable
11. **Finance & Administration Committee Recommendation Regarding Acceptance of Final Fiscal Year 2024 Audited Financial Statements** Tarka
12. **Planning Committee and Finance & Administration Committee Recommendations Related to DMC Subsidence Correction Project** Barajas, Arroyave, McNeil
 - A. Revisions to Cost Allocation for Phase 1
 - B. Revisions to Scope for Phase 1
13. **Finance & Administration Committee Recommendation Regarding Ratification of Execution of Change Orders for Jones Pumping Plant Unit 5 Leak Investigation & Repair Project and Increase in Expenditures of Up to \$264,898 from the FY 2026 EO&M Budget** Arroyave, McNeill
 - A. Unit 5 Impeller Balancing Construction Agreement with Unico Mechanical Corp.
 - B. JPP Pump Casing and Bifurcation Pipe Recoating Construction Agreement with Hartman-Walsh Painting Company
14. **Actions Related to North to South Water Transfers** Arroyave, Harms, Meyer
 - A. Adoption of Resolution Approving Initial Study and Adopting Addendum to Revised Long-Term Water Transfers EIR for 2026-2027 North to South Water Transfers
 - B. Adoption of Resolution Authorizing Execution of 2026 Water Purchase and Sale Agreements Pursuant to Addendum and Related Actions
 - C. Authorization to Execute Letter Agreement with U.S. Bureau of Reclamation for Reimbursement of Costs Incurred for Assistance with 2026 North to South Water Transfers

REPORT ITEMS

15.	Report on Strategic Plan Implementation	Barajas
16.	Update on Status of Golden Mussels	Arroyave, Petersen, Meyer
17.	Report on State and Federal Affairs	Petersen, Cardoza, Olsen
18.	Executive Director's Report (May also include reports on activities re: 1) CVP/SWP water operations; 2) California infrastructure projects; 3) regulation of the CVP/SWP; 4) existing or possible new State and Federal policies; 5) Water Authority activities)	Barajas
19.	Chief Operating Officer's Report (May include reports on activities re: 1) OM&R; 2) infrastructure projects; 3) water transfers, exchanges, and release program)	Arroyave
20.	Update on Water Operations and Forecasts	Arroyave, USBR
21.	Committee Reports a. Water Resources Committee Activities, Bourdeau b. Finance & Administration Committee Activities, Hansen c. O & M Technical Committee Activities, White d. Planning Committee Activities, Diener	
22.	Outside Agency/Organization Reports a. Family Farm Alliance b. Farm Water Coalition c. Association of California Water Agencies d. San Joaquin Valley Water Blueprint Effort e. San Joaquin Valley Collaborative Action Program f. Central Valley Project Water Association g. Great Valley Farm Water Partnership	
23.	Board Member Reports	
24.	CLOSED SESSION THREAT TO PUBLIC SERVICES OR FACILITY Consultation with: Executive Director / General Counsel CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of Litigation Pursuant to paragraph (4) of Subdivision (d) of Government Code Section 54956.9 – 2 potential cases CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 54956.9 – 2 potential cases	Akroyd, Barajas

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Existing Litigation Pursuant to paragraph (1) of Subdivision (d) of Section 54956.9

- A. California Sportfishing Protection Alliance (CSPA), et al. v. Nickels, et al., U.S. District Court, E.D. Cal., Case No. 2:11-cv-02980; 9th Cir. Case No. 23-15599; U.S. Supreme Court Case No. 25-989 (GBP Citizen Suit)
- B. CSPA, et al. v. State Water Resources Control Board (SWRCB), et al., Sac. Co. Superior Court, Case No. 34-2021-80003761 (2021 TUCP Order)
- C. CSPA, et al. v. SWRCB, et al., Sac. Co. Superior Court, Case No. 34-2021-80003763 (2021 Temp. Mgmt. Plan)
- D. SWRCB, Administrative Hearings Office, Petitions for Change of California Department of Water Resources (DWR) Water Right Permits, Delta Conveyance Project (DWR Change Petition)
- E. Tehama-Colusa Canal Authority, et al. v. DWR, et al., Sacramento Co. Superior Court, Case No. 24WM000183 (SWP 2024 EIR Challenge)
- F. San Francisco Baykeeper, et al. v. U.S. Bureau of Reclamation, et al. U.S. District Court, E.D. Cal., Case No. 2:26-cv-00671 (2025 CVP Operations)
- G. Bettencourt v. SLDMWA, et al., Merced Co. Superior Court, Case No. 26CV-01422 (employment complaint)

- 25. Return to Open Session
- 26. Report from Closed Session, if any, Required by Government Code Section 54957.1
- 27. Reports Pursuant to Government Code Section 54954.2(a)(3)
- 28. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

SLDMWA BOARD OF DIRECTORS REGULAR MEETING TELEPHONIC LOCATIONS

May 14, 2026

7357 W. Tenaya Ave
Fresno, CA 93723

15671 W. Oakland Ave
Five Points, CA 93624

5957 E. Greenhill Street
Nampa, Idaho 83687



Meeting Minutes

Date & Time: 4/9/2026 | 9:30 AM
Location: SLDMWA Boardroom
842 6th Street, Los Banos

San Luis & Delta-Mendota Water Authority Board of Directors Regular Meeting Minutes

Board of Directors Present

Division 1: Dave Weisenberger, Director
Anthea Hansen, Director
Lea Emmons, Alternate
Division 2: Justin Diener, Director (ZOOM)
William Bourdeau, Director
Lon Martin, Alternate
Division 3: Chris White, Alternate
Jarrett Martin, Director
Cannon Michael, Chair/Director
Division 4: John Varela, Director
Aaron Baker, Alternate
Richard Santos, Director
Dana Jacobson, Director
Division 5: Manny Amorelli, Director
Friant Representative:
Johnny Amaral, Representative
Wilson Orvis, Alternate

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director
Ray Tarka, Director of Finance
Cindy Meyer, Special Programs Manager (ZOOM)
Eddie Reyes, Information Systems Technician

Others Present

Dan Keppen, Family Farm Alliance
Cindy Kao, Valley Water
Kristin Olsen-Cate, California Strategies (ZOOM)
Levi Johnson, Reclamation (ZOOM)
Joe Hopkins, Provost & Pritchard
Don Wright, WaterWrights (ZOOM)
Kathy Mahan, Senator Adam Schiff's Office (ZOOM)

Agenda

Item	Topic	Lead

- Call to Order/Roll Call** – The meeting was called to order at approximately 9:30 a.m. by Chair Cannon Michael and roll was called.
During roll call, Director Justin Diener was identified as participating remotely via teleconference pursuant to Government Code section 54953(b), consistent with traditional teleconference rules.
- Additions or Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq.** – No additions or corrections.
- Opportunity for Public Comment** – No public comment.
- Agenda Items 4-6: Board to Consider: 4) March 5, 2026 Meeting Minutes, 5) Acceptance of the Financial & Expenditures Reports, and 6) Acceptance of Staff Reports** - M/S - Motion by Director Richard Santos, seconded by Director William Bourdeau, the Board accepted the March 5, 2026 meeting minutes, financial & expenditure reports, and staff reports.
Roll Call Vote: Ayes – Weisenberger, Hansen, Emmons, Diener, Bourdeau,

Lon Martin, White, Jarrett Martin, Michael, Varela, Santos, Jacobson, Amorelli; Nays – 0; Abstentions – 0.

5. **Agenda Item 7: Selection of Fiscal Year 2027 San Luis & Delta-Mendota** Arroyave

Water Authority Board Officers - Executive Director Federico Barajas reviewed the memo included in the packet. Barajas reported that the Authority's Joint Exercise of Powers Agreement provides for the selection of Chair, Vice Chair, Secretary, and Treasurer. Barajas reported that in contrast to the Treasurer, who serves at the pleasure of the Board, the Chair, Vice Chair, and Secretary hold office for a period of one year commencing the first meeting of each Fiscal Year. Barajas reported that the Authority's Fiscal Year 2027 began March 1, 2026. Barajas expressed his appreciation for both Chair Cannon Michael and Vice-Chair William Bourdeau; Board members also expressed their appreciation for Chair Michael and Vice-Chair Bourdeau's continued service.

M/S - Motion by Director John Varela, seconded by Director Richard Santos, the Board re-appointed Director Cannon Michael as Chair, Director William Bourdeau as Vice-Chair, and Executive Director Federico Barajas as Secretary. Roll Call Vote: Weisenberger, Hansen, Emmons, Diener, Bourdeau, Lon Martin, White, Jarrett Martin, Michael, Varela, Santos, Jacobson, Amorelli; Nays – 0; Abstentions – 0.

6. **Agenda Item 8: Water Resources Recommendation Regarding** Petersen
Adoption of Staff Recommendation on Positions on Legislation

- A. **A.B. 1754 (Pacheco), State general obligation bonds: requirements** (Favor)
- B. **A.B. 1772 (Papan), Fish and wildlife: aquatic invasive species: golden mussels** (Watch & Amend)
- C. **A.B. 2013 (Bennett), Fire risk areas: water suppliers: emergency preparedness plan** (not favored unless amended)
- D. **A.B. 2026 (Aguilar-Curry), Water diversion: groundwater recharge: permit** (Watch & Amend)
- E. **A.B. 2032 (Ransom), Fish and wildlife: restricted species permits** (Support & Amend)
- F. **A.B. 2218 (Kalra), Water policy: California Native American Tribes** (Oppose Unless Amended)
- G. **A.B. 2630 (Bennett), Water diversion and use: adoption of regulations** (Oppose)
- H. **A.B. 2728 (Soria), Open and Transparent Water Data Act** (Support)
- I. **A.C.A. 11 (Macedo), California Water Resiliency Act (Support)**
- J. **S.B. 872 (McNerney), Climate Change: funding priorities** (Watch & Amend)

Water Policy Director Scott Petersen reviewed the staff recommendation for positions on ten pieces of legislation, which were recommended for adoption by the Water Resources Committee. Petersen answered questions throughout the presentation.

M/S - Motion by Director Richard Santos, seconded by Director William Bourdeau, the Board adopted the staff recommendations for positions on A.B. 1754, A.B. 1772, A.B. 2013, A.B. 2026, A.B. 2032, A.B. 2218, A.B. 2630, A.B. 2728, A.C.A. 11, and S. B. 872. Roll Call Vote: Weisenberger, Hansen, Emmons, Diener, Bourdeau, Lon Martin, White, Jarrett Martin, Michael, Varela, Santos, Jacobson, Amorelli; Nays – 0; Abstentions – 0.

7. **Agenda Item 9: Water Resources Recommendation Regarding Execution of Agreement with MM Water Resources for Technical Support Services** Petersen

Water Policy Director Scott Petersen reported on the need to contract with MM Water Resources to support completion and advancement of key Water Authority and CVP contractor efforts to advance exploration of lines of evidence that could lead to operational improvements, at the request of Reclamation. Petersen answered questions throughout the presentation.

M/S - Motion by Director Richard Santos, seconded by Director John Varela, the Board approved execution of agreement with MM Water Resources for Technical Support Services. Roll Call Vote: Weisenberger, Hansen, Emmons, Diener, Bourdeau, Lon Martin, White, Jarrett Martin, Michael, Varela, Santos, Jacobson, Amorelli; Nays – 0; Abstentions – 0.

8. **Agenda Item 10: Adoption of Communications Framework and Communications Action Plan for Fiscal Year 2027** Petersen

Water Policy Director Scott Petersen reviewed the memo included in the packet. Petersen reported that the Communications Framework details strategic communications that will guide the Authority's Communications, in coordination with the Authority Policy Framework and Science Plan. Petersen reported that the Authority has chosen three core themes: reliability, affordability, and accountability in project operations. Petersen reported that these communication themes will be advanced through three different types of communications, as described in the Framework: foundational communications, project communications, and policy communications. Petersen reported that the Communications Action Plan details the annual activities, audiences, and types of communications that will be developed and delivered to implement the Communications Framework and advance the Communications and Policy goals in the Strategic Plan. Petersen answered questions throughout the presentation.

M/S - Motion by Director Richard Santos, seconded by Alternate Chris White, the Board adopted the Communications Framework and Communications Action Plan for Fiscal Year 2027. Roll Call Vote: Weisenberger, Hansen, Emmons, Diener, Bourdeau, Lon Martin, White, Jarrett Martin, Michael, Varela, Santos, Jacobson, Amorelli; Nays – 0; Abstentions – 0.

9. **Agenda Item 11: Ratification of Execution of North to South Water Transfers CEQA Support Task Order with CDM Smith** Arroyave, Harms
– Chief Operating Officer Pablo Arroyave reviewed the memo included in the packet. Arroyave reported that after receiving CDM Smith's statement of work and

cost estimate for developing subsequent environmental analyses, Authority staff met with Activity Agreement Members, who approved entering a task order with CDM Smith for the development of the subsequent CEQA document. Arroyave reported that the Authority executed the North to South Water Transfers CEQA Support Task Order, which was included in the packet. Arroyave reported that execution of the Task Order in March allowed CDM Smith to begin work on the subsequent environmental analyses immediately, but because this cost was not previously budgeted for and is over the threshold in our Consolidated Procurement Policy, Board ratification of execution of the Task Order is needed.

M/S - Motion by Director John Varela, seconded by Director Richard Santos, the Board approved ratification of execution of North to South water transfers CEQA support task order with CDM Smith. Roll Call Vote: Weisenberger, Hansen, Emmons, Diener, Bourdeau, Lon Martin, White, Jarrett Martin, Michael, Varela, Santos, Jacobson, Amorelli; Nays – 0; Abstentions – 0.

10. **Agenda Item 12: Expression of Appreciation for Dan Keppen, Former Executive Director of Family Farm Alliance** – Chair Cannon Michael presented Dan Keppen with a letter of appreciation, and Executive Director Federico presented him with Water Authority items as tokens of appreciation. Dan Keppen expressed his appreciation of his years working with the Authority and the Board. Board members also expressed their appreciation for all of Dan Keppen’s accomplishments. Barajas, Michael
11. **Agenda Item 13: Presentation of Resolution of Commendation to the San Luis & Delta-Mendota Water Authority Board of Directors by the DM Subbasin JPA** – Director Jarrett Martin, and Joe Hopkins presented a resolution honoring the Authority, the Board, and staff for all their support. Petersen
12. **Agenda Item 14: Status Update Regarding the DMC Subsidence Correction Project** – Chief Operating Officer Pablo Arroyave reported that Kiewit is working to develop Guaranteed Maximum Price (GMP) for Task 1 for the construction phase of the project and preconstruction work related to Task 2. Arroyave reported that the Task 1 GMP will go to the Finance & Administration Committee and the Board for approval in May and will be followed by a Notice to Proceed with construction. Executive Director Federico Barajas reviewed a letter received by Reclamation regarding the award of \$235 million of non-reimbursable funding for the DMC Subsidence Correction Project from authorities in the One Big Beautiful Bill Act. Barajas, Arroyave
13. **Agenda Item 15: Report on State & Federal Affairs** – Water Policy Director Scott Petersen reported that Dennis Cardoza is resigning from Foley effective April 15, 2026, and staff is evaluating support options. Petersen provided an update regarding the government shutdown, President Trump’s budget requests, DMC Subsidence Correction Project awards, WRDA discussions, and the Farm Bill. Petersen introduced Kristin Petersen

Olsen-Kate, who provided a State Affairs update. Petersen provided additional information regarding California Air Resources Board Advanced Clean Fleet regulations, and the Bay-Delta Plan Update, including the Healthy Rivers and Landscapes Program. Petersen and Olsen-Kate answered questions throughout the presentation.

14. **Agenda Item 16: Executive Director's Report** Barajas
- a. **ACWA Vision for Our Water Future** – Executive Director Federico Barajas reviewed the handout and highlighted four priority themes: Lead on Water, Project Affordability, Deliver Critical Infrastructure, and Modernize Water Management.
 - b. **Golden Mussels Update** – Chief Operating Officer Pablo Arroyave reviewed the memo included in the packet. Arroyave reported that staff is implementing mitigation measures that were recommended in the assessment completed by the consultant, including bio boxes, installation of hot water taps, development of control plan, and coordination of field testing. Arroyave also reported that coordination meetings continue. Staff answered questions throughout the presentation.
 - c. **Strategic Plan** – Executive Director Federico Barajas reported that the management team is convening later this month to identify priority actions for FY 2027.
 - d. **Fiscal Year 2027 Budget Books** – Executive Director Federico Barajas reported that the hard copies of the budget books are available for Board members that requested them.
15. **Agenda Item 17: Chief Operating Officer's Report** Arroyave
- a. **Outages** – Chief Operating Officer Pablo Arroyave provided a brief update on outages, including the Tracy Fish Facility outage beginning next week, and Unit 5 outage work underway.
 - b. **North to South Water Transfers** – Chief Operating Officer Pablo Arroyave reported that staff is actively working with Reclamation and Activity Agreement Members on potential 2026 North to South Transfers. Arroyave reported that any transfers would be limited consistent with the environmental coverage that Reclamation has in place, which covers the short term 2026-2027 calendar year.
 - c. **O&M Technical Committee Meeting** - Chief Operating Officer Pablo Arroyave reported that the O&MTC meeting/tour is scheduled May 4, 2026, and the regular O&MTC meeting is scheduled for October 19, 2026.
16. **Agenda Item 18: Update on Water Operations and Forecasts** - Levi Arroyave, Johnson from Reclamation provided updates regarding operations, CVP USBR supply, and reservoir storage. Johnson answered Board member questions throughout the presentation.
17. **Agenda Item 19: Committee Reports** – No reports.
18. **Agenda Item 20: Outside Agency/Organization Reports**

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- a. **Family Farm Alliance (FFA)** – Report included in the packet.
 - b. **Farm Water Coalition** – Report included in the packet.
 - c. **Association of California Water Agencies** – Director John Varela provided an update regarding the Executive Director interviews.
 - d. **San Joaquin Valley Water Blueprint Effort** – Water Policy Director Scott Petersen provided a brief update.
 - e. **San Joaquin Collaborative Action Plan** – Water Policy Director Scott Petersen provided a brief update.
 - f. **Central Valley Project Water Association** – Director Anthea Hansen reported that a strategic plan effort is underway.
 - g. **Great Valley Farm Water Partnership (GVFWAP)** – Water Policy Director Scott Petersen reported that GVFWAP continues to advance three priority projects.
19. **Agenda Item 21: Board Member Reports** – Alternate Chris White provided information regarding the Los Banos Creek Detention Dam Project and upcoming ribbon cutting.
20. **Agenda Items 22-24: Closed Session** – Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:09 a.m. Upon return to open session at approximately 11:29 a.m., General Counsel Rebecca Akroyd reported that the direction to participate as amicus in an action has been given, and that the action, the parties, and the other particulars, shall, once formally commenced, be disclosed to any person upon inquiry. The vote on that action of every member was as follows: Ayes – Weisenberger, Hansen, Emmons, Diener, White, Jarrett Martin, Michael, Varela, Santos, Jacobson, Amorelli; Nays – 0; Abstentions – 0.
21. **Agenda Item 25: Reports Pursuant to Government Code Section 54954.2(a)(3)** – No reports.
22. **Agenda Item 26: Adjournment** - The meeting was adjourned at approximately 11:30 a.m.



Official Memorandum

TO: Pablo Arroyave, Chief Operating Officer
FROM: Raymond Tarka, Director of Finance

SUBJECT: May 2026 BOD Meeting Report – Finance
Fiscal Year - March 1, 2026 through February 28, 2027

DATE: May 14, 2026

Attached are the Financial & Expenditures Reports.

San Luis & Delta-Mendota Water Authority
AR | Aging Summary by Category
As of March 31, 2026

Customer	Current	(30)	(60)	(90)	(>90)	Category	Total
BBID-MEMB Byron-Bethany Irrigation District	\$0.00	\$0.00	(\$7,977.00)	\$0.00	\$0.00	MEMBERSHIP	(\$7,977.00)
BVWD-MEMB Broadview Water District	\$0.00	\$0.00	\$18,874.50	\$0.00	\$0.00	MEMBERSHIP	\$18,874.50
CAMP-MEMB Camp 13 Drainage District	\$0.00	\$0.00	\$16,115.50	\$0.00	\$0.00	MEMBERSHIP	\$16,115.50
DPWD-MEMB Del Puerto Water District	\$0.00	\$0.00	\$101,208.50	\$0.00	\$0.00	MEMBERSHIP	\$101,208.50
EFWD-MEMB Eagle Field Water District	\$0.00	\$0.00	\$3,192.00	\$0.00	\$0.00	MEMBERSHIP	\$3,192.00
FARMERS WD-MEMBER Farmers Water District	\$0.00	\$0.00	\$0.00	\$0.00	\$95,353.00	MEMBERSHIP	\$95,353.00
FSWD-MEMB Fresno Slough Water District	\$0.00	\$0.00	\$3,255.50	\$0.00	\$0.00	MEMBERSHIP	\$3,255.50
LWD-MEMB Laguna Water District	\$0.00	\$0.00	(\$0.10)	\$0.00	\$0.00	MEMBERSHIP	(\$0.10)
OFWD-MEMB Oak Flat Water District	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,188.00)	MEMBERSHIP	(\$1,188.00)
OLWD-MEMB Oro Loma Water District	\$0.00	\$0.00	\$424.50	\$0.00	\$0.00	MEMBERSHIP	\$424.50
PDD-MEMB Panoche Drainage District	\$0.00	\$0.00	\$198,147.00	\$0.00	\$0.00	MEMBERSHIP	\$198,147.00
PID-MEMB Patterson Irrigation District	\$0.00	\$0.00	\$11,392.00	\$0.00	\$0.00	MEMBERSHIP	\$11,392.00
PWD-MEMB Pacheco Water District	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.01)	MEMBERSHIP	(\$0.01)
SBCWD-MEMB San Benito County Water District	\$0.00	\$0.00	\$38,495.00	\$0.00	\$0.00	MEMBERSHIP	\$38,495.00
SLWD-MEMB San Luis Water District	\$0.00	\$0.00	\$0.00	\$0.00	(\$10.00)	MEMBERSHIP	(\$10.00)
TRACY-MEMB City of Tracy	\$0.00	\$0.00	\$21,708.50	\$0.00	\$0.00	MEMBERSHIP	\$21,708.50
VALLEY-MEMB Valley Water	\$0.00	\$0.00	\$197,479.00	\$0.00	\$0.00	MEMBERSHIP	\$197,479.00
WID LLC-MEMB Widren LLC	\$0.00	\$0.00	\$2,192.00	\$0.00	\$0.00	MEMBERSHIP	\$2,192.00
WWD-MEMB Westlands Water District	\$0.00	\$0.00	\$839,036.00	\$0.00	(\$73.02)	MEMBERSHIP	\$838,962.98
Total Membership Receivable							\$1,537,624.87
0265 St of CA Depart of Tax & Fee Admin	\$0.00	\$0.00	\$1,869.53	\$0.00	\$2,258.00	MISC	\$4,127.53
BBID-MISC Byron-Bethany Irrigation District	\$0.00	\$0.00	(\$15,223.00)	\$0.00	\$0.00	MISC	(\$15,223.00)
CDMR MISC Central Delta-Mendota Region JPA	\$0.00	\$0.00	\$4,704.29	\$0.00	\$0.00	MISC	\$4,704.29
DWR Department of Water Resources	\$0.00	\$0.00	\$0.00	\$0.00	\$1,066,324.47	MISC	\$1,066,324.47
PATT CITY MISC City of Patterson	\$0.00	\$0.00	\$0.00	\$0.00	\$10,797.47	MISC	\$10,797.47
USBR-MISC U.S. Bureau of Reclamation	\$0.00	\$0.00	\$0.00	\$0.00	\$44,536.00	MISC	\$44,536.00
WWD-MISC Westlands Water District	\$0.00	\$0.00	\$0.00	\$0.00	\$256,082.00	MISC	\$256,082.00
Total Misc Receivable							\$1,371,348.76
BBID-SF O&M BYRON-BETHANY IRRIGATION DISTRICT	\$0.00	\$0.00	\$0.00	(\$847.56)	(\$86.88)	SF O&M	(\$934.44)
CCID-SF O&M CENTRAL CALIFORNIA IRRIGATION DISTRICT	\$0.00	\$0.00	\$0.00	\$746.00	\$0.00	SF O&M	\$746.00
CGH-SF O&M CGH (DUDLEY-INDART)	\$0.00	\$0.00	\$0.00	\$21.66	\$0.00	SF O&M	\$21.66
COELHO-SF O&M COELHO TRUST (TERRRA LINDA FARMS)	\$0.00	\$0.00	\$0.00	(\$28.50)	\$0.00	SF O&M	(\$28.50)
DPWD-SF O&M DEL PUERTO WATER DISTRICT	\$0.00	\$0.00	\$0.00	(\$47,810.34)	(\$66,840.27)	SF O&M	(\$114,650.61)
EFWD-SF O&M EAGLE FIELD WATER DISTRICT	\$0.00	\$0.00	\$0.00	(\$8,876.29)	(\$592.25)	SF O&M	(\$9,468.54)
FCWD-SF O&M FIREBAUGH CANAL WATER DISTRICT	\$0.00	\$0.00	\$0.00	\$1,049.94	\$0.00	SF O&M	\$1,049.94
FWA-SF O&M FRIANT WATER AUTHORITY	\$0.00	\$0.00	\$0.00	\$10,889.90	\$0.00	SF O&M	\$10,889.90
HURON-SF O&M CITY OF HURON	\$0.00	\$0.00	\$0.00	(\$0.05)	\$0.00	SF O&M	(\$0.05)
LTRID-SF O&M LOWER TULE RIVER IRRIGATION DISTRICT	\$0.00	\$0.00	\$204,503.04	\$0.00	\$0.00	SF O&M	\$204,503.04
PID-SF O&M PATTERSON IRRIGATION DISTRICT	\$0.00	\$0.00	\$0.00	\$0.00	(\$15.84)	SF O&M	(\$15.84)
PIXLEY-SF O&M PIXLEY IRRIGATION DISTRICT	\$0.00	\$0.00	\$210,465.81	\$0.00	\$0.00	SF O&M	\$210,465.81
SBCWD-SF O&M SAN BENITO COUNTY WATER DISTRICT	\$0.00	\$0.00	\$0.00	(\$22,466.19)	\$0.00	SF O&M	(\$22,466.19)
SNCWD-SF O&M SANTA NELLA COUNTY WATER DISTRICT	\$0.00	\$0.00	\$0.00	(\$131.64)	\$0.00	SF O&M	(\$131.64)
TRACY-SF O&M CITY OF TRACY	\$0.00	\$0.00	\$0.00	\$0.00	(\$3,629.64)	SF O&M	(\$3,629.64)
TTWD-SF O&M TRIANGLE T WATER DISTRICT	\$0.00	\$0.00	\$0.00	(\$1,188.00)	\$0.00	SF O&M	(\$1,188.00)
USBR-SF O&M USBR (REFUGE)	\$0.00	\$0.00	\$0.00	(\$1,343,862.00)	\$0.00	SF O&M	(\$1,343,862.00)
USBR-SF O&M(Fresno) USBR (REFUGE)	\$0.00	\$0.00	\$45,078.51	\$29,197.11	\$3,069.27	SF O&M	\$77,344.89
VALLEY-SF O&M VALLEY WATER	\$0.00	\$0.00	\$0.00	(\$269,096.44)	\$0.00	SF O&M	(\$269,096.44)
WALLC-SF O&M WESTSIDE AGRICULTURE LLC	\$0.00	\$0.00	\$0.00	(\$5.70)	\$0.00	SF O&M	(\$5.70)
WSID-SF O&M WEST STANISLAUS IRRIGATION DISTRICT	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,436.00)	SF O&M	(\$2,436.00)
Total SF O&M Receivable							(\$1,262,892.35)
USBR-SERVICES U.S. Bureau of Reclamation	\$0.00	\$0.00	\$29,378.07	\$0.00	\$0.00	USBR-SERVICES	\$29,378.07
Total USBR Receivable							\$29,378.07
Total Receivables as of March 31, 2026	\$0.00	\$0.00	\$1,924,319.15	(\$1,652,408.10)	\$1,403,548.30		\$1,675,459.35

Cash Activity Detail Report - Operational

For Month Ending March 31, 2026

		Daily Interest Rates:		0.00%	0.00%	0.50%	0.50%	3.80%	3.96%	3.91%	3.76%	3.83%		
		Type of Account: Account #:	Cash on Hand	CWB Checking	CWB Payroll	CWB Transactional	CWB Emergency Reserve	CWB Money Mkt	Cal Trust 2510 Short Term	Cal Trust 2510 Medium Term	Cal Trust 2510 Liquidity	LAIF 4-006	Petty Cash	Total
				0471	0489	0463	4858	8343	201	202	203			
Cash Balance as of 2/28/26			0.00	(1,070,690.64)	5,000.00	7,690,414.34	2,200,954.58	38,284.17	590,175.71	544,230.00	8,752,369.01	70,395.97	1,000.00	18,822,133.14
Date	Receipts - Remote Deposit													
03/02/26	Deposit		0.00	0.00	0.00	12,518.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,518.26
03/09/26	Deposit		0.00	0.00	0.00	164,699.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	164,699.70
03/12/26	Deposit		0.00	0.00	0.00	1,231.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,231.39
03/16/26	Deposit		0.00	0.00	0.00	400,392.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400,392.89
03/17/26	Deposit		0.00	0.00	0.00	43,280.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,280.90
03/19/26	Deposit		0.00	0.00	0.00	41,292.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,292.00
03/23/26	Deposit		0.00	0.00	0.00	615,307.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	615,307.51
03/25/26	Deposit		0.00	0.00	0.00	87,909.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87,909.00
03/26/26	Deposit		0.00	0.00	0.00	12,835.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,835.23
03/30/26	Deposit		0.00	0.00	0.00	134,591.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	134,591.43
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	1,514,058.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,514,058.31
Date	Receipts - Wires & ACH													
03/02/26	Westlands Water District		0.00	0.00	0.00	4,100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,100,000.00
03/13/26	San Luis Water District Accounts		0.00	0.00	0.00	429,206.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	429,206.49
03/13/26	Friant Water Authority		0.00	0.00	0.00	1,568,564.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,568,564.89
03/13/26	San Luis Water District Accounts		0.00	0.00	0.00	159,407.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	159,407.44
03/16/26	Grasslands Basin GBA		0.00	0.00	0.00	14,968.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,968.00
03/16/26	Panoche Water District		0.00	0.00	0.00	124,899.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	124,899.20
03/16/26	Westlands Water District		0.00	0.00	0.00	1,533,273.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,533,273.27
03/19/26	Byron Bethany Irrigation District		0.00	0.00	0.00	6,827.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,827.11
03/24/26	Bureau of Reclamation		0.00	0.00	0.00	34,996.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34,996.35
03/26/26	Panoche Water District		0.00	0.00	0.00	66,052.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66,052.50
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	8,038,195.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,038,195.25
Date	To/From Operational / DHCCP													
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Date	To/From Grant Funds-Trans													
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Date	Checks Written													
03/03/26	Accounts Payable		0.00	(104,875.98)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(104,875.98)
03/05/26	Void Check #044263		0.00	2,048.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,048.50
03/10/26	Accounts Payable		0.00	(880,401.97)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(880,401.97)
03/12/26	Void Check #044481		0.00	102.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	102.00
03/17/26	Accounts Payable		0.00	(288,594.16)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(288,594.16)
03/24/26	Accounts Payable		0.00	(371,368.91)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(371,368.91)
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	(1,643,090.52)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,643,090.52)
Date	ACH Payments													
03/06/26	EE Assoc 2/14/26-2/27/26		0.00	(450.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(450.00)
03/06/26	ICMA Retirement 2/14/26-2/27/26		0.00	(113,032.31)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(113,032.31)
03/12/26	Shepherd OU		0.00	(1,645.59)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,645.59)
03/20/26	EE Assoc 2/28/26-3/13/26		0.00	(450.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(450.00)
03/20/26	ICMA Retirement 2/28/26-3/13/26		0.00	(114,335.89)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(114,335.89)
03/24/26	Visa Payment		0.00	(28,774.87)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(28,774.87)
03/27/26	Shepherd OU		0.00	(2,662.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,662.50)
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	(261,351.16)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(261,351.16)
Date	Transfers													
03/13/26	Funds Received from Westlands WD 3/2/26		0.00	0.00	0.00	(4,100,000.00)	0.00	4,100,000.00	0.00	0.00	0.00	0.00	0.00	0.00
03/24/26	Higher Interest Account		0.00	0.00	0.00	(2,750,000.00)	0.00	2,750,000.00	0.00	0.00	0.00	0.00	0.00	0.00
03/30/26	Funding for Accounts Payable		0.00	0.00	0.00	2,000,000.00	0.00	(2,000,000.00)	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	(4,850,000.00)	0.00	4,850,000.00	0.00	0.00	0.00	0.00	0.00	0.00

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - Operational
For Month Ending March 31, 2026

Daily Interest Rates: Type of Account: Account #:		Cash on Hand	0.00% CWB Checking	0.00% CWB Payroll	0.50% CWB Transactional	0.50% CWB Emergency Reserve	3.80% CWB Money Mkt	3.96% Cal Trust 2510 Short Term 201	3.91% Cal Trust 2510 Medium Term 202	3.76% Cal Trust 2510 Liquidity 203	3.83% LAIF 4-006	Petty Cash	Total
Cash Balance as of 2/28/26		0.00	(1,070,690.64)	5,000.00	7,690,414.34	2,200,954.58	38,284.17	590,175.71	544,230.00	8,752,369.01	70,395.97	1,000.00	18,822,133.14
Date	Wire Payments												
03/04/26	Funding for 3/6/2026 Payroll & Taxes	0.00	0.00	0.00	(504,893.59)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(504,893.59)
03/11/26	USBR-SL Joint, Use Costs Qtr Ending 9/30/25	0.00	0.00	0.00	(4,656,788.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4,656,788.01)
03/18/26	Funding for 3/20/2026 Payroll & Taxes	0.00	0.00	0.00	(464,719.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(464,719.71)
03/26/26	BOR Mid Pacific Region-7th Annual Installment	0.00	0.00	0.00	(255,238.90)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(255,238.90)
03/26/26	BOR Mid Pacific Region-5th Annual Installment	0.00	0.00	0.00	(266,173.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(266,173.71)
03/26/26	BOR Mid Pacific Region-2nd Annual Installment	0.00	0.00	0.00	(337,254.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(337,254.01)
03/30/26	USBR Power-Tracy, Intertie, O'Neill, DA & Banks	0.00	0.00	0.00	(2,600,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,600,000.00)
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	(9,085,067.93)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(9,085,067.93)
Date	CWB Sweep Checking/Trans Muni												
03/02/26	Sweep from Transactions Account	0.00	7,921.09	0.00	(7,921.09)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/03/26	Sweep from Transactions Account	0.00	791,918.98	0.00	(791,918.98)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/04/26	Sweep from Transactions Account	0.00	76,881.41	0.00	(76,881.41)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/05/26	Sweep from Transactions Account	0.00	74,156.38	0.00	(74,156.38)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/06/26	Sweep from Transactions Account	0.00	143,792.01	0.00	(143,792.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/09/26	Sweep from Transactions Account	0.00	70,655.44	0.00	(70,655.44)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/10/26	Sweep from Transactions Account	0.00	18,096.38	0.00	(18,096.38)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/11/26	Sweep from Transactions Account	0.00	24,999.77	0.00	(24,999.77)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/12/26	Sweep from Transactions Account	0.00	26,563.87	0.00	(26,563.87)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/13/26	Sweep from Transactions Account	0.00	3,418.25	0.00	(3,418.25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/16/26	Sweep from Transactions Account	0.00	164,898.17	0.00	(164,898.17)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/17/26	Sweep from Transactions Account	0.00	406,860.51	0.00	(406,860.51)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/18/26	Sweep from Transactions Account	0.00	34,364.52	0.00	(34,364.52)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/19/26	Sweep from Transactions Account	0.00	39,801.41	0.00	(39,801.41)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/20/26	Sweep from Transactions Account	0.00	118,287.50	0.00	(118,287.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/23/26	Sweep from Transactions Account	0.00	20,126.12	0.00	(20,126.12)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/24/26	Sweep from Transactions Account	0.00	205,199.89	0.00	(205,199.89)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/25/26	Sweep from Transactions Account	0.00	28,924.87	0.00	(28,924.87)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/26/26	Sweep from Transactions Account	0.00	290.18	0.00	(290.18)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/27/26	Sweep from Transactions Account	0.00	17,838.68	0.00	(17,838.68)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/30/26	Sweep from Transactions Account	0.00	55,075.10	0.00	(55,075.10)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/31/26	Sweep from Transactions Account	0.00	308,891.67	0.00	(308,891.67)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	2,638,962.20	0.00	(2,638,962.20)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Date	Bank Fee/Bank Error/Adjustments												
03/31/26	Change in Share Price	0.00	0.00	0.00	0.00	0.00	0.00	(1,172.15)	(4,922.69)	0.00	0.00	0.00	(6,094.84)
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	(1,172.15)	(4,922.69)	0.00	0.00	0.00	(6,094.84)
Date	Interest Earned												
03/31/26	Interest Earned	0.00	0.00	0.00	2,510.57	964.80	9,952.00	2,043.59	1,850.50	27,931.89	0.00	0.00	45,253.35
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	2,510.57	964.80	9,952.00	2,043.59	1,850.50	27,931.89	0.00	0.00	45,253.35
Cash Balance as of 3/31/26		0.00	(336,170.12)	5,000.00	671,148.34	2,201,919.38	4,898,236.17	591,047.15	541,157.81	8,780,300.90	70,395.97	1,000.00	17,424,035.60

Note: Daily Interest Rates are through 3/31/2026

San Luis & Delta-Mendota Water Authority
Grant and USBR Funds Cash Activity Detail Report
For Month Ending March 31, 2026

		CWB Checking Grants *8778	CWB Checking DMC Subsidence Correction Funding *1787	CWB Checking USBR Rewind *8751	CWB Checking IRWM P1R1 *0659	CalTrust Solar Over Canal 0200	Total
Account #:							
Cash Balance as of 2/28/26		0.00	0.00	0.00	0.00	0.00	0.00
Date	Receipts - Remote Deposit						
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Date	Receipts - Wires & ACH						
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Date	Checks Written						
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Date	Wires In from						
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Date	Wires Out						
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Date	Interest Earned						
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Date	Reversal of Annual Fee						
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Date	Bank Fee/Bank Error/Adjustments						
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Cash Balance as of 3/31/26		0.00	0.00	0.00	0.00	0.00	0.00

*Non-Interest Bearing Account

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - JPP Unit Rewinds Bond 2021A
For Month Ending March 31, 2026

Account Information:		CWB Bond 2021A	US Bank Bond 2021A	Total
Cash Balance as of 2/28/26		0.00	461,127.70	461,127.70
Date	Payment Receipts			
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
Date	To/From CAR - Operational			
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
Date	Reversal of Annual Fee			
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
Date	Interest Earned / Adjustments			
03/31/26	Cash Disbursement-Excess Funds	0.00	(8,413.20)	(8,413.20)
03/31/26	Interest Earned	0.00	1,172.39	1,172.39
		0.00	(7,240.81)	(7,240.81)
Cash Balance as of 3/31/26		0.00	453,886.89	453,886.89

San Luis & Delta-Mendota Water Authority
SLDMWA
SLDMWA | A/P Register
March 1, 2026 - March 31, 2026

Account Type	Date	Document	Vendor	Billed	Paid
ACCOUNTS PAYABLE					
Vendor Bill Payment	3/3/2026	44546	25716 AMAZON CAPITAL SERVICES, INC.		\$46.94
Vendor Bill Payment	3/3/2026	44547	25568 CALIFORNIA STRATEGIES & ADVOCACY, LLC		\$18,750.00
Vendor Bill Payment	3/3/2026	44548	2005 CENTRAL VALLEY PROJECT WATER ASSOCIATION		\$750.00
Vendor Bill Payment	3/3/2026	44549	2549 DRS MARINE, INC.		\$6,915.00
Vendor Bill Payment	3/3/2026	44550	4544 HACH COMPANY		\$229.11
Vendor Bill Payment	3/3/2026	44551	4528 HOME DEPOT CREDIT SERVICES		\$8,711.62
Vendor Bill Payment	3/3/2026	44552	6026 KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD		\$4,183.36
Vendor Bill Payment	3/3/2026	44553	25518 LOS BANOS PROPERTY MANAGEMENT SERVICES		\$8,699.95
Vendor Bill Payment	3/3/2026	44554	7077 MODESTO STEEL COMPANY, INC.		\$3,024.40
Vendor Bill Payment	3/3/2026	44555	8055 O'REILLY / TRACY 2347935		\$441.72
Vendor Bill Payment	3/3/2026	44556	8071 ORACLE AMERICA, INC.		\$40,785.86
Vendor Bill Payment	3/3/2026	44557	25529 PG&E 0664015301-8		\$91.74
Vendor Bill Payment	3/3/2026	44558	25531 PG&E 2125628853-7		\$871.37
Vendor Bill Payment	3/3/2026	44559	6805 RELX INC. DBA LEXISNEXIS		\$242.00
Vendor Bill Payment	3/3/2026	44560	25643-EMPLOYEE		\$374.00
Vendor Bill Payment	3/3/2026	44561	25892-EMPLOYEE		\$73.95
Vendor Bill Payment	3/3/2026	44562	25584 U.S. BANK / 6712285200		\$3,450.00
Vendor Bill Payment	3/3/2026	44563	25583 U.S. BANK / 6712291400		\$3,450.00
Vendor Bill Payment	3/3/2026	44564	12111 WARDEN'S		\$3,008.30
Vendor Bill Payment	3/3/2026	44565	12096 WEX BANK		\$776.66
	3/5/2026	44263	VOID		(\$2,048.50)
ACH	3/6/2026	27000	25536 SLDMWA EE ASSOCIATION		\$450.00
ACH	3/6/2026	27001	5004 ICMA RETIREMENT TRUST		\$113,032.31
Vendor Bill Payment	3/10/2026	44566	1041 ACWA/JPIA - Insurance Premiums		\$252,488.87
Vendor Bill Payment	3/10/2026	44567	1195 AMERICAN CRANE RENTAL, INC.		\$2,411.50
Vendor Bill Payment	3/10/2026	44568	1080 AMERICAN SEALS WEST INC.		\$1,646.69
Vendor Bill Payment	3/10/2026	44569	1268 AT&T 831-001-0165 694		\$2,046.02
Vendor Bill Payment	3/10/2026	44570	1267 AT&T 831-001-0165 911		\$2,206.04
Vendor Bill Payment	3/10/2026	44571	25610 AT&T MOBILITY 287312990252		\$1,045.08
Vendor Bill Payment	3/10/2026	44572	25766 AVO MULTI-AMP CORP. dba MEGGER		\$12,672.83
Vendor Bill Payment	3/10/2026	44573	1671 BAKER MANOCK & JENSEN		\$21,930.99
Vendor Bill Payment	3/10/2026	44574	25817 BERKSHIRE ASSOCIATES LLC		\$2,048.50
Vendor Bill Payment	3/10/2026	44575	2407 CDM SMITH INC.		\$120,232.91
Vendor Bill Payment	3/10/2026	44576	CITY OF HURON		\$6,289.00
Vendor Bill Payment	3/10/2026	44577	2248 CPUTREND		\$3,202.86
Vendor Bill Payment	3/10/2026	44578	25910 CRANETECH INC.		\$3,625.00
Vendor Bill Payment	3/10/2026	44579	3542 FGL ENVIRONMENTAL, INC.		\$169.00
Vendor Bill Payment	3/10/2026	44580	3597 FOLEY & LARDNER LLP		\$32,000.00
Vendor Bill Payment	3/10/2026	44581	25550 GILTON SOLID WASTE MANAGEMENT INC. / LBFO		\$103.70
Vendor Bill Payment	3/10/2026	44582	4004 GILTON SOLID WASTE MANAGEMENT INC. / O'Neill		\$137.61
Vendor Bill Payment	3/10/2026	44583	25905 GP CRANE & HOIST SERVICES		\$16,127.12
Vendor Bill Payment	3/10/2026	44584	25626 HALLMARK GROUP		\$203,397.40
Vendor Bill Payment	3/10/2026	44585	4605 HOMEWOOD SUITES		\$757.15
Vendor Bill Payment	3/10/2026	44586	25574 JG NURSERIES, LLC		\$290.18
Vendor Bill Payment	3/10/2026	44587	5509 JIM MOORE ENTERPRISES		\$2,631.84
Vendor Bill Payment	3/10/2026	44588	6081 KINGS RIVER WATER QUALITY COALITION		\$3,706.00
Vendor Bill Payment	3/10/2026	44589	2602 KNIFE RIVER CONSTRUCTION - 370899		\$5,064.06
Vendor Bill Payment	3/10/2026	44590	6026 KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD		\$83,020.46
Vendor Bill Payment	3/10/2026	44591	6801 LUHDORFF & SCALMANINI CONSULTING ENGINEERS		\$3,564.00
Vendor Bill Payment	3/10/2026	44592	25863 MATARAZZO LAW, A PROFESSIONAL CORPORATION		\$1,754.20
Vendor Bill Payment	3/10/2026	44593	7204 MERCED COUNTY SHERIFF'S OFFICE		\$150.00
Vendor Bill Payment	3/10/2026	44594	7083 MSC INDUSTRIAL SUPPLY CO. / 00300038		\$33.06
Vendor Bill Payment	3/10/2026	44595	25547 O'REILLY / LOS BANOS 1068974		\$5,603.29
Vendor Bill Payment	3/10/2026	44596	7005 PACIFIC VALLEY COFFEE		\$110.80
Vendor Bill Payment	3/10/2026	44597	7584 PETTY CASH TFO		\$431.58
Vendor Bill Payment	3/10/2026	44598	8511 PG&E 7262165466-3		\$5,092.39
Vendor Bill Payment	3/10/2026	44599	PLEASANT VALLEY WATER DISTRICT		\$6,289.00
Vendor Bill Payment	3/10/2026	44600	8581 PREMIER URGENT CARE/DBA PATEL, PULLIAM & HUBLI		\$68.00
Vendor Bill Payment	3/10/2026	44601	25814 RAT INCORPORATED		\$220.00
Vendor Bill Payment	3/10/2026	44602	25895 RUTH HALPERN dba HALPERN & ASSOCIATES		\$28,404.92
Vendor Bill Payment	3/10/2026	44603	10069 SUMMERS ENGINEERING, INC.		\$26,958.63
Vendor Bill Payment	3/10/2026	44604	25643-EMPLOYEE		\$374.00
Vendor Bill Payment	3/10/2026	44605	10601 TURLOCK IRRIGATION DISTRICT		\$154.90
Vendor Bill Payment	3/10/2026	44606	25521 UNWIRED BROADBAND INC. A00019063		\$249.98
Vendor Bill Payment	3/10/2026	44607	4122 WILLIAM R. GRAY & CO./DBA Gray-Bowen-Scott		\$7,647.00
Vendor Bill Payment	3/10/2026	44608	12057 WINDECKER. INC.		\$13,772.67

Vendor Bill Payment	3/10/2026	44609	25656 ZOLEO USA INC.	\$200.00
Vendor Bill Payment	3/10/2026	44610	13605 ZORO TOOLS, INC.	\$72.74
WIRE	3/11/2026	27002	11045 BUREAU OF RECLAMATION - SL JOINT/USBR POWER	\$4,656,788.01
ACH	3/12/2026	27003	10327 SHEPHERD OU	\$1,645.59
	3/12/2026	44481	VOID	(\$102.00)
Vendor Bill Payment	3/17/2026	44611	6780-EMPLOYEE	\$238.00
Vendor Bill Payment	3/17/2026	44612	10311-EMPLOYEE	\$238.00
Vendor Bill Payment	3/17/2026	44613	25761 HANSON ENVIRONMENTAL	\$20,000.00
Vendor Bill Payment	3/17/2026	44614	6049 KAHN, SOARES & CONWAY, LLP	\$220.30
Vendor Bill Payment	3/17/2026	44615	10262 MATRIX SCIENCES INTERNATIONAL INC./SOUTH DAKOTA AGRICU	\$8,262.10
Vendor Bill Payment	3/17/2026	44616	7009 MERCED COUNTY REG. WASTE MGMT AUTHORITY	\$34.55
Vendor Bill Payment	3/17/2026	44617	5555 MLJ ENVIRONMENTAL	\$4,615.04
Vendor Bill Payment	3/17/2026	44618	7587 NATIONAL WATER RESOURCES ASSOCIATION	\$4,000.00
Vendor Bill Payment	3/17/2026	44619	7566 NEWMAN LAND COMPANY	\$123,660.68
Vendor Bill Payment	3/17/2026	44620	8595 PACIFIC ECO-RISK LAB. INC.	\$4,016.49
Vendor Bill Payment	3/17/2026	44621	10180 SWRCB - Waste Discharge	\$123,309.00
ACH	3/20/2026	27004	25536 SLDMDWA EE ASSOCIATION	\$450.00
ACH	3/20/2026	27005	5004 ICMA RETIREMENT TRUST	\$114,335.89
Vendor Bill Payment	3/24/2026	44622	25877 ADVANCED GRID STRATEGIES	\$3,981.25
Vendor Bill Payment	3/24/2026	44623	1141 AFLAC	\$1,110.93
Vendor Bill Payment	3/24/2026	44624	25925 AGSAFE	\$5,000.00
Vendor Bill Payment	3/24/2026	44625	25844 APEX POWER, ELECTRICAL SUPPLY AND SOLUTIONS	\$1,984.50
Vendor Bill Payment	3/24/2026	44626	5503 ARCTIC GLACIER USA, INC. / LOS BANOS 96103091	\$282.40
Vendor Bill Payment	3/24/2026	44627	10196 AT&T LONG DISTANCE BAN:806492911	\$11.09
Vendor Bill Payment	3/24/2026	44628	25817 BERKSHIRE ASSOCIATES LLC	\$2,048.50
Vendor Bill Payment	3/24/2026	44629	1667 BLANKINSHIP, A BOWMAN COMPANY	\$242.50
Vendor Bill Payment	3/24/2026	44630	25508 C.H.W ENTERPRISES INC./dba INTEGRATED POWER SERVICES,IN	\$1,367.03
Vendor Bill Payment	3/24/2026	44631	2250 CDW GOVERNMENT	\$20,059.10
Vendor Bill Payment	3/24/2026	44632	2028 COUNTY OF FRESNO	\$27.00
Vendor Bill Payment	3/24/2026	44633	2631 D8A COMMUNICATION TECHNOLOGIES	\$853.00
Vendor Bill Payment	3/24/2026	44634	2527 DOBLE ENGINEERING CO.	\$8,196.23
Vendor Bill Payment	3/24/2026	44635	25818 EDWARDS & SONS EQUIPMENT SERVICE, INC.	\$7,160.02
Vendor Bill Payment	3/24/2026	44636	3086 EKI ENVIRONMENT & WATER, INC.	\$22,094.34
Vendor Bill Payment	3/24/2026	44637	10116 FERGUSON ENTERPRISES, LLC dba STOCKTON PIPE & SUPPLY, II	\$7,508.23
Vendor Bill Payment	3/24/2026	44638	3614 FRANCHISE TAX BOARD	\$772.79
Vendor Bill Payment	3/24/2026	44639	25675-EMPLOYEE	\$238.17
Vendor Bill Payment	3/24/2026	44640	12019 GRAINGER INC.	\$378.53
Vendor Bill Payment	3/24/2026	44641	4500 HOLT OF CALIFORNIA	\$5,793.17
Vendor Bill Payment	3/24/2026	44642	1171-EMPLOYEE	\$150.00
Vendor Bill Payment	3/24/2026	44643	25574 JG NURSERIES, LLC	\$290.18
Vendor Bill Payment	3/24/2026	44644	25518 LOS BANOS PROPERTY MANAGEMENT SERVICES	\$1,173.93
Vendor Bill Payment	3/24/2026	44645	7009 MERCED COUNTY REG. WASTE MGMT AUTHORITY	\$141.21
Vendor Bill Payment	3/24/2026	44646	25636 MIZUNO CONSULTING, INC.	\$5,862.50
Vendor Bill Payment	3/24/2026	44647	25769 N & S TRACTOR	\$975.77
Vendor Bill Payment	3/24/2026	44648	15066 PAPE MACHINERY INC. / 353006	\$2,406.34
Vendor Bill Payment	3/24/2026	44649	25530 PG&E 8833159983-2	\$3,251.44
Vendor Bill Payment	3/24/2026	44650	15074 PLATT	\$382.46
Vendor Bill Payment	3/24/2026	44651	25671 POLITICO LLC/E&E NEWS	\$29,345.00
Vendor Bill Payment	3/24/2026	44652	25850 PRIMO BRANDS / LBAO	\$244.83
Vendor Bill Payment	3/24/2026	44653	25851 PRIMO BRANDS / LBFO	\$66.95
Vendor Bill Payment	3/24/2026	44654	15015 PRINCIPAL LIFE INSURANCE COMPANY	\$7,164.24
Vendor Bill Payment	3/24/2026	44655	15003 PROVOST & PRITCHARD CONSULTING GROUP	\$9,576.58
Vendor Bill Payment	3/24/2026	44656	25794 RAMOS OIL COMPANY	\$12,028.22
Vendor Bill Payment	3/24/2026	44657	25623 REXEL USA, INC.	\$44,692.17
Vendor Bill Payment	3/24/2026	44658	25783 SANDIS	\$26,706.40
Vendor Bill Payment	3/24/2026	44659	10129 SANTOS FORD, INC.	\$292.50
Vendor Bill Payment	3/24/2026	44660	9626-EMPLOYEE	\$228.85
Vendor Bill Payment	3/24/2026	44661	10119 SNAP-ON INDUSTRIAL	\$949.17
Vendor Bill Payment	3/24/2026	44662	25736 SUREPASSID, CORP.	\$17,420.00
Vendor Bill Payment	3/24/2026	44663	25858 THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	\$40,430.29
Vendor Bill Payment	3/24/2026	44664	10652 THOMPSON CHEVROLET BUICK GMC INC.	\$896.84
Vendor Bill Payment	3/24/2026	44665	25600 TRI VALLEY HOSE INC.	\$1,027.58
Vendor Bill Payment	3/24/2026	44666	11060 UNWIRED BROADBAND INC. A00015979	\$799.97
Vendor Bill Payment	3/24/2026	44667	25622 WESTSIDE TRUCK REPAIR, INC.	\$110.00
Vendor Bill Payment	3/24/2026	44668	12123 WOODARD & CURRAN INC.	\$75,646.71
ACH	3/24/2026		VISA PAYMENT	\$28,774.87
WIRE	3/26/2026	27021	11062 BUREAU OF RECLAMATION - REWIND	\$255,238.90
WIRE	3/26/2026	27022	11062 BUREAU OF RECLAMATION - REWIND	\$266,173.71
WIRE	3/26/2026	27023	11062 BUREAU OF RECLAMATION - REWIND	\$337,254.01
ACH	3/27/2026	27024	10327 SHEPHERD OU	\$2,662.50
WIRE	3/30/2026	27025	11045 BUREAU OF RECLAMATION - SL JOINT/USBR POWER	\$2,600,000.00
Total - ACCOUNTS PAYABLE				\$0.00
Total				\$10,019,896.31

San Luis & Delta-Mendota Water Authority

Activity Agreements Budget to Actual

Paid/Pending Comparison Summary

March 1, 2026 through March 31, 2026

FAC 5/11/26 & BOD 5/14/26

	FY Budget 3/1/26 - 2/28/27	Actual To Date Paid/Expense	% of Budget	Amount Remaining
03 General Membership	1,463,764	119,660	8.17%	1,344,104
05 Leg/CVP Operations	4,189,452	71,776	1.71%	4,117,676
22 Grassland Basin Drainage #3A	1,540,677	98,837	6.42%	1,441,840
67 Integrated Regional Water Management	66,593	183	0.28%	66,410
44 Exchange Contractors - 5 Year Transfer	21,764	16	0.07%	21,748
57 North to South Water Transfer Program	86,721	2,878	3.32%	83,843
58 Long-Term Yuba County Water Transfers	15,433	0	0.00%	15,433
69 B.F. Sisk Dam Raise & Reservoir Exp	4,319,976	74,002	1.71%	4,245,974
16 DHCCP	195	16	8.18%	179
TOTAL	11,704,575	367,368	3.14%	11,337,207
	1/12 X 117,04,575	\$ 975,381	8.33%	
	Budget vs. Actual	<u>608,013</u>		



Official Memorandum

PO Box 2157
Los Baños, CA 93635
sldmwa.org

To: SLDMWA Finance & Administration Committee, Alternates

From: Raymond Tarka, Treasurer/Director of Finance

Date: May 11, 2026

RE: Quarter Ending March 31, 2026 Treasurer's Report

Issue for Decision

Whether the Finance & Administration Committee should recommend to the Board of Directors that it accept the Treasurer's Report for the quarter ending March 31, 2026.

Recommendation

Staff recommend that the Finance & Administration Committee recommend to the Board of Directors that it accept the Treasurer's Report for the quarter ending March 31, 2026.

Analysis

This Treasurer's Report was prepared in accordance with the Investment Policy for the San Luis & Delta-Mendota Water Authority (adopted via Resolution No. 2013-367) and California Government Code sections 6505.5(e) and 53646(b).

Consistent with the Water Authority's Investment Policy and Government Code requirements, the Water Authority hereby makes the following statements:

- The Water Authority's investments are in compliance with the Investment Policy;
- All required O&M rate conveyance payments and Membership Dues are being received timely, with few exceptions, rendering the Water Authority able to meet its expenditure/cash demand requirements for the next six months.

Appendix 1 to this Report includes the most recent statements from LAIF, CalTrust and other banks holding Water Authority funds. Appendix 1 is available upon request.

San Luis & Delta-Mendota Water Authority

Treasurer's Report

Quarter Ended March 31, 2026

Page 2 of 3

Prepared by: T. Flores / R. Tarka

HOLDINGS REPORT BY INVESTMENT TYPE

	Maturity	Positions Value	Market Price	Market Value	Unrealized Gain/(Loss)	Average Qtr Yield @3/31/26	Yield 3/31/2026	Yield 2/28/2026	Yield 1/31/2026
<u>CASH</u>									
CVCB - Checking - Sweep	Daily	\$ -		\$ -		0.000%	n/a	n/a	n/a
CVCB - Payroll	Daily	\$ 5,000.00		\$ 5,000.00		0.000%	n/a	n/a	n/a
CVCB - Transactional	Daily	\$ 671,148.34		\$ 671,148.34		0.500%	0.500%	0.500%	0.500%
CVCB - Muni	Daily	\$ 2,201,919.38		\$ 2,201,919.38		0.500%	0.500%	0.500%	0.500%
CVCB - Money Market	Daily	\$ 4,898,236.17		\$ 4,898,236.17		3.803%	3.800%	3.810%	3.800%
LOCAL AGENCY INVESTMENT FUND (LAIF)	Daily	\$ 70,395.97	1	\$ 70,395.97		3.876%	3.826%	3.871%	3.931%
CalTRUST - Short Term	Next Day	\$ 591,047.15	2 10.05	\$ 591,047.15	\$ -	3.930%	3.960%	3.940%	3.890%
CalTRUST - Medium Term	Monthly	\$ 541,157.81	2 9.86	\$ 541,157.81	\$ -	3.890%	3.910%	3.870%	3.890%
CalTRUST - Liquidity	Daily	\$ 8,780,300.90	1.00	\$ 8,780,300.90	\$ -	3.807%	3.760%	3.840%	3.820%
TOTAL OPERATIONAL CASH		\$ 17,759,205.72		\$ 17,759,205.72	\$ -				
<u>OTHER</u>									
<u>OM&R Project</u>									
US Bank - Series 2021A Bond Reserve Fund	2045	\$ 453,886.89		\$ 453,886.89		3.313%	3.300%	3.310%	3.330%

Notes:

The year-to-date weighted average yield on all funds invested or maintained in financial institutions/Federal Securities is 3.13% (this considers the interest rates trend since January).

1. LAIF: Average Life of Portfolio (Average Maturity in days) is 275 days or 0.75 years.
2. CalTRUST: Average Life of Portfolio is 0.96 years for short term (ST) and 2.14 years for medium term (MT).

San Luis & Delta-Mendota Water Authority

Treasurer's Report

Quarter Ended March 31, 2026

Detail to Support Report
Page 3 of 3
Prepared by: T. Flores / R. Tarka

CASH

Central Valley Community Bank (CVCB)

	1	2	3	4	5
	12/31/2025				3/31/2026
	Beginning Balance	Deposits or Transfer IN	Draws or Transfer OUT	Change in Value	Ending Balance
	Market Value				Market Value
CVCB - Checking - Sweep	\$ -	\$ 7,904,125.71	\$ (7,904,125.71)	N/A	\$ -
CVCB - Payroll	\$ 5,000.00	\$ 4,080.00	\$ (4,080.00)	N/A	\$ 5,000.00
CVCB - Transactional	\$ 1,180,756.79	\$ 36,764,777.80	\$ (37,274,386.25)	N/A	\$ 671,148.34
CVCB - Muni	\$ 2,199,206.92	\$ 2,712.46	\$ -	N/A	\$ 2,201,919.38
CVCB - Money Market	\$ 137,996.37	\$ 6,860,239.80	\$ (2,100,000.00)	N/A	\$ 4,898,236.17
Local Agency Invest. Fund-State of Ca.	\$ 69,659.42	\$ 736.55	\$ -	N/A	\$ 70,395.97
<u>Investment Trust of Caifornia (CalTRUST)</u>					
CalTRUST - Short Term	\$ 587,105.76	\$ 5,695.99	\$ -	\$ (1,754.59)	\$ 591,047.15
CalTRUST - Medium Term	\$ 539,802.35	\$ 5,185.72	\$ -	\$ (3,830.26)	\$ 541,157.81
CalTRUST -Liquidity Fund	\$ 23,298,512.04	\$ 154,070.64	\$ (14,672,281.78)	\$ -	\$ 8,780,300.90
TOTAL- CASH	\$ 28,018,039.65	\$ 51,701,624.67	\$ (61,954,873.74)	\$ (5,584.85)	\$ 17,759,205.72

Other

US Bank-Series 2021A Reserve Fund-OM&R Project	\$ 458,481.67	\$ 3,818.42	\$ (8,413.20)		\$ 453,886.89

1 Beginning Balance = Market Value at end of previous quarter
2 Deposits or Transfers IN = O&M collections, Membership collections, Interest and Other Revenue, and also includes Transfer IN from Other SLDMWA Accounts
3 Draws or Transfers OUT = O&M and Membership paid expenditures, and also Transfers OUT to Other SLDMWA Accounts
4 Change in Value = CalTRUST Investment is based on share price, change in price results in change in value \$ 18,218,677.46
5 Ending Balance = Market Value at end of current quarter

San Luis & Delta-Mendota Water Authority

Treasurer's Report

Quarter Ended March 31, 2026

Detail to Support Report

Page 4 of 4

Prepared by: T. Flores / R. Tarka

4/8/2026

CALENDAR YEAR 2026 INTEREST EARNED

(Month End Balance)	JAN	FEB	MARCH	AVG MONTH END BALANCE
CVCB - Payroll (#0489)	5,000.00	7,300.00	5,000.00	5,766.67
CVCB - Transactional (#0463)	3,744,730.33	7,690,414.34	671,148.34	4,035,431.00
CVCB - Muni (#4858)	2,200,110.70	2,200,954.58	2,201,919.38	2,200,994.89
CVCB - MM (#0343)	38,174.65	38,284.17	4,898,236.17	1,658,231.66
CalTrust - Investment Account	21,228,563.17	9,886,774.72	9,912,505.86	13,675,947.92
LAIF - Investment Account	70,395.97	70,395.97	70,395.97	70,395.97
				-
US Bank - Series 2021A Reserve Fund	459,823.28	461,127.70	453,886.89	458,279.29
US Bank - Series 2013A Revenue Funds				-
US Bank - Series 2013A Escrow Account				-
	27,746,798.10	20,355,251.48	18,213,092.61	22,105,047.40 B

INTEREST EARNED	JAN	FEB	MARCH	TOTALS	AVG YIELD
CVCB - Transactional (#0463)	1,172.91	1,542.34	2,510.57	5,225.82	0.500%
CVCB - Muni (#4858)	903.78	843.88	964.80	2,712.46	0.500%
CVCB - MM (#0343)	178.28	109.52	9,952.00	10,239.80	3.803%
CalTrust - Investment Account	76,616.09	56,575.52	31,825.98	165,017.59	3.876%
LAIF - Investment Account *	736.55	-	-	736.55	3.876%
US Bank - Series 2013A Escrow Account	1,341.61	1,304.42	1,172.39	3,818.42	3.313%
	79,607.61	59,071.26	45,253.35	183,932.22 A	

YIELDS	3.37%		
YTD Average Yield			
	31	28	31
Days in the month	31	59	90
Cumulative days - Fiscal YTD			C

Notes:

* LAIF interest computed quarterly.

**

(A / B)/C*365

linked to above for test:

183,932 A

22,105,047 B

3.37% change cumulative # of days.



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: Pablo Arroyave, Chief Operating Officer

From: Raymond Tarka, Director of Finance
Darlene Neves, Accounting Supervisor

Date: 5.11.26 FAC and 05.14.26 BOD

RE: FY27 O&M Budget to Actual Report Through March 31,2026

Self-Funding Expenses-2026 Water Year (FY3/1/26-2/28/27)

Self-Funding actual expenses (paid and pending) for SLDMWA Routine O&M through March 31,2026 are under budget by \$54,194, or 2.6%. This favorable variance is the result of underspending for O&M expenses in all cost pools except for the DCI Conveyance Pool, which is \$398,144 over budget. DCI Conveyance Costs will continue to trend over budget throughout the year because of conveyance rate increases.

Intertie Conveyance Cost Update

for water movement from the DCI to O'Neill Forebay have been revised to include a capital component. The 14% change over the prior year resulted in the budget overage experienced in FY26.

In March,2025, DWR provided Authority staff with the conveyance rates to be charged for calendar year 2026. The conveyance rate for the current year is \$ 38.73 per acre-foot, reflecting an 18.6% increase over the 2025 rate.

Outstanding

Audited Financial Statements FY2024 & FY2025

The audit of the financial statements for the fiscal year ended February 29, 2024, has been completed and the audited financial statements will be submitted for approval to the FAC and BOD this week.

The audit for the fiscal year ended February 28, 2025, will commence immediately upon acceptance of the FY2024 audited results.



San Luis & Delta Mendota-Water Authority
FY26 O&M Budget to Actual Report
05.11.26 FAC and 05.14.26 BOD

ANNUAL R, O&M BUDGET BY COST POOLS MARCH 1, 2026 - FEBRUARY 28, 2027

	Total	UPPER	Intertie	Volta Wells	LWR/POOL	O'NEILL O&M		
						DIRECT	STORAGE	SL DRAIN
DMC	\$ 9,559,048	\$ 5,767,930			\$ 3,791,118			
JPP	\$ 5,472,932	\$ 5,472,932						
WW	\$ 142,440	\$ 106,830			\$ 35,611			
Intertie O&M	\$ 651,675	\$ 651,675						
DCI DWR Conveyance	\$ 4,801,020		\$ 4,801,020					
Volta Wells	\$ 34,851			\$ 34,851				
Mendota Pool	\$ 438,563				\$ 438,563			
O'Neill	\$ 3,716,230					\$ 2,935,822	\$ 780,408.30	
SL Drain	\$ 187,059							\$ 187,059
	\$ 25,003,818	\$ 11,999,367	\$ 4,801,020	\$ 34,851	\$ 4,265,292	\$ 2,935,822	\$ 780,408	\$ 187,059
O&M	\$ 20,202,799							
DCI DWR Conveyance	\$ 4,801,020							

R, O&M BUDGET BY COST POOLS THROUGH: MARCH 31, 2026
8.33%

	Total	UPPER	Intertie	Volta Wells	LWR	O'NEILL O&M		
						DIRECT	STORAGE	SL DRAIN
DMC	\$ 796,587	\$ 480,661			\$ 315,927			
JPP	\$ 456,078	\$ 456,078						
WW	\$ 11,870	\$ 8,903			\$ 2,968			
Intertie O&M	\$ 54,306	\$ 54,306						
DCI DWR Conveyance	\$ 400,085		\$ 400,085					
Volta Wells	\$ 2,904			\$ 2,904				
Mendota Pool	\$ 36,547				\$ 36,547			
O'Neill	\$ 309,686					\$ 244,652	\$ 65,034	
SL Drain	\$ 15,588							\$ 15,588
	\$ 2,083,652	\$ 999,947	\$ 400,085	\$ 2,904	\$ 355,441	\$ 244,652	\$ 65,034	\$ 15,588

R, O&M Actual COSTS BY COST POOLS THROUGH: MARCH 31, 2026

	Total	UPPER	Intertie	Volta Wells	LWR/POOL	O'NEILL O&M		
						DIRECT	STORAGE	SL DRAIN
DMC	\$ 743,471	\$ 448,610			\$ 294,861			
JPP	\$ 265,279	\$ 265,279						
WW	\$ 20,092	\$ 15,069			\$ 5,023			
Intertie O&M	\$ 76,178	\$ 76,178						
DCI DWR Conveyance	\$ 798,240		\$ 798,240					
Volta Wells	\$ 202			\$ 202				
Mendota Pool	\$ 19,873				\$ 19,873			
O'Neill	\$ 210,802					\$ 166,534	\$ 44,268	
SL Drain	\$ 3,708							\$ 3,708
	\$ 2,137,845	\$ 805,136	\$ 798,240	\$ 202	\$ 319,757	\$ 166,534	\$ 44,268	\$ 3,708

R, O&M BUDGET vs Actual COSTS THROUGH: MARCH 31, 2026

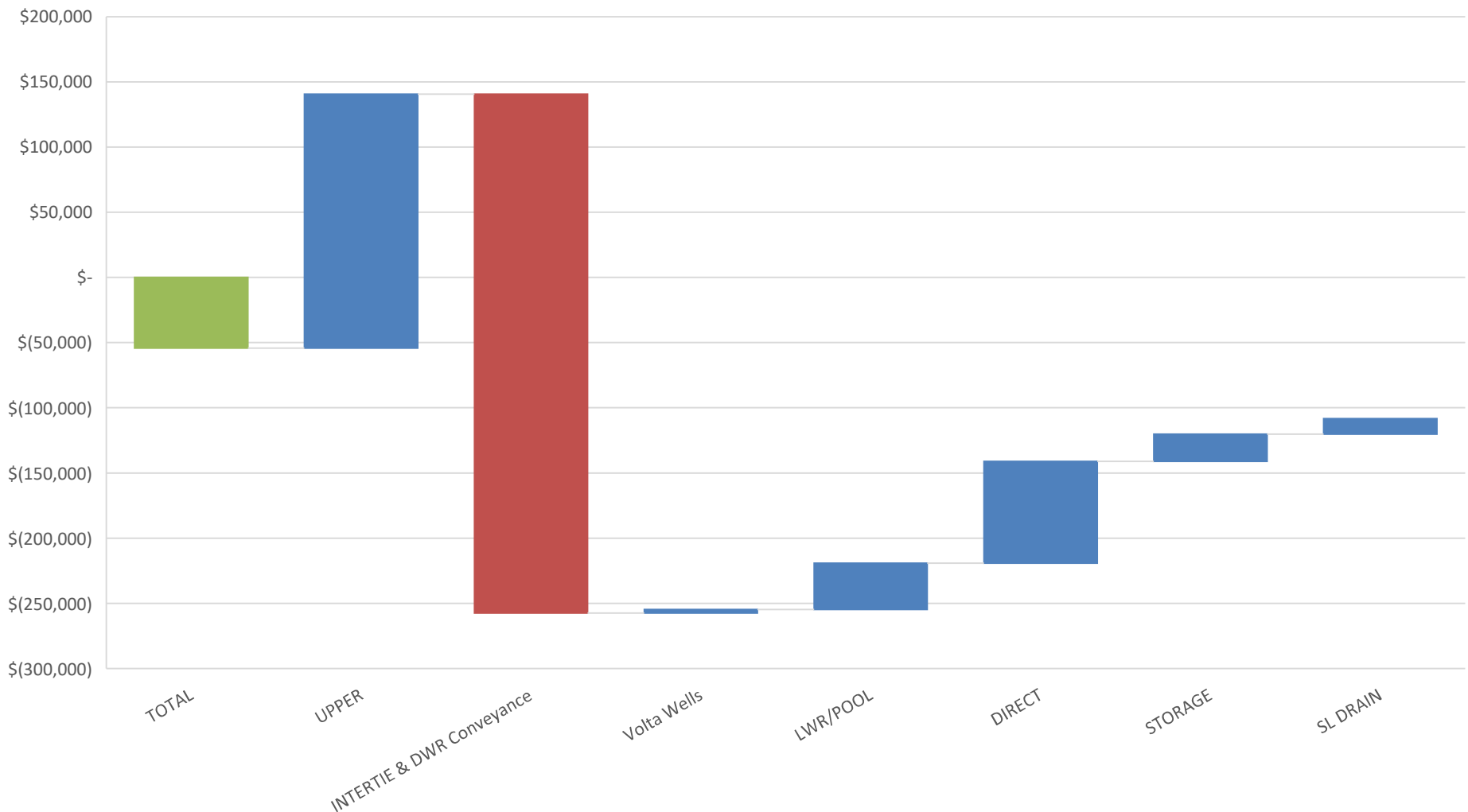
	TOTAL	UPPER	INTERTIE & DWR		Volta Wells	LWR/POOL	O'NEILL O&M		
			Conveyance				DIRECT	STORAGE	SL DRAIN
R, O&M Budget	\$ 2,083,652	\$ 999,947	\$ 400,085		\$ 2,904	\$ 355,441	\$ 244,652	\$ 65,034	\$ 15,588
R, O&M Actual	\$ 2,137,845	\$ 805,136	\$ 798,240		\$ 202	\$ 319,757	\$ 166,534	\$ 44,268	\$ 3,708
Difference	\$ (54,194)	\$ 194,811	\$ (398,155)		\$ 2,702	\$ 35,684	\$ 78,118	\$ 20,766	\$ 11,880
	OVER	UNDER	OVER		UNDER	UNDER	UNDER	UNDER	UNDER
	-2.600891% OVER BUDGET								

subject to rounding



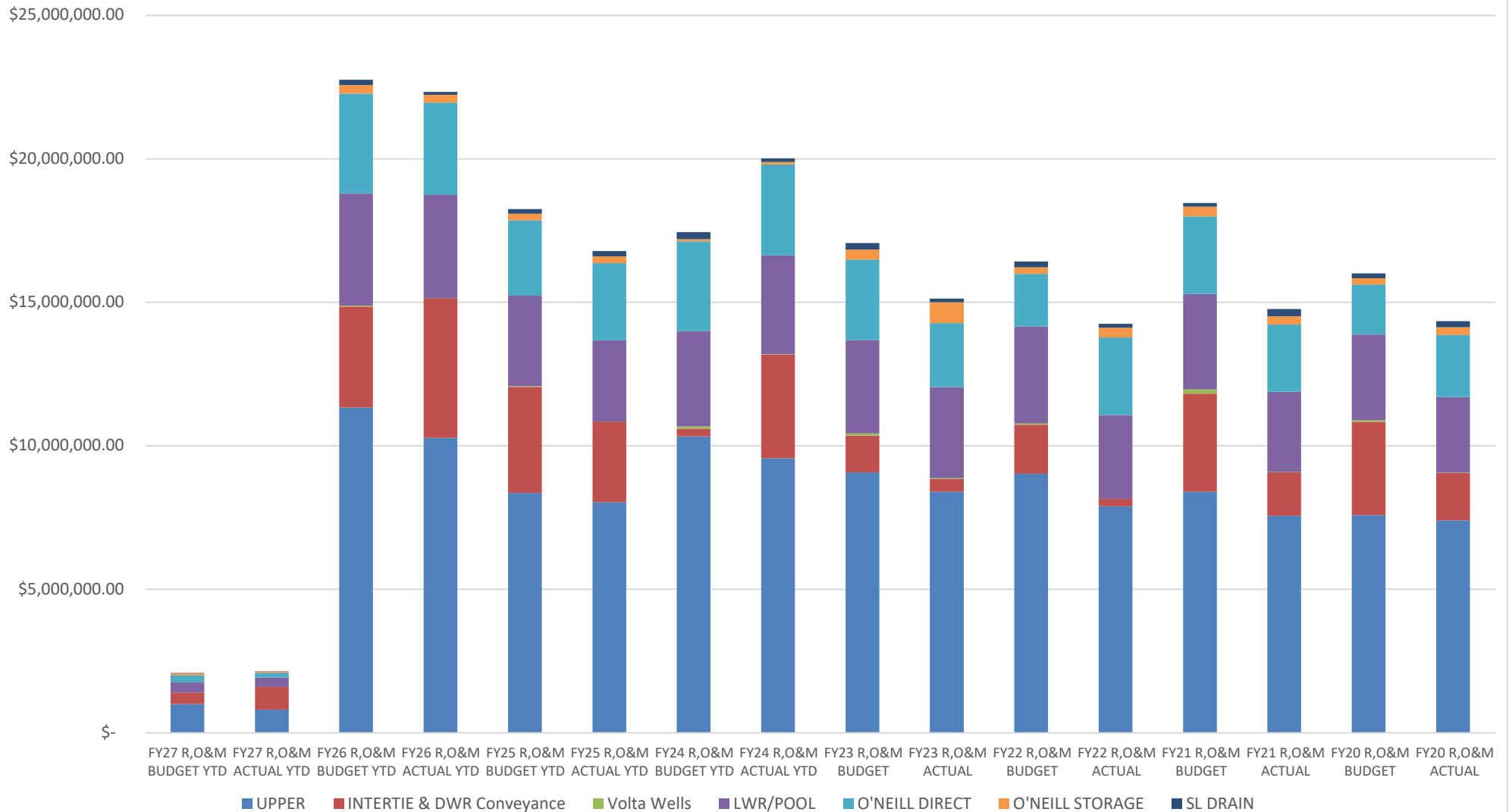
San Luis & Delta Mendota Water Authority
FY27 Budget to Actual Report through March 31, 2026
BUDGET VARIANCES
FAC 05/11/2026 BOD 05/14/2026

■ Increase ■ Decrease ■ Total



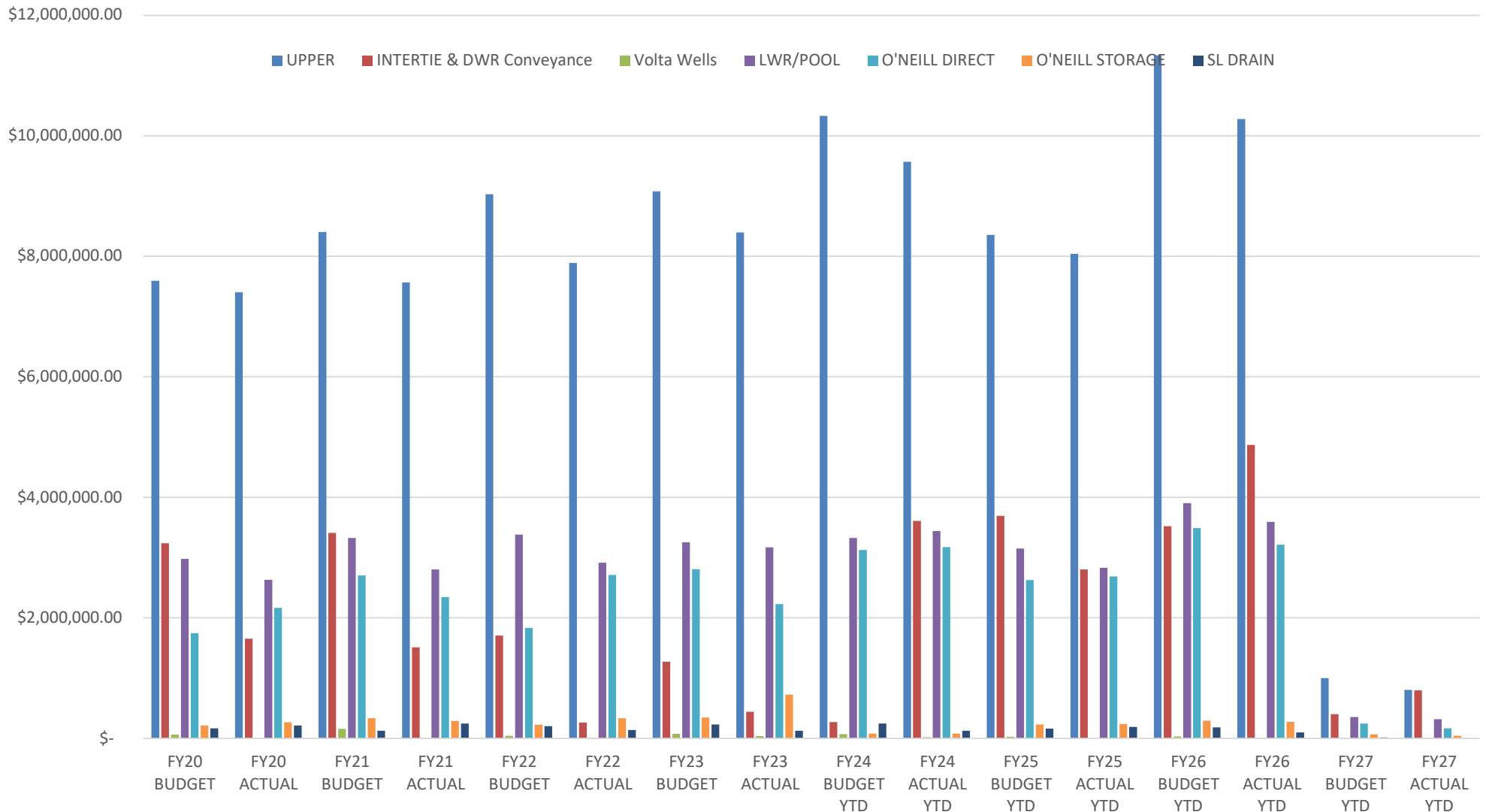


San Luis and Delta-Mendota Water Authority
O&M Budget to Actual -Stacked
FY20-F27 YTD (03/31/2026)
FAC 05/11/2026 BOD 05/14/2026



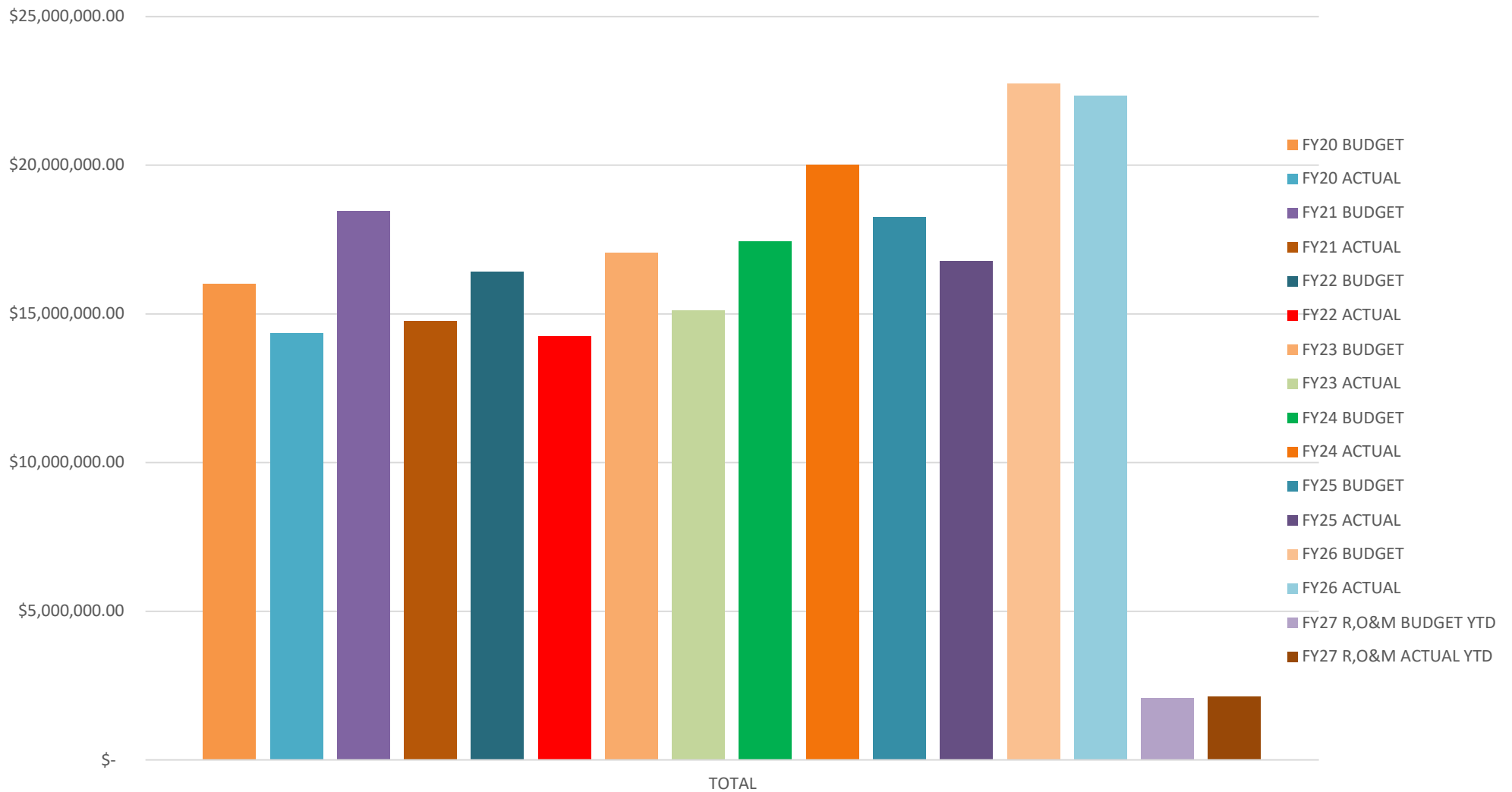


San Luis and Delta-Mendota Water Authority
O&M Budget to Actual-Side by Side
FY20-FY27 YTD (03/31/2026)
FAC 05/11/2026 BOD 05/14/2026





San Luis and Delta-Mendota Water Authority
HISTORICAL O&M BUDGET TO ACTUAL TOTAL
FY20-FY27 YTD (03/31/2026)
FAC 05/11/2026 BOD 05/14/2026
Total By Year



San Luis & Delta-Mendota Water Authority
DMC WITH CIP / E O & M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2026 through March 31, 2026

FAC 5/11/26 & BOD 5/14/26

		FY Budget 3/1/26 - 2/28/27	Actual To Date Paid/Pending	% of Budget	Notes	Budget Amount Remaining
Capital Improvement Projects	CIP 25	72,059,971	157,709	0.22%		71,902,262
Extra Ordinary O&M	EO&M 26	4,686,472	844,105	18.01%		3,842,367
Operate & Maintain DMC	S/F 02	6,485,210	518,530	8.00%		5,966,680
Operate & Maintain Wasteways	S/F 04	91,127	13,051	14.32%		78,076
Mendota Pool	S/F 05	265,584	12,930	4.87%		252,654
Operate & Maintain JPP	S/F 11	3,623,248	182,987	5.05%		3,440,261
Intertie Maintenance	S/F 12	445,474	50,729	11.39%		394,746
Volta Wells Pumping	S/F 13	22,968	132	0.57%		22,836
Operate & Maintain O'Neill	S/F 19	2,430,952	137,359	5.65%		2,293,593
Maintain Tracy Fish Facility	USBR 30	398,712	-	0.00%		398,712
Operate & Maintain San Luis Drain	S/F 41	119,450	2,415	2.02%		117,035
Maintain Delta Cross Channel	USBR 44	9,163	-	0.00%		9,163
Safety Equipment Training	50	146,171	10,845	7.42%		135,326
IT Expense	51	1,145,488	88,781	7.75%		1,056,707
Warehousing	52	288,989	4,317	1.49%		284,672
SCADA	53	449,817	33,527	7.45%		416,290
Tracy Field Office Expense	54	710,229	45,908	6.46%		664,321
Direct Administrative/General Expense	56	2,520,127	102,360	4.06%		2,417,767
Indirect O & M LBAO Admin.	58	3,473,512	283,964	8.18%		3,189,548
TOTAL		99,372,665	2,489,649	2.51%		96,883,015
Total from Self-Funding - page 2		20,202,798	1,339,603			18,863,195
Total from USBR - page 3		645,754	-	0.00%		645,754
Total from Special Projects - page 4		-	480			(480)
Total from EO&M		78,524,113	1,149,566	1.46%		77,374,545
Totals		99,372,665	2,489,649			96,883,014
YTD %			8.33%			

A Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority

Self-Funding Portion of DMC

Budget to Actual Paid/Pending Comparison Summary

March 1, 2026 through March 31, 2026

FAC 5/11/26 & BOD 5/14/26

		FY Budget 3/1/26 - 2/28/27		Actual To Date Paid/Pending		% of Budget		Budget Amount Remaining
Operate & Maintain DMC	02	6,485,210		518,530		8.00%		5,966,680
Operate & Maintain Wasteways	04	91,127		13,051		14.32%		78,076
Mendota Pool	05	265,584		12,930		4.87%		252,654
Operate & Maintain JPP	11	3,623,248		182,987		5.05%		3,440,261
Intertie Maintenance	12	445,474	A	50,729		11.39%		394,746
Volta Wells Pumping	13	22,968		132		0.57%		22,836
Operate & Maintain O'Neill	19	2,430,952		137,359		5.65%		2,293,593
Operate & Maintain San Luis Drain	41	119,450		2,415		2.02%		117,035
Total Direct O & M		13,484,014		918,133		6.81%		12,565,881
Safety Equipment Training	50	112,440		8,023		7.14%		104,417
IT Expense	51	881,153		65,681		7.45%		815,473
Warehousing	52	222,301		3,194		1.44%		219,108
SCADA	53	346,016		24,803		7.17%		321,213
Tracy Field Office Expense	54	546,335		33,963		6.22%		512,373
Direct Administrative/General Expense	56	1,938,578		75,727		3.91%		1,862,851
Indirect O & M LBAO Admin.	58	2,671,959		210,079		7.86%		2,461,879
Total Indirect Allocated to O & M		6,718,784		421,470		6.27%		6,297,314
Total SLDMWA O&M		20,202,798		1,339,603		6.63%		18,863,195

A. Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority

USBR Service Agreement portion of DMC

Budget to Actual Paid/Pending Comparison Summary

March 1, 2026 through March 31, 2026

FAC 5/11/26 & BOD 5/14/26

		FY Budget 3/1/26 - 2/28/27		Actual To Date Paid/Pending		% of Budget		Budget Amount Remaining
Maintain Tracy Fish Facility	30	398,712		-		0.00%		398,712
Maintain Fish Release Site	32	-		-		0.00%		-
Operate & Maintain Tracy USBR	33	-		-		0.00%		-
Maintain Delta Cross Channel	44	9,163		-		0.00%		9,163
WAPA	45	-		-		0.00%		-
Total Direct USBR Facilities		407,875		-		0.00%		407,875
Safety Equipment Training	50	3,981		-		0.00%		3,981
IT Expense	51	31,197		-		0.00%		31,197
Warehousing	52	7,871		-		0.00%		7,871
SCADA	53	12,251		-		0.00%		12,251
Tracy Field Office Expense	54	19,343		-		0.00%		19,343
Direct Administrative/General Expense	56	68,635		-		0.00%		68,635
Indirect O & M LBAO Admin.	58	94,601		-		0.00%		94,601
Total Indirect Allocated USBR Facilities		237,879		-		0.00%		237,879
				-				
TOTAL USBR FACILITIES		645,754		-		0.00%		645,754

San Luis & Delta-Mendota Water Authority

DMC Indirect Cost Allocated to Special Projects

March 1, 2026 through March 31, 2026

FAC 5/11/26 & BOD 5/14/26

			Allocated To Date			
Safety Equipment Training	50		9			
IT Expense	51		75			
Warehousing	52		4			
SCADA	53		28			
Tracy Field Office Expense	54		39			
Direct Administrative/General Expense	56		86			
Indirect O & M LBAO Admin.	58		239			
Total Indirect Allocated to SPECIAL PROJECTS			480			
TOTAL INDIRECT ALLOCATED TO SPECIAL PROJECTS			480			

San Luis & Delta-Mendota Water Authority
DMC without CIP / E O&M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2026 through March 31, 2026
FAC 5/11/26 & BOD 5/14/26

		FY Budget 3/1/26 - 2/28/27		Actual To Date Paid/Pending		% of Budget	Budget Amount Remaining
Operate & Maintain DMC	S/F 02	6,485,210		518,530		8.00%	5,966,680
Operate & Maintain Wasteways	S/F 04	91,127		13,051		14.32%	78,076
Mendota Pool	S/F 05	265,584		12,930		4.87%	252,654
Operate & Maintain JPP	S/F 11	3,623,248		182,987		5.05%	3,440,261
Intertie Maintenance	S/F 12	445,474	A	50,729		11.39%	394,746
Volta Wells Pumping	S/F 13	22,968		132		0.57%	22,836
Operate & Maintain O'Neill	S/F 19	2,430,952		137,359		5.65%	2,293,593
Maintain Tracy Fish Facility	USBR 30	398,712		-		0.00%	398,712
Operate & Maintain San Luis Drain	S/F 41	119,450		2,415		2.02%	117,035
Maintain Delta Cross Channel	USBR 44	9,163		-		0.00%	9,163
Safety Equipment Training	50	116,421		8,032		6.90%	108,389
IT Expense	51	912,351		65,755		7.21%	846,595
Warehousing	52	230,172		3,198		1.39%	226,974
SCADA	53	358,267		24,832		6.93%	333,436
Tracy Field Office Expense	54	565,678		34,001		6.01%	531,677
Direct Administrative/General Expense	56	2,007,214		75,813		3.78%	1,931,400
Indirect O & M LBAO Admin.	58	2,766,559		210,318		7.60%	2,556,242
TOTAL		20,848,552		1,340,083		6.43%	19,508,469
Total from Self-Funding - page 2		20,202,798		1,339,603		6.63%	18,863,195
Total from USBR - page 3		645,754		-		0.00%	645,754
Total from Special Projects - page 4		-		480			(480)
Totals		20,848,552		1,340,083			19,508,469
YTD %		8.33%					

A. Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority
DMC WITH CIP / E O & M With Indirect Allocated
Budget to Actual Paid/Pending Comparison Summary
March 1, 2026 through March 31, 2026

FAC 5/11/26 & BOD 5/14/26

		Actual Paid/Pending Expense	% Direct Labor to Total Labor	Allocated Indirect Based on Direct Labor %	Total Expense Direct & Indirect
Operate & Maintain DMC	S/F 02	518,530	39.48%	224,941	743,471 *
Operate & Maintain Wasteways	S/F 04	13,051	1.24%	7,041	20,093 *
Mendota Pool	S/F 05	12,930	1.22%	6,942	19,873 *
Operate & Maintain Jones Pumping Pl	S/F 11	182,987	14.44%	82,292	265,279 *
Intertie Maintenance	S/F 12	50,729	4.47%	25,449	76,178 *
Intertie DWR Conveyance	S/F 12	798,240	0.00%	-	798,240 *
Volta Wells Pumping	S/F 13	132	0.01%	70	202 *
Operate & Maintain O'Neill	S/F 19	137,359	12.89%	73,443	210,803 *
Maintain Tracy Fish Facility	USBR 30	-	0.00%	-	-
Operate & Maintain San Luis Drain	S/F 41	2,415	0.23%	1,293	3,708 *
Maintain Delta Cross Channel	USBR 44	-	0.00%	-	-
WAPA	45	-	0.00%	-	-
CIP	25	157,709	4.67%	26,584	184,292
EO&M & Scada Project	26	844,105	21.27%	121,169	965,274
SPECIAL PROJECTS	XX		0.08%	480	480
				569,704	3,287,891
			100.0%		
Safety Equipment Training	50	10,845			
IT Expense	51	88,781			
Warehousing	52	4,317			
Scada	53	33,527			
Tracy Field Office Expense	54	45,908			
Direct Administrative/General Expense	56	102,361			(1,149,567) less CIP&EO&M
Indirect O & M LBAO Admin.	58	283,965			- less USBR Facilities
Total Indirect to be Allocated			569,704		(480) less Special Projects
TOTAL		3,287,891			2,137,844 *SLDMWA O&M Costs
		includes intertie DWR conveyance			

San Luis & Delta-Mendota Water Authority

CIP / EO&M / PAT Grants

Budget to Actual Paid/Pending Comparison Summary

March 1, 2026 through March 31, 2026

FAC 5/11/26 & BOD 5/14/26

			FY Budget 3/1/26 - 2/28/27		Actual To Date Paid/Pending		% of Budget	Notes	Budget Amount Remaining
CIP-Unit Rewind	25	F4	-		66,717		0.00%		(66,717)
CIP JPP Exc System & Control Modernization Ph 3	25	F9	14,688,097		50,861		0.35%		14,637,236
CIP-DMC Subsidence Correction Project	25	I3	40,373,995		40,027		0.10%		40,333,968
CIP-Pump Bowl Replacement	25	J2	8,337,425		104		0.00%		8,337,321
CIP-OPP Upgrades	25	J3	5,895,066		-		0.00%		5,895,066
OPP Main Transformer Replacement	25	R0	2,765,388		-		0.00%		2,765,388
Replacement Computer/Network Comm. Equip	D0		342,261		24,054		7.03%		318,207
Replacement Vehicles	D1		415,420		-		0.00%		415,420
Purchase New Heavy Equipment	D2		91,829		53,438		58.19%		38,391
All Facility Infrastructure Replacement	D3		253,641		16,040		6.32%		237,601
SCADA Replacement & Modernization Program	D4		272,860		19,212		7.04%		253,648
Main Transformer Rehabilitation	G3		1,137,517		384,522		33.80%		752,995
DMC Subsidence Correction Project	I3	26			63,498		0.00%		(63,498)
Unit Rewind	F4	26			7,196		0.00%		(7,196)
Shaft Sleeve Design & Manufacture	F3		299,624		-		0.00%		299,624
Electric Vehicle Charging Station	L1				208		0.00%		(208)
EO&M Program Management Services	L6				1,938		0.00%		(1,938)
Rehab Coating on Pump Casing	M1				20,787		0.00%		(20,787)
JPP Station Service Backup Battery System Replacement	R16		396,293		687		0.17%		395,606
JPP Switchgear Paralleling	R17		748,149		-		0.00%		748,149
JPP HVAC System Rehab/Replacement-Design	R18		505,631		-		0.00%		505,631
Protective Relays Review	R7		116,423		-		0.00%		116,423
Facility Rating Review	R8		106,823		-		0.00%		106,823
Siphon Breaker Comm Upgrades	M7				8,825		0.00%		(8,825)
Trashrake Controls Modern	M8				226		0.00%		(226)
DCI U1 & U2 Restoration and Plant Electrical Upgrades	Q1				27,233		0.00%		(27,233)
JPP U5 Leak Investigation & Repair	Q4				216,241		0.00%		(216,241)
Total Direct CIP/EO&M/PAT			76,746,442		1,001,813		1.31%		75,744,629
Safety Equipment Training	50		29,750		2,813		9.45%		26,937
IT Expense	51		233,137		23,025		9.88%		210,112
Warehousing	52		58,817		1,120		1.90%		57,697
SCADA	53		91,550		8,695		9.50%		82,855
Tracy Field Office Expense	54		144,551		11,906		8.24%		132,644
Direct Administrative/General Expense	56		512,913		26,547		5.18%		486,366
Indirect O & M LBAO Admin.	58		706,953		73,646		10.42%		633,306
Total Indirect Allocated to CIP/EO&M/PAT			1,777,671		147,753		8.31%		1,629,917
Total CIP / EO&M / PAT			78,524,113		1,149,566		1.46%		77,374,546



May 14, 2026

From: Pablo Arroyave, Chief Operating Officer

Subject: O&M Report for April 2026

OPERATIONS DEPARTMENT

The C.W. "Bill" Jones Pumping Plant (JPP) operated with 1-4 units for the month of April. The average rate of pumping for the JPP was 2,254 CFS for the month.

Total pumping at the JPP for April was 134,131 acre-feet. The O'Neill Pump/Generating Plant (OPP) generated 2,742 acre-feet and pumped 83,019 acre-feet for the month. Zero acre-feet was pumped at the Delta-Mendota Canal/California Aqueduct Intertie Plant (DCI), and zero acre-feet was reversed from the DCI into the DMC for the month.

The Federal share in the San Luis Reservoir at the end of April was 778,803 acre-feet as compared to 821,004 acre-feet for April 30th of 2025.

During the month of April, releases from Friant Dam ranged from 813 to 946 CFS with 28,883 acre-feet entering the Mendota Pool. Flows for the San Joaquin River Restoration Program (SJRRP) were 27,620 acre-feet for the month.

Canal Operations Department

The Canal Operations crew worked on the following activities this month:

- Open channel & pitot tube flow measurements at MP's

17.77 R	18.60 L	20.59 L	22.20 L
25.18 L	26.89 R	27.80 R	31.60 L
32.38 R	32.62 R	37.32 L	40.39 R
41.03 L	41.53 R	42.50 R	42.53 R NP
43.22 L	44.24 R	45.35 R	47.37 RA
47.87 L	48.14 L	49.56 R	51.65 L
52.02 R	52.40 L	54.70 L	56.85 L
66.68 L	79.12 R NP	79.13 L	79.13 L NP
79.13 R NP	80.03 L NP	105.05 L	105.56 R
SJR MEN station	SJR Bifurcation		

- Maintenance and serviced flow meters at MP's

11.45 L	13.27 L	15.10 R	17.59 L
17.77 R	18.60 L	20.43 L	20.59 L
21.25 L	22.50 R	23.41 L	23.81 L
23.94 R	25.02 L	25.18 L	25.65 L
26.95 L	28.19 L	28.89 L	33.71 L

33.90 R	34.08 L	34.55 L	36.01 L
36.39 L	36.68 L	42.10 R	42.50 R
43.73 L	44.22 LA	44.22 LB	49.56 R
56.85 L	93.25 R1	94.57 L	

- Bi-weekly meter readings on all active two hundred plus turnouts
- Inspected Wasteways
 - Westley
 - Newman
 - Volta
 - Firebaugh
- Water samples tested at MP sites: 10.62, 20.63, 29.95, 39.21, and 45.77
- Groundwater well soundings
 - USGS Monitoring Wells
 - Upper DMC Warren Act Wells
 - Lower DMC Warren Act Wells
- Routine patrols
 - DMC
 - Mendota Pool
 - San Luis Drain
- Additional operational activities
 - San Joaquin River flow measurement (SJRRP)

Control Operations

The Control Operations crew performed the following switching/clearance orders this month:

- C-26-JP-02 JPP Unit 5 warranty inspection
- C-26-JP-02A JPP Unit 5 warranty inspection
- C-26-JP-03 JPP Unit 5 suction elbow
- C-26-DCI-09 DCI Unit 2 discharge valve actuator replacement
- C-26-DCI-11 DCI Unit 4 annual maintenance and electrical testing
- C-26-JPP-12 JPP east discharge tube
- C-26-JPP-13 JPP Unit 5 warranty inspection
- C-26-JPP-13A JPP Unit 5 warranty inspection
- C-26-JPP-14 JPP Unit 5 warranty inspection
- C-26-JPP-15 JPP Unit 5 suction elbow
- C-26-JPP-16 JPP Unit 5 butterfly valve
- C-26-JPP-17 JPP Unit 6 butterfly valve
- C-26-DCI-18 DCI Plant wire testing
- C-26-JPP-19 JPP Unit 3 brush inspection
- C-26-JPP-20 JPP UZ11A maintenance
- C-26-JPP-21 JPP UZ8A maintenance
- C-26-JPP-22 JPP UZ6A maintenance
- C-26-JPP-23 JPP Unit 4 brake repair
- C-26-JPP-24 JPP wire checks

Jones Pumping Plant (JPP)

Electrical/C&I Maintenance Crew:

- JPP Unit 5 5-year warranty inspection work
- JPP Unit 5 Impeller removal, leak investigation, and repair
- JPP Unit 5 motor Annual Maintenance 12-month PM
- JPP sewer system electrical 12-month PM
- JPP sump pumps level controller maintenance C&I test and inspection 6-month PM
- JPP sewer room drain pump electrical test and inspection 6-month PM

- JPP C&I test and inspection 1-month PM
- Replace 125 DC control power cable from JPP to the Siphon House Bldg.
- JPP 80-ton hoist VFD malfunction troubleshoot and repair
- JPP Unit 1 MP2A breaker trouble alarm troubleshoot and repair
- JPP Unit 1 reoccurring tripping and eighty-six lock out troubleshoot and repair
- Station service battery room AC upgrades

Mechanical Maintenance Crew:

- JPP Unit 5 impeller removal, leak investigation, and repair
- JPP Unit 4 stuck brake investigation and repair
- Sandblast and paint available Unit 5 parts while disassembled
- JPP industrial water system packing gland and flowmeter replacement
- JPP oil spill kit inspection 4-month PM
- JPP discharge tube unwatering system sump inspection 1-month PM
- JPP plant organization 1-month PM

Civil Maintenance Crew:

- JPP Unit 5 impeller removal, leak investigation, and repair

O'Neill Pumping/Generating Plant (OPP)

Electrical/C&I Maintenance Crew:

- OPP cable tray cleanup and organization
- OPP 65/10-ton bridge crane safety inspection test and inspection 3-month PM
- OPP facilities GFI test and inspection 3-month PM
- OPP 5-ton stop log gantry crane test and inspection 1-month PM
- OPP half-ton chain hoist crane test and inspection 1-month PM
- OPP station service dry transformer test and inspection 1-month PM
- OPP station service battery test and inspection 1-month PM
- OPP station service battery internal resistance test and inspection 1-month PM
- OPP annunciator panels test and inspection 1-month PM
- OPP compressed air systems HP test and inspection 1-month PM
- OPP compressed air systems LP test and inspection 1-month PM
- OPP north/south security gates test and inspection 1-month PM
- OPP emergency lighting inspection 1-month PM
- OPP cathodic protection system anode test and inspection 1-month PM
- OPP Transformer Rehabilitation Project
- Station service battery room AC upgrades
- Replace cracked and damaged feeder cable

Mechanical Maintenance Crew:

- JPP Unit 5 impeller removal, leak investigation, and repair
- OPP Unit 4 Kinney Strainer chevron packing seal leak replacement
- OPP building door maintenance and inspection 3-month PM
- OPP trash rake crane test and inspection 3-month PM
- OPP 5-ton stoplog crane safety inspection 3-month PM
- OPP 5-ton stoplog gantry crane test and inspection 1-month PM
- OPP 3-ton jib crane test and inspection 1-month PM
- OPP 1-ton chain hoist crane test and inspection 1-month PM
- OPP building inspection 1-month PM
- Installed new oiler and water separator for siphon building air supply
- Purchased and installed a new motor, starter, and hour meter on the HP compressor
- Purchased and installed a new sump pump in the drain vault

Civil Maintenance Crew:

- None to report

DMC/CA Intertie Pumping Plant (DCI)

Electrical/C&I Maintenance Crew:

- DCI Units 1 & 2 restoration and plant electrical upgrades
- DCI Relay 50/51G protection relay functional test and inspection 24-month PM
- DCI Relay 387 protection relay functional test and inspection 24-month PM
- DCI Unit 1 motor electrical test and inspection 12-month PM
- DCI Unit 3 motor electrical test and inspection 12-month PM
- DCI Unit 4 motor electrical test and inspection 12-month PM
- DCI Unit 5 motor electrical test and inspection 12-month PM
- DCI North Penstock flowmeter C&I inspection 12-month PM
- DCI South Penstock flowmeter C&I inspection 12-month PM
- DCI North reverse flow discharge valve test and inspection 12-month PM
- DCI South reverse flow discharge valve test and inspection 12-month PM
- DCI South valve pit sump pump electrical test and inspection 12-month PM
- DCI water level monitoring system C&I test and inspection 12-month PM
- DCI Transformer KAA electrical test and inspection 12-month PM
- DCI Transformer KAB electrical test and inspection 12-month PM
- DCI DP1-1 120/208 electrical distribution system maintenance inspection 12-month PM
- DCI DP1-2 120/208 electrical distribution system maintenance inspection 12-month PM
- DCI DP3 480 electrical distribution system maintenance inspection 12-month PM
- DCI service water inspection 12-month PM
- DCI discharge valves electrical test and inspection 12-month PM
- DCI penstock valve pit ventilation system test and inspection 6-month PM
- DCI penstock valve pit fan system test and inspection 6-month PM
- DCI janitorial service 2-month PM
- DCI pest management 2-month PM

Mechanical Maintenance Crew:

- DCI Unit 1 test and inspection 12-month PM
- DCI Unit 2 test and inspection 12-month PM
- DCI Unit 3 test and inspection 12-month PM
- DCI Unit 4 test and inspection 12-month PM
- DCI Unit 5 test and inspection 12-month PM
- DCI Unit 6 test and inspection 12-month PM
- DCI South valve pit ventilation system maintenance 12-month PM
- DCI North valve pit ventilation system maintenance 12-month PM
- DCI compressed air system maintenance 12-month PM
- DCI slide gates maintenance 12-month PM
- DCI service water maintenance 12-month PM
- DCI plant door maintenance 12-month PM
- DCI valve pit inspection 12-month PM

Civil Maintenance Crew:

- Re-fueled generators during Switchyard outage

Delta-Mendota Canal (DMC)

Electrical/C&I Maintenance Crew:

- LBFO main gate controller test and inspection 1-month PM
- LBFO facilities lighting inspection 3-month PM
- LBFO domestic well pump and tank inspection 3-month PM
- LBFO facilities HVAC electrical test and inspection 3-month PM
- Check 10 SCADA enable switch malfunction troubleshoot and repair
- Check 17 upstream elevation APG sensor malfunction troubleshoot and repair

- Check 21 intruder alarm audible horn malfunction troubleshoot and repair
- Provide facilities support for the control of Golden Mussel Colonization
- LBAO conference room electrical support for contractors

Mechanical Maintenance Crew:

- DMC Check 20 gear box leaking oil seal cleanup and repair

Civil Maintenance Crew:

- DMC trash collection at MP's 17.10, 19.59, 28.27, 97.68 to 107.42, and 105.03
- DMC weed spraying on DMC from MP 46.48 to 54.39, 97.68 to 107.42, 113.00 to 115.00
- DMC mechanical weed control at MP 2.68 to 6.84, 105.06 to 110.12
- DMC roadway grading from MP 13.67 to 27.50, 52.01 to 58.46
- DMC fence and gate repairs at MP's 14.80, 21.95, 24.48, 34.41, 38.67
- DMC rodent abatement from MP 28.60 to 42.50 and 57.95 to 64.30
- Grading of NWW roadways from MP 0.01 to 1.42
- Grading of VWW roadways from MP 1.46 to 5.50
- Repair pipe leak at MP's 54.01
- Installed Christy boxes for fiber pull from JPP to the Siphon House
- Repaired turnout gate at MP 42.68
- Erosion repairs on the DMC from MP 2.68 to 4.41, 115 to 116.48
- Fabricate metal cover for meters at MP's 22.78, 23.81, and 25.03
- Removed debris and sediment from turnout at MP 55.34
- Constructed a working platform for Golden Mussels monitoring in Tuff Shed
- Inspected all creeks and crossings along the DMC from MP 3.5 to 57.95
- Inspected all shoulder drains along the DMC from MP 3.5 to 57.95
- Painted the CMT breakroom and Foreman office
- Built transportation boxes for JPP Unit 5 parts
- Installed satellites from CMT building to the Meter Shop
- VWW Cross Channel Gate #1 cable repairs
- Repaired leaking meter box at MP 73.06
- NWW gate and lock 12-month PM
- Numerous vehicle oil changes and minor repairs

Tracy Field Office

Electrical/C&I Maintenance Crew

- CMT/VMT welder cleaning and inspection 12-month PM
- CMT/VMT hand tool safety inspection 12-month PM
- Control Building drain pump test and inspection 12-month PM
- TFO Hazardous Waste storage inspection 12-month PM
- TFO Water Treatment Plant lighting inspection 3-month PM
- TFO Admin lighting inspection 3-month PM
- TFO CMT lighting inspection 3-month PM
- TFO ESHOP lighting inspection 3-month PM
- TFO Warehouse loading dock electric gate test and inspection 3-month PM
- Control Room annunciator test and inspection 1-month PM
- Control Building emergency lighting system test and inspection 1-month PM
- TFO Admin HVAC system heat pump combo pack replacement
- Replace lighting fixtures and lights throughout TFO compound
- Water Treatment Plant flowmeter and tank indication failure troubleshoot and repair

Mechanical Maintenance Crew:

- Tracy SLDMWA entrance gate mounting plate fabrication for key card readers
- Tracy SLDMWA entrance gate test and inspection 3-month PM
- Tracy UBSR entrance gate test and inspection 3-month PM
- Tracy UBSR exit gate test and inspection 3-month PM

- TFO Car Wash water recycling unit test and inspection 1-month PM
- Civil Maintenance Crew:
- Provide facilities support for the control of Golden Mussel Colonization
- Other Activities:
- Mobile Elevated Work Platform (MEWP) training for the electricians
 - Confined Space Entry team assistance at DCI

USBR Support Services

The Water Authority crew supported the following work at USBR facilities during the outage this month:

- None to report

ENGINEERING DEPARTMENT

The Engineering staff worked on the following O&M projects this month:

- Data management of well readings and creation of Warren Act hydrographs
- DCI electrical as-built drawings
- OPP crane control relay replacement
- JPP siphon house cable replacement
- Replacement of VFD's on JPP stub shaft crane
- DCI station service and pump units electrical as-built drawings
- DCI medium voltage equipment electrical testing and maintenance
- DCI transformer oil analysis
- OPP transformer oil analysis
- TAO Office renovation planning
- Budget planning

Land Management Activity Summary

Access Permits issued – Six:

- Access Permit Amendment P2702002 was issued to Caltrans allowing underwater county bridge inspections crossing the Delta-Mendota Canal from Milepost 116.48 to Milepost 0.33.
- Access Permit P2702003 was issued to Byron-Bethany Irrigation District allowing for a temporary turnout on the Delta-Mendota Canal right-of-way at Milepost 12.07-L.
- Access Permit P2702004 was issued to Del Puerto Water District to install a pump and motor servicing the turnout at Milepost 55.34-R on the Delta-Mendota Canal.
- Access Permit P2702005 was issued to San Luis Water District to remove, repair and reinstall the clogged slant pump located at Milepost 90.57-L on the Delta-Mendota Canal.
- Emergency Access Permit P2702006 was issued to Del Puerto Water District to repair the leaking pipeline servicing the turnout at Milepost 65.37-R on the Delta-Mendota Canal.
- Emergency Access Permit P2702007 was issued to San Luis Water District to repair the leaky underground pipeline servicing the turnout at Milepost 73.06-L on the Delta-Mendota Canal.

Land Management Projects:

- Koster Road guard rail replacement and access road realignment
- City of Patterson MP37.95 Trade Center Bridge Project
- Stanislaus County request to install water line over DMC at Fink Road
- Costco development of adjacent land at MP10.62R – MP11.28R

Contract Updates

Spec. No.	Title	Status
F27-TFO-003	TFO Fuel Delivery Services	Formally solicited, NOIA submitted 4/30, pending board approval with a NTE of \$150,000 per FY
F27-LBFO-004	LBFO Fuel Delivery Services	Formally solicited, NOIA submitted 4/30, pending board approval with a NTE of \$150,000 per FY
TBD	CP System Survey Blanket	Working with Charles, pending SoW
F26-DMC-012	DMC Subsidence Correction Project - Phase 1	No cost change order executed 4/14/26, transferring existing funds between Task 1 and 2. Work ongoing, pending GMP amendment
F27-DMC-002	DMC Subsidence Project Management Services - Master Agreement	pending signatures, insurance certificates
F27-DMC-002	DMC Subsidence Project Management - Task 1 FY27	pending signatures, insurance certificates
F26-JPP-014	JPP Station Battery Replacement	Change Order 1 executed 4/1/26 for an amount of \$10,951.01 to a new grand total of \$209,831.27
F25-JPP-007b	Excitation System - Unit 4	Contract executed 8/18/25, bonds and required documents will be requested in the future prior to NTP
F25-JPP-007c	Excitation System - Unit 2	Contract executed 8/18/25, bonds and required documents will be requested in the future prior to NTP
F25-JPP-007d	Excitation System - Unit 3	Contract executed 8/18/25, bonds and required documents will be requested in the future prior to NTP
F25-JPP-007e	Excitation System - Unit 5	Contract executed 8/18/25, bonds and required documents will be requested in the future prior to NTP
F25-JPP-007f	Excitation System - Unit 6	Contract executed 8/18/25, bonds and required documents will be requested in the future prior to NTP
F25-JPP-007a-f	Excitation System - Master for 1 - 6 units	Per Unit / Agreement
F25-JPP-007a	Excitation System - Unit 1	Work ongoing
F27-JPP-005	JPP 80/20 Ton Crane VFD Replacement	Emergency contract to restore JPP Crane, pending contract execution, insurance, bonds.
F26-ALL-019	Voith Maintenance and Support Services	Pending Negotiations
F26-ALL-001	NetSuite Support Services - Master Agreement	Master Agreement, Per Task, renewed for FY27
F26-ALL-001	NetSuite Support Services - Task Order 1 FY27	Renewed for FY27

F26-JPP-015	JPP Rehabilitate Coating	Change Order 1 executed 4/7/26, increasing total contract amount by \$72,000.00 for a new total of \$1,109,350.00
F26-JPP-016	JPP Impeller Balancing	Change Order 1 executed 4/22/26, increasing total contract amount by \$28,073.00 for a new total of \$177,573.00

SAFETY DEPARTMENT

The Safety Department worked on the following items this month:

- Issued Safety Training materials for the month of April to all staff members
- Distribution of Cintas FR clothing was provided to O'Neill Electricians, and coveralls have been ordered for Control Operators
- FHECP Training is being updated
 - Training is planned in the near future for all employees
- Safety Officer and Water Master have completed American Red Cross First Aid/CPR/AED instructor training
 - Training is planned in the near future for all employees
- Bloodborne Pathogen Exposure Control Plan has been created
 - New policy will be introduced to all employees at the next Quarterly
- Finalizing new written Fall Protection Program
- Started process for creation of Respiratory Protection Fit Testing program

PURCHASING AND WAREHOUSE DEPARTMENT

The Procurement and Warehouse Management Department worked on the following items this month:

- 193 Purchase Orders were issued this month
- 95 Inventory Checkouts
- Prepared weekly PO Invoicing Packets for submittal to A/P for payment
- Continuing training activities for the new Buyer and Procurement Technician positions
- Activity Agreements/Task Orders/Amendments

Ongoing:

- Purchasing in support of O&M crews to maintain/replenish Warehouse stock
- Warehouse receiving, stocking, and distribution
- Inventory cycle counts
- Invoicing/vendor bills/vendor credits and processing/invoice disputes
- Routine janitorial activities at the TAO/TFO/JPP/Control Room facilities
- NetSuite bi-weekly meetings
- Bi-weekly staff meetings to discuss updates/issues
- Bi-weekly working sessions with Citrin Cooperman (NetSuite Consultant)
- Review/approve timesheets

INFORMATION TECHNOLOGY DEPARTMENT

The Information Technology Department worked on the following items this month:

Administrative Activities:

- Monthly FAC, WRC and BOD meetings
- Management and review of FY26 RO&M and EO&M Budgets

- Support FY27 EO&M & RO&M budgets, regions 51 and 53
- Crafts Coordination Meeting to discuss status of various projects and open SO
- Review Budget to Actuals for Regions 51 & 53 FY26
- Campus Security discussion with DOI and BOR
- Contracted vendor to finish work at TAO gate access
- Meetings with cybersecurity vendors
- Attended EPA.gov Cyber Security online seminar

General Network & Desktop Support:

- Desktop support per incident
- Procure iPhones and deploy to new employees
- Avaya phone system configuration changes
- HID card reader TAO Gate
- LBAO Board room AV upgrade

Ongoing:

- Prep new iPhones and iPads for MDM and deployment
- O365 Deployment
- Point to Point antennas to Meter and paint shops
- iPad(s) configured and deployed to Water Operations
- Android Tablets to ESHOP and craft teams for CMMS
- Conversion to Net Extender for VPN Access to network
- Upgrade AV LBAO Board Room
- Desktop/printer/peripheral
 - 26-D0-FY24/FY25 laptop refresh
 - Surface Pro deployment
 - Rugged laptop Deployment for C&I Staff
- Servers
 - Performance monitoring
 - Prepping servers for redeployment and sandbox
 - LBFO AD server migration
 - System wide critical server patches deployed
- Document Management
 - Monthly Status Meetings
 - Server data file inventory
 - Policy Dept migration discussions
 - HR Dept. data migration interviews
- NetSuite
 - User and Administration
 - Bi-Weekly Implementation Team meetings
 - Monitor Citrin Cooperman activities for NetSuite
 - Gravity software
 - Hired new vendor to assist with support and a backup to Citrin
- Shepherd
 - Weekly progress meetings
 - Continue testing tablets in field
 - Additional modifications to User roles
- Cybersecurity
 - Monitor Active Directory
 - Monitor Symantec anti-virus management console

- Update Symantec definitions
- Update additional AV security settings
- Monitor Firewall logs and alerts
- Multi Factor Authentication
- Cybersecurity training and webinars
 - Cyber Readiness Institution Certification Course
- Monitor Knowbe4 Phishing Campaign
- Cybersecurity Team
 - Cybersecurity Incidence Response Plan
 - Disaster Recovery Plan
 - Business Continuity Plan
 - Tabletop Exercise Plan
- Monitor IBM (MAAS360) mobile device management
- Symantec message gateway server
- Review InfraGard dispatches – FBI Cyber Security group
- Monitoring Darktrace Cybersecurity appliance in IT network
 - Applied latest patched/updates
- Monitor and adjust Cloud immutable backups
- Monitor and adjust “Cold” air gapped local backups
- GPOs for domain administration and Cybersecurity
- DWR regarding use of fiber from a 1992 contract agreement
 - USBR contact DWR
 - Zoom, emails, phone calls
 - Gather requested info for DWR
 - Begin creation of requirements and SOW
- Data migration
 - GIS server migration Phase 3
- New asset control and tracking
- AP installs
 - OPP office and motor floor
 - LBFO office
 - SAC office
 - JPP control floor
- VLAN's for network segmentation
- AT&T discussions/negotiations for future terms
 - Replacing Unwired with FirstNet cellular to OPP and LBFO
 - Updates to existing copper analog lines
 - Updates to WAN and Internet discussions
- 26D0 Avaya phone system upgrades

SCADA DEPARTMENT

The SCADA staff worked on the following items this month:

Administrative Activities:

- Monthly Crafts Coordination Meeting
- JPP 100% planning meetings

General SCADA Network Support:

- Troubleshoot annunciator OPP and SCADA alarms
- J troubleshoot West tube totalizer

- DMC Check 10 assist C&I and Electrician to troubleshoot deactivation lock
- Support for OPP Syphon house error
- Resolved OPP Station Service alarm – removed incorrect tags
- Resolved erroneous errors left over from “pump back” project
- OPP battery room sensor annunciation solution
- Cyber Security vendor Dragos meetings
- Assisted IT with employee office relocation
- Completed CCA5R panel spreadsheet and conversion to AutoCAD drawing
- OPP U5 Group alarm
- OPP Pump 2 RPM added to SCADA station A
- OPP assemble new PLC and set comms
- OPP Red Lion resolved start up connection issue
- DMC Check 18 resolved Radio comm loss
- WTP A side resolved false alarm reporting
- DMC MP115 flow meter re-establish connection after power outage

Ongoing:

- Bi-weekly review of DCI plans for SCADA and remote annunciation
- New Un-Wired circuit installed at Control Room Building.
- Continued writing scope for Aveva to Ignition conversion
 - Ignition conversion in progress
- Network segregation plan and design
- Continued Cybersecurity training
- Server Room
 - Upgrades of Operator A and B in progress
- DCI
 - Upgrade 9 PLCs to version 15-Completed
 - Edit start/stop logic in U1 through U6 PLC's
 - Verify logic function on U1 & U2 PLCs after contract work
 - Added Tags to SCADA stations A & B and DCI PC
 - Added Tags to EOD scripts and Top Server
- OPP
 - Vibration sensor testing for replacement of outdated sensors
 - AT&T FirstNet to move SCADA data from OPP to Control Room
 - Install ix40 router to APN – testing for stability
 - Support for Transformer Upgrade Project
 - Battery room sensors and venting controls
 - Alarms not appearing in Control Room
 - Technical limitations of outdated alarm/annunciator
 - Quotes for upgraded replacements
 - Vega level sensors added to OPP SCADA
 - OPP Annunciator upgrade research to HMI
 - OPP Updated additional development and Client licenses
- DMC
 - AT&T FirstNet APN with DIGI devices all checks
 - Checks 1-12 in operation
 - Volta Wasteway
 - Convert to FirstNet
 - Level sensor received for testing
 - Flow Meter Replacement Research
 - Meter 115 move to FirstNet or Radio to Check

- JPP
 - Additional animation to Andon boards as requested
 - Excitation Project support
 - Meeting with vendors and Droose
 - Build Proxmox virtual server
 - Provide settings from existing devices to vendors
 - Review of Cyber requirements
- 26-M7; Siphon House communications
 - Received PLC parts for project
 - CCA panel equipment
 - New fiber to Siphon House to be pulled
 - C&I redlined CCA Panel-Complete
 - AutoCAD Drawings and wiring diagrams
 - Point to Point WIFI for temporary comms to accommodate pulling of existing control and signal lines to make room for fiber-Completed
 - awaiting new control cable to be pulled on WAPA poles
- 26-M8; Trash Rake
 - Received PLC parts for project
 - Started program rewrite and documentation
 - Fiber pulled from cable floor to trash rake panel
 - Fiber pulled from cable floor to server room
 - C&I terminated into SCADA Cabinet at trash rake
 - Fiber Hub installed at cable floor and cross patch server room to trash rake
 - Development of Headless HMI for control interface
 - Additional trash rake configs to accommodate concrete slab pours
 - Returned PLC controls back to Normal location operation
 - No additional work in April
- LBFO
 - Andon board configuration
 - Add a FirstNet APN node for SCADA connectivity

HUMAN RESOURCE DEPARTMENT

The Human Resources Department worked on the following items this month:

General Administrative Activities:

- Active Recruitments
 - None
- Closed Recruitments
 - Purchasing & Warehouse Supervisor
- Resume/Candidate Reviews
 - Purchasing & Warehouse Supervisor
- Interviews/Skills Testing
 - Control Operator
 - Purchasing & Warehouse Supervisor
- Job Offers –
 - Control Operator
 - Purchasing & Warehouse Supervisor

Trainings:

- Cyber Security training tracking (all staff)
- Sexual Harassment Prevention training tracking (all staff)
- Defensive Driving training and tracking (all staff)
- Ethics training tracking (executive & supervisory staff)

- Workplace Violence Prevention training (all staff)
- Navigating reasonable accommodations
- Data management software training RiskStar (Property Insurance, JPIA)

Government Reporting:

- EEOC tracking/reporting
- Affirmative Action report tracking

Ongoing:

- Performance appraisal tracking
- FMLA notices/follow-ups
- COBRA notices/follow-ups
- Worker's Comp follow-ups
- Monthly safety points distribution
- Health benefits eligibility/employee assistance
- Job Description updates
- Policy updates
- Employment Law updates
- Maintain OSHA logs for calendar year
- PIV Cards (USBR)
- Wellness Program

EXTRAORDINARY O&M & CAPITAL PROJECTS



DELTA-MENDOTA CANAL (DMC)

Bridge Abutment Repair at MP 92.73 (FY21)

Status: No activity this month. Repair plan has been designed, and the conflicting PG&E line has been relocated. Project needs to be scheduled.

DMC Subsidence Correction Project

Status: SLDMWA continues to work closely with Reclamation on the DMC Subsidence Correction Project (Project) and is managing the \$2.4M CDM Smith Feasibility Study contract, the \$5.7M Upper DMC Design contract with USBR Technical Services Center (TSC) . As approved by the Planning Committee, Phase 1 is the current focus. Phase 1 consists of 4 tasks, (1) Lining & Embankment Raise MP 3.5 to 7.2, (2) Liner Raises at Sag Locations, (3) Upper DMC Underwater Liner Repairs, and (4) Lower DMC Underwater Liner Repairs. Kiewit Construction was awarded a \$200,000 Construction Manager/General Contractor (CM/CG) Contract to perform preconstruction services for Tasks 1 & 2. Preconstruction accomplishments this month included a review and comment resolution workshop on the 75% design plan, review and coordination on the project environmental commitments, submittal of several work plans, refinement of the project construction schedule, including several workshops with WAPA regarding the overhead powerlines adjacent the work area. The team has received two draft Guaranteed Maximum Price (GMP) estimates and continues to work with Kiewit and USBR to find cost-saving alternatives. A third and final GMP will be presented to the Team mid-May. The GMP is anticipated to be presented at the board meeting in June to execute the construction contract.

Environmental: The FONSI (Finding of No Significant Impact) and ROD (Record of Decision) were executed on March 10. Water Authority and Reclamation have signed the Programmatic Agreement and are now consulting on the areas specific to Phase 1 activities. SHPO consultation letters will be sent early April, which started the 60-day clock to allow construction activities to commence. All CEQA documentation and deliverables were transferred to DWR to obtain their concurrence. The Water Authority received concurrence on April 20th. The USACE 401/404 exemption has been deemed acceptable for Task 1 and Reclamation is in concurrence and no challenges are anticipated.

Funding:

- CA Department of Water Resources (DWR): SLDMWA is currently in agreement with DWR for entire \$42M appropriation.
- Aging Infrastructure Act (AIA): \$25M awarded in FY23. \$50M awarded in FY24. Received notice of \$204M award for FY25 for a total award of \$279M in reimbursable funding. Staff submitted a new application in July 2025 for the remaining balance of the Upper DMC. Award notices are pending.
- OBBB: The DMC Subsidence Correction Project received award notice in March of \$235M of non-reimbursable federal funding.

EXTRAORDINARY O&M and CAPITAL PROJECTS

DMC Solar Over Canals 5 Year Pilot Project – USBR Grant Funded

Status: No activity this month. Project is on hold until further notice.

DMC Underdrain Sedimentation Removal Project (FY25)

Status: No activity this month, project is on hold.

C.W. “BILL” JONES PUMPING PLANT (JPP)

JPP Excitation System & Control Cabinet Modernization

Status: Contract award was executed in August to Power Pros. The advance funding process with Reclamation has been established, with quarterly requests being submitted by the SLDMWA. SLDMWA and TSC continue to provide support and site access for design information. The 100% design was successfully completed this April, and the project remains on schedule. Bi-weekly meetings are being held to review submittal status, requests for information (RFI's), material purchase order status, fabrication status, and other critical path items. The preliminary schedule includes an eight-month design process, six-month fabrication process, and four months of site work for each unit. Also, discussions on the submittal process and site surveys for the next Unit (Unit 5) have begun. Completion of the contract is anticipated by the end of 2028.

JPP Siphon Breaker Communication Upgrades (FY25)

Status: Project underway, see SCADA Department O&M Report

JPP Trash Rake Controls Modernization (FY25)

Status: Project underway, see SCADA Department O&M Report

JPP Machine Shop Crane Rehabilitation (FY25)

Status: No activity this month.

JPP U5 Rehabilitate Coatings on Pump Casings & Bifurcation/ Leak Investigation

Status: Staff continued to work in collaboration with Reclamation and our mechanical engineering consultant to keep project on schedule and maintain quality work standards. The two-unit outage began this month, and the coatings contractor mobilized to the site. Coating removal and application of the bifurcation pipes of Unit 5 and Unit 6 has been completed on schedule, with finishing touch-ups occurring now. They are currently working on coatings of the butterfly valve. Media blasting of the Unit 5 pump casing has been completed. Significant surface corrosion was found in the pump casing that warranted a change order to repair surfaces prior to coating.

JPP Plant Flow Metering System Rehabilitation (FY25)

Status: No activity this month.

JPP Sand Filter System Rehabilitation (FY25)

Status: Project is on hold as staff focuses on the O'Neill Sand Filter Project.

EXTRAORDINARY O&M and CAPITAL PROJECTS

O'NEILL PUMPING/GENERATING PLANT (OPP)

Main Transformers Rehabilitation

Status: No activity this month. The Water Authority remains in contract with CEI to complete the Main Transformer Rehabilitation. To date, the Spare has been rehabilitated and will be used to swap into service to rehabilitate one transformer at a time. Various contracting and workmanship issues were encountered in October, and the spare was unable to be put into service. New weld leaks were found as ambient temperatures have increased. A third-party certified welder has been secured, and repairs will occur next month to ensure the spare is available in September. The next outage is planned for September 14th to 24th (11 days) to swap the spare into service to rehabilitate the next transformer.

OPP Upgrades – Pump Bowl Fabrication & Governor Rehabilitation

Status: Staff continue to work with Pentair on Phase II of the contract. The 100% design of the bowls and the governor have been received, and staff have reviewed and approved them in conjunction with USBR. Phase 1 is complete, and Phase 2 notice to proceed was issued to Pentair after the October board approval. Staff witnessed the factory acceptance testing of the hydraulic manifold for the governor system from November 11 - 14. The first bowl is scheduled to be delivered October 2026. Repayment negotiations occurred early December and executed by the Board and Reclamation mid-January 2026. An advance payment request was submitted to Reclamation to support the payments required for this project.

OPP Upgrades – Unit Rewind

Status: No activity this month. Start of this project is contingent upon signing a repayment agreement for the IIJA funds. Staff submitted another IIJA application in July 2025.

OPP Upgrades – Unit Rehabilitation

Status: No activity this month. Staff are working with Pentair to develop a quote for the pump components and the work to be performed. The start of this project will be timed appropriately with the Unit Rewinds, Pump Bowl Fabrication, and Governor Rehabilitation projects as well as the availability of IIJA funds.

OPP Sand Filter System Rehabilitation Design (FY24)

Status: No activity this month. Staff are evaluating system performance requirements.

OPP Warehouse Building (Design & Construction)

Status: No activity this month. Reclamation requested and Water Authority staff provided the Scope of Work for the project. Staff continued planning the best method of procuring the design and construction of the building and worked on the plans and specifications.

DELTA-MENDOTA CANAL/CALIFORNIA AQUEDUCT INTERTIE PUMPING PLANT (DCI)

DCI Motor Protection Relay Replacement (FY25)

Status: The new protective relays (SEL-710-5's) were procured in January 2025. Staff have uploaded and tested the relays with settings designed by Reclamation TSC. The updated relays were seen at the Eaton plant during the factory acceptance testing (FAT) for the motor controller sections which was performed in September. Units 1 & 2 replacement motor control panels included the new relays and have been installed and passed electrical tests in November 2025. Units 3, 4, 5 & 6 protective relays will be installed when feasible with low pumping and staffing availability.

DCI HVAC System Rehabilitation/ Replacement (FY23)

Status: No activity this month.

DCI U1 & U2 Restoration and Plant Electrical Upgrades

Status: Two separate arc flash incidents occurred in summer 2024 resulting in the loss of the motor control panels for Units 1 and 2. Installation of new motor control panels was completed in December 2025 through an agreement involving Rexel, Contra Costa Electric and Eaton. The commissioning was performed by staff with CVO witnessing. Both units have been returned to service; however, Reclamation has requested additional testing to be completed before fully accepting the work. Staff continue to work closely with Reclamation on the details. Additional required testing is planned to occur in May 2026.

WATER OPERATIONS REPORTING





San Luis & Delta-Mendota Water Authority
OPERATIONS SUMMARY

NOTE: ALL FIGURES ARE IN ACRE FEET

	March-2026	March-2025
JONES PUMPING PLANT - PUMPED	241,351	246,383
DCI PLANT - PUMPED	21,031	19,779
DCI PLANT - RETURNED	0	0
O'NEILL P/G PLANT - PUMPED	147,311	171,986
O'NEILL P/G PLANT - GENERATED	1,381	0
DMC DELIVERIES	25,938	15,125
RIVER/WELL/RECYCLE WATER INTO DMC	12,022	6,835
MENDOTA POOL DELIVERIES	77,004	73,420
SHASTA RESERVOIR STORAGE	4,090,300	4,067,300
SAN LUIS RESERVOIR STORAGE	1,809,264	1,817,698
FEDERAL SHARE	769,905	818,845

	March-2026	March-2025
SAN LUIS UNIT DELIVERIES	7,189	4,164
SAN LUIS UNIT WELL WATER	0	0
SAN FELIPE UNIT DELIVERIES	3,967	4,256

Jones Pumping Plant monthly average = 3,925 cfs



San Luis & Delta-Mendota Water Authority
Monthly Deliveries
March 2026

Date: 4/10/26

<u>District/Other</u>	Total Available Water into System (INCOMING) (Acre Feet)	AG/Refuge Deliveries (Acre Feet)	M & I Deliveries (Acre Feet)	Total Deliveries (OUTGOING) (Acre Feet)
Total Pumped @ Jones Pumping Plant	241,350			
Total Pumped @ DCI	(21,031)			
Total Reversed @ DCI	0			
City of Tracy		0	404	404
Byron Bethany I.D.		471	1	472
West Side I.D.		0	0	0
Banta Carbona I.D.		0	0	0
West Stanislaus I.D.		798	0	798
Patterson I.D.		0	0	0
Del Puerto W.D.		5,237	2	5,239
Central California I.D. - above check #13		980	0	980
Santa Nella County W.D.		0	0	0
Volta Wildlife Mgmt. Area (Fish & Game)		397	0	397
Fish & Wildlife (Volta) Santa Fe - Kesterson		0	0	0
Grasslands W.D. (Volta)		147	0	147
Total Pumped @ O'Neill PP	(147,311)			
Total Generated @ O'Neill PP	1,381			
Central California I.D. - below check #13		15,139	0	15,139
Grasslands W.D. (76.05-L)		0	0	0
Fish & Game Los Banos Refuge (76.05-L)		0	0	0
Fish & Wildlife Kesterson (76.05-L)		0	0	0
Freitas Unit (76.05-L)		74	0	74
Salt Slough Unit (76.05-L)		0	0	0
China Island (76.05-L)		398	0	398
San Luis W.D. - below check #13		639	0	639
Panoche W.D.		1,073	2	1,075
Eagle Field W.D.		118	0	118
Oro Loma W.D.		0	0	0
Mercy Springs W.D.		0	0	0
Firebaugh Canal W.D. (D.M.C.)		58	0	58
River and Groundwater well pump-in	9,781			
North Valley Regional Recycled Water Program	2,248			
Change in Canal Storage	117			
Wasteway Flushing and Spill	0			
Total Available in Delta-Mendota Canal	86,528			
TOTAL DELIVERY FROM DELTA-MENDOTA CANAL	(25,938)	25,529	409	25,938
Theoretical DMC Delivery to Mendota Pool	60,590			
Total DMC Metered Delivery to MP	52,994			
Estimated (Loss) or Gain in DMC	(7,596)			
Estimated % Loss or Gain in DMC	-2.98%			



San Luis & Delta-Mendota Water Authority
Monthly Deliveries
March 2026

<u>District/Other</u>	Total Available Water into System (INCOMING) (Acre Feet)	AG/Refuge Deliveries (Acre Feet)	M & I Deliveries (Acre Feet)	Total Deliveries (OUTGOING) (Acre Feet)
Metered DMC Inflow to MP	52,994			
Mendota Pool Groundwater Well Pump-In	1,939			
(+)SJRRP Releases into Mendota Pool	31,080			
(+)Available Flood Releases from Friant into Mendota Pool	0			
(+)Other San Joaquin River Water	0			
(+)Kings River Flood Releases into the Mendota Pool	0			
<u>Mendota Pool Delivery Information</u>				
<u>Exchange Contractors:</u>				
Central California Irrigation District (CCID)		27,369	0	27,369
Columbia Canal Company (CCC)		3,196	0	3,196
Firebaugh Canal Water District (FCWD)		3,046	0	3,046
San Luis Canal Company (SLCC)		10,770	0	10,770
<u>Refuge:</u>				
Conveyance Losses		82	0	82
Calif Dept of F/G-LB Unit (CCID)		0	0	0
Calif Dept of F/G-LB Unit (SLCC)		235	0	235
Calif Dept of F/G-Salt Slough Unit (CCID)		0	0	0
Calif Dept of F/G-China Island Unit (CCID)		132	0	132
US Fish & Wildlife-San Luis Refuge (SLCC)		0	0	0
US Fish & Wildlife-Freitas (CCID)		25	0	25
US Fish & Wildlife-Kesterson (CCID)		0	0	0
Grasslands WD (CCID)		0	0	0
Grasslands WD (SLCC)		410	0	410
Grasslands (Private)		0	0	0
San Luis WD Conveyance (CCID)		64	0	64
Del Puerto WD Conveyance (CCID)		0	0	0
<u>San Joaquin River Restoration Project:</u>				
SJRRP		27,422	0	27,422
<u>Other: (see MP Operations Report)</u>		4,253	0	4,253
<i>Total Available Water in Mendota Pool</i>	86,013			
TOTAL DELIVERY FROM MENDOTA POOL	(77,004)	77,004	0	77,004
*Estimated (Loss) or Gain in Mendota Pool	(9,009)			
*Estimated % Loss or Gain in Mendota Pool	-10.47%			
Total System Delivery	(102,942)			
*Total Estimated System (Loss) or Gain	(16,605)			
*Total Estimated % System Loss or Gain	-5.77%			

Special Notes:



NON-PROJECT WATER CREDITS REPORT
(ALL FIGURES IN ACRE FEET)
March 2026 WA Credits

Date: 4/9/26
Revised 4/9/26

CREDITS UNDER WARREN ACT CONTRACTS									
Turnout	Start Meter Reading	End Meter Reading	Factor	Adjust	District	Total	Less 5%	Month	Year
3.32-R1	0	0	1	0	BBID	0	0	0	0
3.32-R2	0	0	1	0	BBID	0	0	0	0
3.32-R3	19,254	20,271	1	0	BBID	1,017	(51)	966	966
13.31-L	4,804	4,804	1	0	BBID	0	0	0	0
15.11-R	3,609	3,609	1	0	BBID	0	0	0	0
20.42-L	60,474,546	61,695,832	1	0	BCID	0	0	0	0
20.42-L	60,474,546	61,695,832	1	0	USBR/FWA	3,748	0	3,748	3,748
21.12-L	990	990	1.01	0	DPWD	0	0	0	0
21.86-L	774	774	1	0	DPWD	0	0	0	0
24.38-L	3,081	3,081	1	0	DPWD	0	0	0	0
29.95-R	1,342	1,342	0.87	0	DPWD	0	0	0	0
30.43-L	7,464	7,464	1	0	DPWD	0	0	0	0
30.43-R	2,123	2,123	0.92	0	DPWD	0	0	0	0
30.95-L	2,160	2,160	1.03	0	DPWD	0	0	0	0
31.31-L1	89,366	91,781	1	0	WSTAN	2,415	(121)	2,294	2,294
31.31-L2	89,366	91,781	1	0	DPWD	0	0	0	0
31.31-L3	89,366	91,781	1	0	PID	0	0	0	0
31.60-L	8,183	8,183	0.93	0	DPWD	0	0	0	0
32.35-L	1,807	1,808	0.86	(1)	DPWD	0	0	0	0
33.71-L	761	763	0.94	(2)	DPWD	0	0	0	0
36.80-L	1,856	1,856	1	0	DPWD	0	0	0	0
37.10-L	3,875	3,875	0.94	0	DPWD	0	0	0	0
37.32-L	2,653	2,653	0.91	0	DPWD	0	0	0	0
42.50-R	0	0	0.96	0	DPWD	0	0	0	0
42.53-L	8,323,919	8,425,654	1	0	PID	0	0	0	0
42.53-L	8,323,919	8,425,654	1	0	DPWD	0	0	0	0
42.53-L	8,323,919	8,425,654	1	0	USBR/FWA	2,336	0	2,336	2,336
43.22-L	55	55	1	0	DPWD	0	0	0	0
48.97-L	881	881	1	0	SLWD	0	0	0	0
50.46-L	6,026	6,027	1.07	(1)	DPWD	0	0	0	0
51.00-R	297	297	0.89	0	DPWD	0	0	0	0
51.66-L	3,435	3,435	0.98	0	DPWD	0	0	0	0
52.40-L	4,966	4,966	1	0	DPWD	0	0	0	0
58.28-L	3,371	3,371	1.02	0	SLWD	0	0	0	0
58.60-L	917	917	0.96	0	DPWD	0	0	0	0
58.73-R	494	494	1	0	DPWD	0	0	0	0
64.85-L	1,662	1,662	0.72	0	DPWD	0	0	0	0
UPPER DMC SUB TOTAL								9,344	9,344



NON-PROJECT WATER CREDITS REPORT

(ALL FIGURES IN ACRE FEET)

March 2026 WA Credits

CREDITS UNDER WARREN ACT CONTRACTS									
Turnout	Start Meter Reading	End Meter Reading	Factor	Adjust	District	Total	Less 5%	Month	Year
78.31-L	4,469	4,469	1.08	0	SLWD	0	0	0	0
79.12-R	0	81	0.59	0	SLWD	48	(2)	46	46
79.13-L	1,546	1,642	0.94	0	SLWD	90	(5)	85	85
79.13-R	5,033	5,063	1.00	0	SLWD	30	(2)	28	28
79.60-L	7,413	7,706	0.84	0	SLWD	246	(12)	234	234
80.03-L	840	887	0.97	0	SLWD	46	(2)	44	44
80.03-R	717	717	1.05	0	SLWD	0	0	0	0
98.60-R	14,194	14,194	1	0	PANOCH/MS	0	0	0	0
98.74-L	5,695	5,695	1.14	0	PANOCH/MS	0	0	0	0
99.24-L	10,493	10,493	0.92	0	PANOCH/MS	0	0	0	0
100.70-L	6,211	6,211	1	0	PANOCH/MS	0	0	0	0
102.04-R	4,097	4,097	1	0	WIDREN WD	0	0	0	0
LOWER DMC SUB TOTAL								437	437
WARREN ACT CONTRACT CREDIT TOTAL								9,781	9,781
TOTAL GROSS PUMP-IN								CREDIT	
TOTAL (BYRON BETHANY IRRIGATION DISTRICT)						0		0	0
TOTAL (BANTA CARBONA IRRIGATION DISTRICT)						0		0	0
TOTAL (DEL PUERTO WATER DISTRICT)						0		0	0
TOTAL (WEST STANISLAUS IRRIGATION DISTRICT)						0		0	0
TOTAL (PATTERSON IRRIGATION DISTRICT)						0		0	0
TOTAL (SAN LUIS WATER DISTRICT)						460		437	437
TOTAL (PANOCH/MS WATER DISTRICT)						0		0	0
TOTAL (MERCY SPRINGS WATER DISTRICT)						0		0	0
TOTAL (WIDREN WATER DISTRICT)						0		0	0
Other Warren Act Conveyance Credit Totals									
Del Puerto Water District:						0		0	0
Banta Carbona Irrigation District:						0		0	0
West Stanislaus Irrigation District:						2,415		2,294	2,294
Byron Bethany Irrigation District:						1,017		966	966
Patterson Irrigation District:						0		0	0
San Joaquin River Restoration Pump Back BCID:						3,748		3,748	3,748
San Joaquin River Restoration Pump Back PID:						2,336		2,336	2,336
Central California Irrigation District L.B. Creek Diversion Structure						0		0	0
Grassland Water District L.B. Creek Diversion Structure						0		0	0
San Luis Water District L.B. Creek Diversion Structure						0		0	0



MENDOTA POOL OPERATIONS

2026

ALL FIGURES IN ACRE-FEET

Date: 4/6/26

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
FRESNO SLOUGH	0	0	0										0
TPUD	0	0	16										16
JAMES I.D.	249	4,084	1,341										5,674
WESTSIDE AGRICULTURE ₃	1,611	1,676	59										3,346
M.L. DUDLEY & INDART ₁	32	84	192										308
MID VALLEY (Kings River)	0	0	0										0
REC. DIST. 1606	0	0	0										0
STATE FISH & WILDLIFE	982	225	105										1,312
TRACTION	299	186	158										643
UNMETERED	30	30	40										100
Total	1,311	441	303										2,055
COELHO FAMILY TRUST ₂	280	256	501										1,037
TRANQUILITY I.D.	0	435	1,786										2,221
WESTLANDS LATERAL-6	0	0	0										0
WESTLANDS LATERAL-7	0	0	0										0
CARVALHO TRUST	0	0	55										55
TOTAL	3,483	6,976	4,253	0	0	0	0	0	0	0	0	0	14,712

NUMBERS SHOWN IN **BOLD** WERE REVISED AFTER DISTRIBUTION OF REPORT

1 aka COELHO-GARDNER-HANSEN 2 aka TERRA LINDA FARMS 3 aka MEYERS FARMING

Article 215 Water

n/a

Kings River Water

n/a

Duck Clubs (Percent Full)

BECK	120	PATOS	COLE	TRANQUILITY	1 ACRE
0%	0%	0%	0%	0%	0%

January

DMC Inflow 11,817 AF

James Bypass Flows 0 AF

February

DMC Inflow 21,942 AF

James Bypass Flows 0 AF

March

DMC Inflow 52,994 AF

James Bypass Flows 0 AF

April

DMC Inflow AF

James Bypass Flows 0 AF

May

DMC Inflow AF

James Bypass Flows 0 AF

June

DMC Inflow AF

James Bypass Flows 0 AF

July

DMC Inflow AF

James Bypass Flows 0 AF

August

DMC Inflow AF

James Bypass Flows AF 0

September

DMC Inflow AF

James Bypass Flows 0 AF

October

DMC Inflow AF

James Bypass Flows 0 AF

November

DMC Inflow AF

James Bypass Flows 0 AF

December

DMC Inflow AF

James Bypass Flows 0 AF



Revised 4/6/26

NUMBERS SHOWN IN **BOLD** WERE REVISED AFTER DISTRIBUTION OF REPORT

3 aka MEYERS FARMING

James ID (per JID)

[illegible]

TABLE 19: GOVERNOR EDMUND G. BROWN CALIFORNIA AQUEDUCT
SAN LUIS FIELD DIVISION MONTHLY DELIVERIES

MARCH 2026

REACH TOTALS	POOL	INFLOW INTO AQUEDUCT	CUSTOMERS	AMOUNT IN AF
R3A 3967			Parks & Rec. @ San Luis Reservoir	0
			Santa Clara Valley Water District	3967
			Casa de Fruta (Santa Clara Valley Water District)	0
			San Benito Water District	0
R3 340	13		CDFW @ O'Neill Forebay	147
	13		Parks & Rec. @ O'Neill Forebay	1
	13		Cattle Program @ O'Neill Forebay	1
	13		Santa Nella County Water District	22
	13		San Luis Water District	169
R4 10856	14		City of Dos Palos	117
	14		Pacheco Water District	720
	14		San Luis Water District	2392
	14		Panoche Water District	55
	15		San Luis Water District	1226
	15		Panoche Water District	2447
	15		Westlands Water District	3899
R5 18574	16		CDFW @ Lat. 4L (Pilibos)	0
	16		CDFW @ Lat. 4L	0
	16		CDFW @ Lat. 6L	0
	16		CDFW @ Lat. 7L	0
	16		Westlands Water District	4278
	17		Westlands Water District	4367
	18		DWR Truck @ 13R	0
	18		City of Coalinga	649
	18		Pleasant Valley Pumping Plant	5059
	18		Westlands Water District	4221
R6 10157	19		Alta Gas	0
	19		City of Huron (P&R-Area 11) @ 22R	0
	19		DWR Water Truck @ 22R/CDFW @ 22R	0
	19		Lemoore N.A.S. thru WWD 28L,29L,&30L	134
	19		Kings County thru WWD 30L	0
	19		Westlands Water District	10023
R7 4998	20		City of Huron @ 23R	74
	20		DWR Water Truck @ 23R	0
	20		Westlands Water District	3150
	21		City of Avenal	190
	21		Kings County thru WWD 37L,38L	0
	21		Westlands Water District	1584
48892		0	<---TOTALS---	48892
TOTALS BY CUSTOMERS				
Inflow Into Aqueduct:				
0 AF TOTAL for PUMP-IN				
60 AF TOTAL for FLOOD				
			Santa Nella County Water District	22
			Pacheco Water District	720
			San Luis Water District	3787
			Panoche Water District	2502
			Westlands Water District	36581
			AltaGas	0
			City of Huron @ 23R	74
			City of Huron (P&R/Area 11 @ 22R)	0
			Lemoore N.A.S. thru WWD @ 28L,29L&30L	134
			Kings County thru WWD Laterals	0
			City of Avenal	190
			City of Dos Palos	117
			City of Coalinga	649
			CDFW @ O'Neill Forebay	147
			San Felipe -Pacheco Tunnel	3967
			CDFW @ 4L, 6L, 7L	0
			DWR Water Truck @ 23R	0
			Parks & Recreation	1
			Cattle Program @ O'Neill Forebay	1
Customers Total:				48892
Pool 12 - Reach 2B				
VA Turnout Use AF = 10				
DWR 3137(Rev.9/15)				48902



Monthly Availability Report

CW "Bill" Jones Pumping Plant

March - 2026

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts	Comments
							Pump	
Unit-1	743	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-2	743	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-3	743	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-4	743	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-5	743	743.0	100.00%	0.0	0.00%	0.00%	0	Rewind Waranty Inspection 1-5-26 C-26-JP-02
Unit-6	743	0.0	0.00%	0.0	0.00%	100.00%	0	
Total	4458	743.0	17%	0.0	0.00%	83.00%	3	

Notes:

(1) Planned maintenance

(2) Emergency outages and maintenance performed with less than 24 hours advance notice



Monthly Availability Report

O'Neill Pump/Generating Plant

March - 2026

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts		Comments
							Pump	Gen	
Unit-1	743	0.0	0.00%	0.0	0.00%	100.00%	2	0	
Unit-2	743	0.0	0.00%	0.0	0.00%	100.00%	2	0	
Unit-3	743	0.0	0.00%	0.0	0.00%	100.00%	1	0	
Unit-4	743	0.0	0.00%	0.0	0.00%	100.00%	1	1	
Unit-5	743	0.0	0.00%	0.0	0.00%	100.00%	1	1	
Unit-6	743	0.0	0.00%	0.0	0.00%	100.00%	1	1	
Total	4458	0.0	0%	0.0	0.00%	100.00%	8	3	

Notes:

(1) Planned maintenance

(2) Emergency outages and maintenance performed with less than 24 hours advance notice



Monthly Availability Report

DCI Pumping Plant

March - 2026

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts	Comments
							Pump	
Unit-1	743	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-2	743	0.0	0.00%	743.0	100.00%	0.00%	0	Disch/V 1-5-26 C-26-DCI-09
Unit-3	743	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-4	743	73.8	9.93%	0.0	0.00%	90.07%	2	ANN Main C-26-DCI-11 3/23-26/26
Unit-5	743	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-6	743	98.4	13.24%	0.0	0.00%	86.76%	2	Ann Main C-26-DCI-10 3/9-13/26
Total	4458	172.2	4%	743.0	16.67%	79.33%	7	

Notes:

(1) Planned maintenance

(2) Emergency outages and maintenance performed with less than 24 hours advance notice



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Board of Directors and Alternates

From: Scott Petersen, Water Policy Director
Cynthia Meyer, Special Programs Manager

Date: May 14, 2026

RE: Staff Report on Science Program – April 2026

Summary

The San Luis & Delta-Mendota Water Authority's ("Water Authority") current science commitments for Fiscal Year 27 (March 1, 2026 – February 28, 2027) may be considered in two categories. First, the Water Authority re-budgeted \$339,000 from the FY26 budget to fund three activities and/or studies previously authorized to be funded. Second, the Water Authority has budgeted \$661,000 in the current budget for science studies. More detail regarding the various science commitments is provided below.

Previous Commitments - \$339,000 in FY 27 Budget

Subject	Description of Work / Objective(s)	FY 26 Budget
Joint Funding Delta Coordination Group Structured Decision-making Facilitation	Funds support and assistance with the structured decision making for recommendations for summer-fall habitat actions for delta smelt by the Delta Coordination Group to the U.S. Bureau of Reclamation and the Department of Water Resources. Main contract with Dr. Jennie Hoffman with Adaptation/Insight, using Compass Resources.	\$15,000
University of California, Merced Science Partnership	Funds support initiating a partnership with the University of California, Merced, for capacity building in the Science Enterprise and to conduct research into issues of importance to member agencies. Current projects under development include: 1. Water Regulations Workbook 2. Economic Modeling Project Funding issues related to other work performed by UC Merced using federal funds have resulted in delays in the implementation of these projects, which began in earnest in October. Staff anticipates much of this work continuing through FY 27.	\$229,000
Hydroacoustic Telemetry Pilot Study	The Hydroacoustic Telemetry Pilot Study intends to ground-truth and enhance the data collected from the rotary screw traps near Red Bluff. The project addresses a known data gap and priority of Reclamation to further inform lines of evidence associated with CVP operations and salmonid management.	\$90,000



Golden Mussel Plan	The Golden Mussel Vulnerability Assessment and Response Plan will be completed in May 2026. The plan is necessary to address the increasing impacts from the invasive Golden Mussels. Based on the Plan recommendations, additional funds may be necessary to implement mitigation and control measures.	\$5,000

New Science - \$661,000 in FY 27 Budget

Subject	Description of Work / Objective(s)	FY 26 Budget
Science Studies/Efforts		\$661,000
SLDMWA Technical, Science and Regulatory Support	Funds will be used for engagement in Science Program, technical or regulatory efforts that arise in FY 2026. Anticipated use includes technical support for the implementation of long-term operations of the CVP and SWP and supporting E.O. 14181, ESA/CESA listing decisions, engagement in efforts associated with the Bay-Delta Plan Update and HRL Science Plan, and refinement of the Water Authority Science Plan. Funding obligated to date includes: 1. Facilitation and Technical Support for Development of Healthy Rivers and Landscapes 2. Science and Water Operations Technical Support, including consultant support 3. Recreational Ocean Harvest Monitoring Survey and Development of Machine Learning Video Analytical Tool 4. SLDMWA facility Vulnerability Assessment and Recommended Response for Golden Mussel 5. Development of Particle Tracking Model Tool and Associated As-Needed Analysis	\$331,000
LTO Implementation Special Studies Program	Funds support special studies to enhance the scientific basis for implementation of the Long-term Operations of the CVP.	\$85,000
Golden Mussel Coordination and Facilitation Support	Funds support coordination and facilitation for addressing the Golden Mussel impacts in the Delta. The Water Agency Coordination group will compile information on prevention and mitigation methods through field testing and share out data at monthly meetings. Kearns & West will provide the support through July 2026.	\$45,000



Dissolved Oxygen Aerator	Joint funded project to maintain the Dissolved Oxygen Aerator at the Port of Stockton to meet Water Quality Standards.	\$6,250
University of California, Merced Science Partnership	Funds will be used to expand the partnership with the University of California, Merced, established last fiscal year, for capacity building in the Science Enterprise and to conduct research into issues of importance to member agencies.	\$200,000

Science Program Activities

Staff participates in several science forums and coordination activities. The highlights include:

Agreements for Healthy Rivers and Landscapes (“Agreements”) Science Committee (Bay-Delta Plan Update)

The Agreements Science Committee received initial drafts of three tributary specific science plans for review. These plans will be revised and provided for a broader review. Staff is assisting with the development of the Data Management Strategy associated with the science plan activities. In addition, the Science Committee is refining the timelines associated with early implementation projects and the value of contribution to the program. The Science Committee is refining the hypotheses and necessary monitoring strategies. In addition, a deep-dive science workshop will be scheduled for June 2026.

Delta Coordination Group (DCG)

Due to the implementation of the LTO 2024 Record of Decision, the DCG has been disbanded as of January 2026.

The DCG provided an initial draft of the synthesis report to review the effects of previous summer-fall habitat actions to better inform future adaptive management decisions. The final report was released last week¹.

ESA Consultation for the Long-Term Operations (“LTO”) of the CVP and SWP

On December 4, 2025, Reclamation signed a Record of Decision implementing modified operations for the CVP and SWP. This action was in response to Presidential Executive Order 14181. The 2024 LTO documents are available on the Reclamation website: <https://www.usbr.gov/mp/bdo/lto/index.html>

The National Academies of Sciences, Engineering, and Medicine (NAS) independent panel completed review of the Long-term Water Operations of the CVP and SWP and issued the final report on November 10, 2024. Staff is reviewing the report for priority actions and participate in informational meetings. The documents and recordings of the public meetings and presentations are available at <https://www.nationalacademies.org/our-work/review-of-the-long-term-operations-of-the-central-valley-project>

Reclamation has developed the charge statement for the next round of NAS review. “The review will focus primarily on the monitoring data used to calibrate and validate models of ecosystem processes in the Delta (status and trend monitoring), making it essential for the committee to understand the models and tools

¹ Request from Authority staff.



used in the management of the system now and in the future.”
<https://www.nationalacademies.org/projects/CHPP-ESR-26-07>

The call for panel expert nominations is open until May 15, 2026

<https://survey.alchemer.com/s3/8825848/Review-of-the-Long-Term-Operations-of-the-Central-Valley-Project-and-the-State-Water-Project-Cycle-2-Call-for-Experts>

Water Authority Science Coordination Workgroup

The Science Coordination Workgroup met on January 20, 2025. Staff provided an update on the Science Program accomplishments including the two projects in partnership with UC Merced, activities pertaining to Golden Mussels, objectives for the year, and potential projects. Regarding the Socio-Economic Water Supply Model being developed by UC Merced, staff will be sending data requests to member agencies. The next meeting will be May 20, 2026.

Staff has been participating in the Golden Mussel Response Task Force meetings, coordinating with Valley Water, Westlands, and Contra Costa, and working with staff to begin a monitoring and response plan in the Delta-Mendota Canal and associated facilities. Golden Mussels are an invasive species first detected in October 2024. Similar to Quagga/Zebra Mussels, the Golden Mussels have potential to impact infrastructure with their expedient colonization. The final report for the vulnerability study will be completed in May 2026. Staff anticipate the increase in spawning to begin in April with fouling to increase in June/July. Staff is organizing monthly Water Agency coordination meetings to discuss the effectiveness of various methods being applied to control and mitigate for Golden Mussel infestation. This will be a monthly meeting through July 2026 and aims to share information from the operations and science staff to develop effective treatments. In addition, staff are coordinating with the Bureau of Reclamation Technical Services Center on laboratory and field testing of bio-fouling coatings to protect infrastructure. For more details, please see the Golden Mussel memo.



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Board of Directors and Alternates

From: Scott Petersen, Water Policy Director
Chris Linneman, Regional Drainage Coordinator
Orvil McKinnis, Westside Watershed Coalition Coordinator

Date: May 14, 2026

RE: Staff Report on Activity Agreements – April 2026

Background

This memorandum serves as the Staff Report for April 2026 regarding specified¹ Water Authority activities not separately addressed on the Board meeting agenda.

Integrated Regional Water Management Activity (IRWM) Summary

The Roundtable of Regions met to determine potential paths forward for the IRWM Program in the future, given the limited amount of funding provided in Proposition 4 for IRWM Activities (\$100M), and has released a transition plan that may be of interest to member agencies².

Westside San Joaquin Integrated Regional Water Management Plan (IRMWP)

Self-Help Enterprises has prepared a draft Community Water Needs Assessment for disadvantaged communities (DACs) in the Westside San Joaquin IRWM Region, incorporating revisions from staff. The Assessment is being updated to identify and prioritize the most critical drinking water needs for DACs in the region, especially during drought years. The revised draft will be distributed to an IRWM Activity Agreement Member subcommittee for review and input prior to completion, which is anticipated by the end of the fiscal year.

Quarterly Progress Report 22 and Invoice 26 are due to DWR by May 29th. Amendment 8 request was submitted to DWR on October 21st. On January 13th, a response regarding Amendment 8 was received from DWR which indicated they would hold off processing the amendment as it does not change the overall term of the agreement. On April 23rd, Westland requested a schedule extension for Project 5 due to financial and

¹ For the sake of completeness, this includes those Activity Agreements that have been approved by the Board of Directors, but not yet signed by all interested members and/or participants (i.e., the Los Vaqueros Expansion Project Activity Agreement, the Exchange Contractors 2019-2023 Transfer Program Activity Agreement, and the Westside-San Joaquin Integrated Regional Water Management Activity Agreement).

² Request from Authority staff.



contractual issues through at least end of summer 2026. Woodard & Curran is currently working on revising Amendment 8 and will send materials to SLDMWA for consideration, prior to submitting the request to DWR.

Woodard & Curran's contract with SLDMWA ended on February 28th. SLDMWA issued a contract amendment on March 13, 2026 extending the completion date through February 28, 2027 in order to complete all work through the grant agreement end date.

Drainage Activity Summary

Grassland Basin Drainage Management Steering Committee Activity

Despite the recent storm activity, the Grassland Bypass Channel gates have remained closed since February of 2024 despite substantial rain events in February and March of this year. Storm events at the end of December caused the Grassland Basin Authority to pump water into the Short-Term Storage Basins to prevent discharge through the Grassland Bypass Project, which continued until January 13. Selenium concentrations in Mud Slough and the San Joaquin River remain below the water quality objective.

Grassland Basin Program Activities

- General administration: Review and approve consultant billing. Field review of drainage conditions and correspondence with SJRIP manager. Correspondence with Regional Board staff occurred as required. The FY26/27 budget was adopted at the December meeting.
- Compliance Monitoring: Monitoring in compliance with the 2019 revised WDRs and 2019 Use Agreement is a continuous and daily effort. Regular flow, water quality and toxicity monitoring are required at eight locations at a frequency that varies from monthly to daily.
- Grassland Drainage Area Coalition: Work continues to provide coverage for farmers within the Grassland Drainage Area for the Irrigated Lands Regulatory Program.

San Luis & Delta-Mendota Water Authority
Contract/Procurement Activity Report
From April 1, 2026 to April 30, 2026

Date Executed	Contract Title	Vendor or Service Provider	Contract Amount	Contract Solicitation Type	Contract Type	Funding Source	Notes

No contracts were issued during this reporting period.	

CONTRACT CHANGE ORDER NOTIFICATIONS:									

Date Executed	Contract Title	Vendor or Service Provider	Change Order Amount	Original Contract Amount	% Change	Justification
4/1/2026	F26-JPP-014 JPP Station Battery Replacement	Nor-Cal Battery Co.	\$ 10,951.01	\$ 198,880.26	6%	Change from a 2-tier battery rack to a single tier rack to improve access to terminals for maintenance, authorized under the delegated change order authority of 10%.
4/7/2026	F26-JPP-015 JPP Pump Casing and Bifurcation Pipe Recoating	Hartman-Walsh Painting Company	\$ 72,000.00	\$ 1,037,350.00	7%	Contractor will implement double shifts during the blasting phase to meet critical deadlines and ensure timely water deliveries, authorized under the delegated change order authority of 10%
4/14/2026	F26-DMC-012 DMC Subsidence Correction Project Phase 1	Kiewit Infrastructure West Co.	\$ -	\$ 200,000.00	0%	No cost change order that transfers existing funds for preconstruction services from Task 2 to Task 1.
4/22/2026	F26-JPP-016 JPP Unit 5 Impeller Balancing	Unico Mechanical Corp.	\$ 28,073.00	\$ 149,500.00	19%	Contractor will perform exploratory non-destructive testing on the impeller. Remediate minor damage discovered through NDT with weld repairs. Perform secondary NDT to ensure weld repair was successful. Change order will also cover additional shop time required to perform work, authorized under delegation of authority.

This Procurement Activity Report is intended to satisfy the requirements in the San Luis & Delta-Mendota Water Authority's Consolidated Procurement Policy that the Board be notified of all contracts awarded under informal and formal bidding procedures and single-source procedures, as well as certain change orders, promptly following award.



Official Memorandum

PO Box 2157
Los Baños, CA 93635
sldmwa.org

To: SLDMWA Board of Directors, Alternates
SLDMWA Finance & Administration Committee, Alternates

From: Pablo Arroyave, Chief Operating Officer
Chauncey Lee, Operations and Maintenance Manager

Date: May 11, 2026

RE: Recommendation to Board of Directors to Authorize Award and Execution of Agreement for Fuel Delivery Services and Expenditure of Up to \$300,000 From the FY 2027 OM&R Budget

Background

SLDMWA OM&R activities require the consistent supply and delivery of regular, unleaded gasoline and renewable diesel for operations and maintenance personnel. The FY 2027 budget includes funds for fuel services for the Los Banos and Tracy Field Offices.

The Water Authority formally solicited for both the LBFO and TFO Fuel Delivery services and received one bid each. The solicitation and received bids are for a 3-year agreement, with 2 options years.

Issue for Decision

Whether to authorize award and execution of MSE agreements with (1) Toro Petroleum Corp., for the delivery of fuel at the Los Banos Field Office, and expenditure of up to \$150,000; and (2) with Efuel LLC. dba Ramos Oil Co., for the delivery of fuel at the Tracy Field Office, and expenditure of up to \$150,000, utilizing FY 2027 OM&R Budget funds.

Recommendation

Staff recommends authorizing award and execution of the proposed MSE agreements with Toro Petroleum Corp., and Efuel LLC. dba Ramos Oil Co., and recommended expenditure.

Analysis

The Water Authority formally solicited paper bids to provide all labor, equipment, and services for the delivery of fuel. The solicitation included the following critical dates:

April 10, 2026:	Bid issued
April 17, 2026:	Last day to submit questions
April 22, 2026:	Last day for Responses to Questions
April 29, 2026:	Bids due
April 30, 2026:	Notice of intent to award

The formal solicitation was publicly posted on PlanetBids and in one newspaper, the Sacramento Bee. In addition, nine contractors were notified of the release of solicitation. After completing the questions and answers phase, two bids were submitted. One responsive bid was submitted by Toro Petroleum Corp., and the other was submitted by Efuel LLC. dba Ramos Oil Co. The bids were reviewed and accepted by the Contract Specialist for responsiveness and responsibility. Upon conclusion, the most responsive/responsible bidders were determined to be Toro Petroleum Corp., and Efuel LLC. dba Ramos Oil Co. A Notice of Intent to Award was transmitted to both Toro Petroleum Corp. and Efuel LLC. dba Ramos Oil Co on April 30, 2026.

Budget Implications

The proposed expenditure of up to \$300,000 will be funded utilizing approved budgeted funds from the Fiscal Year 2027 OM&R Budget. FY 2028 and FY 2029 expenditures of up to \$300,000 will be subject to inclusion and approval in the FY 2028 and FY 2029 Water Authority OM&R budgets.

Attachments

1. Draft MSE Agreement
2. Notice of Intent to Award

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
MATERIALS, SUPPLIES/EQUIPMENT AGREEMENT
For
TRACY FIELD OFFICE (TFO) FUEL DELIVERY SERVICES

This Materials, Supplies/ Equipment (MSE) Agreement (“Agreement”) is made and entered into effective May _____, 2026 in the State of California, by and between the San Luis & Delta-Mendota Water Authority (“SLDMWA”) and Efuel LLC. dba Ramos Oil Co., (“Contractor”), and subject to the terms and conditions set forth herein.

SLDMWA and Contractor agree as follows:

1. SCOPE OF WORK

Contractor shall furnish the materials, supplies and/or equipment described in Scope of Work/Technical Specifications (or Purchase Order) set forth in Exhibit A at the price or prices set forth in Exhibit C within the times stated and in accordance with the General Conditions set forth in Exhibit B, each exhibit attached hereto and incorporated herein.

Any change in the Scope of the Work or schedule set forth herein, or to any other matter materially affecting the performance of or nature of the Scope of Work will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing, by SLDMWA.

2. CONTRACT DOCUMENTS

The Contract Documents shall include the solicitation documents (if applicable) Addenda, the accepted Bid Form, the Agreement, any required bonds, the General Conditions, the Special Provisions (if applicable), Specifications, Exhibits, the Contract Schedule, and any approved change order or amendment.

3. TERM OF AGREEMENT

The term of this Agreement shall be from date of contract execution, through February 28, 2029 inclusive, unless earlier terminated in accordance with the General Conditions. This Agreement may be extended by SLDMWA, at its sole and absolute discretion, for up to two additional one-year terms by giving the Provider written notice of the extension at least thirty (30) days before the Agreement expires. Time is of the essence in this Agreement. All future year funding is subject to availability of funds and board approval of funding; no guarantee of future year funding.

4. PARTY REPRESENTATIVES AND NOTICES

Each party’s designated representative for administration of this Agreement and receipt of notices is designated below. All notices or other communications provided for by the Agreement shall be in writing and shall be sent by 1) personal delivery, 2) nationally-recognized overnight delivery service (such as Federal Express) which provides evidence of delivery, 3) first class United States mail (postage prepaid), registered or certified, return receipt requested, or 4) e-mail

with a copy by first class U.S. mail. Notice shall be deemed received on the date actually delivered if delivered by personal delivery, overnight delivery, or U.S. Mail with return receipt requested and delivered during normal business hours on a business day. Notice by e-mail shall be deemed delivered on the date of transmission, unless the same is after 5:00 p.m. or on a weekend or holiday, in which event delivery shall be on the next business day. A party may change its address for notices under the Agreement by giving notice as provided herein. Notices shall be sent to the following party representatives at the following addresses:

<u>Contractor</u>	<u>SLDMWA</u>
Chris Tate Efuel LLC. dba Ramos Oil Co. 1515 S. River Road West Sacramento, CA 95691 christ@ramosoil.com 916-955-0287	Tony Romero San Luis & Delta-Mendota Water Authority 15990 Kelso Road Byron, CA 94514-9614 Tony.romero@sldmwa.org 209-832-6227

IN WITNESS WHEREOF, this Agreement has been executed by and on behalf of the parties hereto, the day, month and year so indicated above. If Contractor is a corporation, partnership or limited liability company, documentation must be provided that the person signing below for Contractor has the authority to do so and to so bind Contractor to the terms of this Agreement.

<u>Contractor</u>	<u>San Luis & Delta-Mendota Water Authority</u>
By: _____ (Signature) _____ (Print Name & Title) _____ (Company Name)	By: _____ Pablo R. Arroyave Chief Operating Officer San Luis & Delta-Mendota Water Authority

EXHIBIT A –TECHNICAL SPECIFICATIONS

1. CONTRACT PERIOD:

The Bid Proposal shall cover SLDMWA's annual requirements for fuel delivery services. Initial contract period shall begin June 1, 2026 through February 28, 2029. Annual contract period will be SLDMWA's fiscal year March 1 through February 28.

2. CONTRACT EXTENSION

SLDMWA may elect to extend the contract for a maximum of one (1) additional one (1) year period(s). Contractor may request an adjustment to differential prices for contract items at time of annual renewal. All such requests must be in writing at least thirty (30) days prior to contract expiration. Price adjustments shall be supported by such documentation as may be required by SLDMWA, as justification of price changes. Price changes shall in no event exceed the additional cost, paid by the Contractor. The SLDMWA reserves the right to accept or reject any price adjustments.

3. PRODUCT PRICING

The pricing is based on two factors; Region Base Market Cost and the Differential.

- A. Region Base Market Cost: For the base price of the Regular Unleaded Gasoline and Renewable Diesel – R99", "Time of Delivery" "Stockton Rack Average" price quoted for Regular Unleaded Gasoline and Renewable Diesel – R99 in the OPIS (Oil Price Information Service).
- B. Differential: Transportation and Delivery Cost to SLDMWA location based on load size.
- C. Differential Prices quoted shall be:
 - Exempt from Federal Excise Tax
 - Exclusive of: State Sales Tax, Local Sales Tax, California Motor Vehicle Fuel Tax, Oil Spill Liability Trust Fund Tax, and any other applicable tax.

If the OPIS publication is modified, SLDMWA reserves the right to re-establish the base price calculation method or cancel all or part of the contract without prejudice against any party to the contract.

4. APPLICABLE TAXES:

- A. State Sales Tax and all other applicable taxes shall be added to the invoice at the time of delivery.
- B. SLDMWA is exempt from Federal Excise Tax and an exemption form will be issued to the successful Bidder(s) after award of the contract.
- C. California Motor Vehicle Fuel Tax/State Excise Tax, CA oil Spill Liability Tax and any other applicable tax shall be set out as separate items on the invoice.
- D. At the time of award, the successful Bidder shall supply SLDMWA with a detailed breakdown of all taxes included in the prices that will be shown on invoices.

5. PRICE VERIFICATION:

During period of contract, successful Bidder may be required to provide price verification. Successful Bidder may be requested to submit copies of the Stockton Rack pricing, showing the Unbranded prices, with their own invoice for each truck/trailer load of fuel.

6. SUPPLY REQUIREMENTS:

All Bidders shall have fuel supply contracts, which shall assure the continuous supply of product during the Contract period. Bidders may be required to furnish information supporting their ability to supply, without major interruption, the products covered in this bid.

7. DELIVERY REQUIREMENTS:

- A. Products shall be delivered as ordered by SLDMWA's User Department(s):
User Department(s): San Luis & Delta-Mendota Water Authority – Tracy Field Office Division.
- B. Delivery will be once a week on a set day (excluding Friday) between the hours of 7:00 AM and 3:00 PM.
- C. A minimum of 300 gallons is required at all times in each tank. Contractor shall monitor both fuel tanks with Smart Logic equipment at no charge. SLDMWA shall have access to the Smart Logic web portal.
- D. All deliveries shall be F.O.B. Destination, Freight Prepaid to locations listed in Section 10.

- E. Contractor must gain entry to and exit from the premises by identifying themselves to the Secretary and by signing in and out in the log books located in the Administration Building.
 - F. Contractor's Driver shall provide at the time of delivery, a receipt to include the delivered number of gallons, type of product, date, time and temperature.
 - G. Contractor will provide within five calendar days of delivery, a scanned invoice to Accounts.Payable@sldmwa.org. An original invoice shall be mailed after. SLDMWA will only remit payment based on an original invoice.
 - H. Emergency callouts shall be arranged by the SLDMWA authorized representative.
 - I. Invoices must reflect R-99 diesel to maintain compliance with CARB and County Air Board.
8. CAUTION AND SAFETY:
- A. Contractor's personnel shall abide by all SLDMWA safety rules and regulations outlined in the SLDMWA Injury and Illness Prevention Program. The Contractor should direct any questions regarding safety to the SLDMWA authorized representative.
 - B. Prior to work under this agreement, Contractor shall submit for approval to SLDMWA a Contractor's "Materials Safety Data Sheet" or "OSHA Form 20" for all chemical compounds to be used within the scope of this agreement. SLDMWA retains the right to reject any material that may create a safety or health hazard.
 - C. Contractor's equipment and vehicles shall meet all safety standards as required by Federal, State, and Occupational Safety and Health Act (OSHA) standards.
 - D. SLDMWA may immediately terminate any procedure or operation under this agreement that is in violation with the above or is an immediate or obvious safety hazard.

9. CANCELLATION:

SLDMWA reserves the right to cancel without prior notice the balance of the contract if the vendor fails to deliver the product within the time specified herewith or comply with requirements as set forth in this bid document.

10. QUANTITIES:

SLDMWA's usage for the period of March 1, 2024 through February 28, 2025 is provided herein. While SLDMWA estimates that consumption will not be less than that shown for the prior period, there shall be no guarantee as to actual quantities required during the period of the contract.

- A. Regular Unleaded Gasoline
 - a. Quantity: 18,802.90 gallons
- B. Renewable Diesel (R-99)
 - a. Quantity: 16,122.90 gallons

11. FUEL TANK LOCATION AND CAPACITY

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY (SLDMWA)

DEPT. NAME	LOCATION	TYPE	CAPACITY GALLONS
Tracy Field Office	15990 Kelso Road Byron, CA 94514	Above Ground Unleaded Gasoline	2,000
Tracy Field Office	15990 Kelso Road Byron, CA 94514	Above Ground Renewable Diesel (R-99)	2,000

EXHIBIT B – GENERAL CONDITIONS

ARTICLE 1. ENTIRE AGREEMENT

The Agreement, including all exhibits, represents the entire and integrated agreement between SLDMWA and Contractor and supersedes all prior proposals, negotiations, representations, understandings and/or agreements, either written or oral. No changes, amendments, alterations or modifications to this Agreement will be effective unless in writing and executed in the same manner as the Agreement. No claim for any additional compensation or time shall be valid unless authorized by a written amendment executed by SLDMWA and Contractor.

ARTICLE 2. CONFLICTS OF INTEREST

Contractor shall not have a familial, financial, or investment interest in any of the persons, contractors or companies with responsibilities related to the subject of this Agreement. A familial interest exists if any of Contractor's officers, directors, employee(s) providing professional services on the Project, or owners of 10% or more of the business is the spouse, sibling, parent, child, grandparent, grandchild, aunt/uncle or niece/nephew of any of the officers, directors, project managers, or owners of 10% or more of the business of any of the persons, contractors or companies with responsibilities related to the Project. Contractor affirms that, to the best of its knowledge, there exists no actual or potential conflict between family, business, or financial interests of Contractor and SLDMWA. Contractor agrees to advise SLDMWA of any actual or potential conflicts of interest that may develop subsequent to the date of execution of the Agreement.

ARTICLE 3. CHANGES OR TERMINATION

Changes will be binding on SLDMWA only if in writing and signed by the SLDMWA. SLDMWA, for its convenience, may by written change order make any change, including, without limitation, additions or deductions in quantities ordered, changes in the specifications or drawings, changes in the time of delivery, or termination. SLDMWA may terminate or suspend at its convenience all or any portion of this order not shipped as of the date of termination or suspension of the order. In the event of any change or termination, there shall be an equitable price adjustment by SLDMWA. If Contractor maintains that SLDMWA's adjustment is not equitable, the price change shall be negotiated. In the event the parties cannot agree, the final determination shall be made in accordance with the dispute resolution provision of this Agreement. No change or termination shall relieve SLDMWA or Contractor of any of their obligations as to any material shipped prior to Contractor's receipt of the change, termination or suspension order. Any claim for adjustment by Contractor hereunder must be asserted in writing within ten (10) days from the date the change or termination is ordered.

In the event of a termination for default, SLDMWA may, in addition to all other rights and remedies, purchase substitute items or services elsewhere and hold Contractor liable for any and all excess costs incurred, including attorneys' fees and experts' and Contractors' fees actually incurred.

ARTICLE 4. PAYMENT; TAXES

- A. Compensation: The price herein specified shall, unless otherwise expressly stated within the terms of this Agreement, include all taxes and duties of any kind levied by federal, state, municipal, or other governmental authorities, which either party is required to pay with respect to the production, sale, use or shipment of the materials covered by this Agreement, and all charges for packing, loading, unloading and shipping. Any and all taxes imposed or assessed on Contractor's income by reason of this agreement or its performance, including but not limited to sales or use taxes, shall be paid by Contractor. Contractor shall be responsible for any taxes or penalties assessed by reason

of any claims that Contractor is an employee of SLDMWA. If transportation costs are designated as part of the cost to SLDMWA, only actual transportation costs shall be included. Damage to equipment or goods not packed to insure proper protection shall be charged to Contractor. Contractor's invoice shall set forth the items delivered to the project site, the date of delivery, the unit cost and total costs of the items invoiced.

- B. Payment: Invoices received and subsequently approved by SLDMWA shall be paid not more than thirty (30) days after delivery of an approved invoice. Disputed invoices shall be returned to Contractor within ten (10) working days of receipt.
- C. Invoicing: Provider shall submit separate invoices no later than five days after each delivery, including applicable time records and identification of any deliverables submitted during the billing period, at the differential rates not to exceed those stated in **Exhibit C** to Accounts Payable, San Luis & Delta-Mendota Water Authority, at accounts.payable@sldmwa.org.
- D. Payment Disputes: SLDMWA may dispute any invoice or portion thereof which is not properly documented and in accordance with the Agreement. For any disputed payment, SLDMWA shall provide written notice describing its dispute to Provider. Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of SLDMWA. This decision shall be final and conclusive unless within ten (10) days from the date of the receipt of its copy, Contractor mails or otherwise furnishes a written appeal to SLDMWA's Chief Operating Officer. In connection with any such appeal, Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the Chief Operating Officer shall be binding upon Contractor and Contractor shall abide by the decision. Unless otherwise directed by SLDMWA, Contractor shall continue performance under this Agreement while matters in dispute are being resolved. In the event of a dispute between each parties Terms & Conditions, SLDMWA terms will prevail.
- E. Taxes: Provider shall pay any and all taxes imposed or assessed on Provider's income by reason of this Agreement or its performance, including but not limited to sales or use taxes. Provider shall be responsible for any taxes or penalties assessed by reason of any claims that Provider is an employee of SLDMWA. SLDMWA is exempt from Federal Excise Tax.

ARTICLE 5. RISK OF LOSS

Notwithstanding the terms of shipment, the risk of loss shall pass to SLDMWA only after delivery to the job site or other place designated in writing by SLDMWA.

ARTICLE 6. DELIVERY

Time is of the essence of this Agreement. If no delivery date is specified on the face of this Agreement, all deliveries of materials shall conform to the date or dates specified in writing from time to time by SLDMWA's representative. Should delivery for any reason fail to be timely, Contractor shall be liable for all damages suffered by SLDMWA as a result of such failure.

ARTICLE 7. INSPECTION

SLDMWA shall have the right to inspect and test the materials at Contractor's plant any time prior to shipment and to conduct additional inspections at any time after arrival at the job site. The making or failure to make any inspection of, or payment for or acceptance of, the materials shall not impair SLDMWA's right to later reject nonconforming materials, or to avail itself of any other remedy to which SLDMWA may be entitled, notwithstanding SLDMWA's knowledge of the nonconformity, its substantiality, or the

ease of its discovery. Contractor shall be liable for all inspection, reshipment and return costs on nonconforming materials. Contractor shall not replace returned materials unless so directed by SLDMWA in writing.

ARTICLE 8. WARRANTIES

Contractor warrants to SLDMWA that all of the materials provided under this Agreement shall be free from all defects, shall be of the quality specified, and shall be fit and appropriate for the purpose intended. Contractor further warrants that the materials will be complete in all respects necessary to make the materials fully functional if installed in accordance with the Solicitation Documents. All warranties implied by law or usage of trade are incorporated into this Agreement and shall apply to services and materials ordered. Contractor guarantees SLDMWA that the materials rendered shall be free of any and all defects in workmanship and materials which may develop for a minimum period of three (3) years or 2,000 hours following acceptance of the materials by SLDMWA. The materials are ordered by SLDMWA in reliance on each and all of the warranties and guarantees specified herein and implied by law or usage of trade. SLDMWA's remedies pursuant to this paragraph are in addition to, and not a limitation on, all other remedies allowed by law.

ARTICLE 9. INFRINGEMENT

Contractor shall pay all royalties and licensing fees arising in connection with the sale or use of materials hereunder. Contractor further undertakes and agrees to defend, at Contractor's expense, all suits, actions or proceedings in which SLDMWA, its successors, assigns, customers or users of its customer's products are made defendants for actual or alleged infringement of any U.S. or foreign letters patent, copyrights or trademarks or any intellectual property rights of any kind resulting from the use or purchase of any materials furnished under this Agreement, and Contractor agrees to pay or discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against such defendants therein.

ARTICLE 10. COMPLIANCE

Contractor's performance shall in all ways strictly conform with all applicable laws, regulations, safety orders, labor agreements, prevailing wage requirements and working conditions to which it is subject, including, but not limited to, all state, federal and local non-discrimination in employment provisions, and all local regulations and building codes. Contractor shall execute and deliver all documents as may be required to effect or evidence compliance.

ARTICLE 11. ASSIGNMENTS; SETOFF

Any delegation, subletting or assignment by operation of law or otherwise, of all or any portion of the obligations to be performed by Contractor without the prior written consent of SLDMWA shall be void. In the event of any transfer, hypothecation or assignment by Contractor, without SLDMWA's consent, of the right to receive all or any part of any payments due or to become due hereunder, SLDMWA may, at any time thereafter withhold any or all monies or payments due or to become due hereunder until final payment is due and all conditions precedent to such payment are satisfied. SLDMWA may, at its option, setoff any amounts otherwise due from SLDMWA to Contractor under this Agreement against any delinquent amounts or liabilities which are due to SLDMWA or its commonly controlled affiliates from Contractor.

ARTICLE 12. LICENSES

Contractors are required by law to be licensed and regulated by the appropriate State Licensing Board. Contractor shall comply with all required licensing laws applicable to its services under this Agreement.

ARTICLE 13. NON-DISCRIMINATION

Contractor shall not discriminate against any employee or potential employee on the basis of prohibited criteria, as defined in Government Code section 12940. Without limiting the foregoing in any way, during the performance of this Agreement, Contractor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor shall give written notice of its obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

ARTICLE 14. INSURANCE

A. Required Policies: Contractor shall furnish to SLDMWA certificates of insurance and policy endorsements satisfactory to SLDMWA evidencing insurance, with reliable insurance companies approved by the State of California Department of Insurance and with a Bests' rating of no less than (A) Level VII, for the following minimum insurance coverages, which may be increased or expanded by the Agreement:

1. Workers' Compensation insurance and occupational disease insurance, as required by law, with limit of no less than \$1,000,000 per accident for bodily injury or disease;
2. Employer's liability insurance, with minimum limits of \$1,000,000, covering all workplaces involved in the Agreement.
3. Commercial General Liability Insurance in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Contractor's obligations under this Agreement, products and completed operations, and coverage for independent contractors.
4. Commercial Automobile Insurance for all owned, non-owned and hired vehicles used by Contractor in the performance of its services under this Agreement with a limit of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
5. Pollution Liability insurance with a limit of not less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

B. Additional Terms:

1. All general liability, automobile, and pollution liability policies shall name SLDMWA, its elected or appointed officers, officials, agents, authorized

volunteers and employees as additional insureds ("Additional Insureds"), include a severability of interest provision, and shall provide that such policy is primary and not contributory with any insurance carried by SLDMWA or its Members.

2. The insurance to be provided by Contractor under this Agreement shall not include any of the following: any claims-made insurance policies; any self-insured retention or deductible amount greater than two hundred fifty thousand dollars (\$250,000) unless approved in writing by SLDMWA; any endorsement limiting coverage available to SLDMWA that is otherwise required by this Article 14; and any policy or endorsement language that (i) negates coverage to SLDMWA for SLDMWA's own negligence; (ii) limits the duty to defend SLDMWA under the policy; (iii) provides coverage to SLDMWA only if Contractor is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SLDMWA's rights under this Agreement.
3. Contractor shall provide Certificates of Insurance, or other evidence of insurance as requested by SLDMWA, to SLDMWA within ten (10) days after receipt by Contractor of the executed Agreement. The certificates shall provide that there will be no cancellation, suspension, voiding or change of coverage without thirty (30) days' prior written notice to SLDMWA. There shall be no reduction or modification of coverage of insurance required by the Agreement without the written consent of SLDMWA. Contractor shall provide SLDMWA with a new or renewed certificate of insurance upon any changes or modifications to coverage, including any extension or renewal of required insurance coverage; provided that any changes or modifications to coverage shall be consistent with this Agreement.
4. The insurer(s) issuing the required policies shall, by separate endorsement, agree to waive all rights of subrogation against the "Additional Insureds" for losses arising in any manner from the products or work provided or performed by or on behalf of Contractor for SLDMWA, but this provision applies regardless of whether or not SLDMWA has received the waiver of subrogation.
5. Pollution Legal Liability Endorsement: \$2,000,000 combined single limit, annual aggregate for bodily injury, sickness, disease, mental anguish or shock, property damage and defense costs; with a minimum of \$1,000,000 per occurrence. Pollution Legal Liability insurance shall cover liability of the insured disposal or treatment facility that is accepting any waste or soil under this Project. Contractor shall require such disposal or treatment facilities to furnish proof of the required coverage or Contractor provides proof of coverage for Pollution Legal Liability for Non-Owned Disposal Site.

ARTICLE 15. INDEMNITY; NO LIABILITY FOR CONSEQUENTIAL DAMAGES

A. Contractor shall, with respect to all work which is covered by or incidental to the Agreement, defend, indemnify, and hold harmless SLDMWA, its officers, directors, agents, representatives and employees (collectively "SLDMWA"), from and against any and all liens and claims asserted by firms or individuals claiming through Contractor, and claims, liability, loss, damage, civil fines, penalties, costs, or expenses, including reasonable attorneys' fees, expert's fees, awards, fines, or judgments, relating to the death or bodily injury to persons, injury to property, other loss, damage, or expense to the extent that any of the above arise out of, pertain to, or relate to the negligence, recklessness, willful misconduct or breach of this

Agreement by Contractor or anyone acting under its direction or control or on its behalf in the course of its performance under this Agreement. Contractor's duty shall include the duty to defend the indemnitees as required by Civil Code section 2778, which duty shall arise from the need for defense and is not contingent upon a finding of liability for indemnification, and Contractor shall employ counsel reasonably acceptable to SLDMWA for this defense obligation. Contractor shall not be obligated under the Agreement to indemnify SLDMWA to the extent that the damage is caused by the active or sole negligence or willful misconduct of SLDMWA or its agents or servants other than Contractor.

B. The acceptance by SLDMWA or its representatives of any certificate of insurance providing for coverage of any kind shall in no event be deemed a waiver of any of the provisions of this Article. None of the foregoing provisions shall deprive SLDMWA of any action, right or remedy otherwise available by law.

C. Except to the extent of any insurance coverage, neither Contractor nor SLDMWA shall be responsible to the other for any form of consequential damages, including, but not limited to losses of use, sale, profits, financing, business and reputation, and attorney fees thereon. Nothing in these provisions or in this Agreement shall waive, release or compromise any insurance requirements or coverages required in Article 14.

ARTICLE 16. RESERVED

ARTICLE 17. DEFAULTS

If Contractor fails to perform any of its obligations hereunder, SLDMWA shall be entitled to all remedies provided by law, and, except as otherwise set forth herein, SLDMWA shall be entitled to recover any and all damages incurred, including without limitation, direct and compensatory damages, attributable to Contractor's breach of this Agreement. If Contractor becomes insolvent or makes an assignment for the benefit of creditors, or files or becomes subject to receivership or reorganization or bankruptcy proceedings, or becomes involved in labor difficulties, which in SLDMWA's opinion threaten Contractor's ability to perform in a timely manner, SLDMWA may, in addition to any other rights or remedies it may have hereunder or at law, terminate the purchase order upon written notice to Contractor; such termination shall be deemed a termination for default. SLDMWA's failure to notify Contractor of a rejection of nonconforming equipment or materials or to specify with particularity any defect in nonconforming materials after rejection or acceptance thereof will not bar SLDMWA from pursuing any remedies for breach which it may otherwise have.

ARTICLE 18. TERMINATION OF AGREEMENT

This Agreement may be terminated by either party upon 30 days' written notice, with or without cause, upon written notification to the other party. Following such termination, SLDMWA shall pay Contractor all unpaid sums due for materials provided under this Agreement and accepted by SLDMWA. No termination of the Agreement shall excuse or otherwise relieve Contractor of its responsibilities under the Agreement, including, without limitation, Contractor's warranty obligations for materials provided and accepted by SLDMWA and Contractor's indemnity obligations.

ARTICLE 19. DISPUTE RESOLUTION

Contractor and SLDMWA shall attempt to resolve conflicts or disputes that arise under this Agreement or that relate in any way to this Agreement or the subject matter of this Agreement in a fair and reasonable

manner. The parties agree to attempt to mediate through a professional mediator any conflicts or disputes not otherwise resolved by the parties, with the costs of mediation shared equally by the parties. If the mediation does not settle the conflict or dispute, the parties may agree in writing to binding arbitration, or the matter may proceed in litigation before a court of competent jurisdiction. Neither party shall commence or pursue arbitration or litigation prior to (1) the completion of mediation proceedings, and (2) prior to completion of Contractor's services under this Agreement.

The existence of a dispute between SLDMWA and Contractor, not involving a material default by SLDMWA in performance of a condition precedent to Contractor's performance, shall not relieve Contractor of its obligation to perform under this Agreement.

ARTICLE 20. ADDITIONAL PROVISIONS

A. Successors and Assigns: SLDMWA and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto and to the partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in the Agreement. Contractor shall not assign the Agreement or sublet it in whole or part without the written consent of SLDMWA, nor shall Contractor assign any moneys due or to become due to it hereunder without the prior written consent of SLDMWA.

B. Unenforceability of any Clause: If any clause or provision of the Agreement is held to be unenforceable or invalid, then that provision of the Agreement shall be stricken and all other provisions of this Agreement shall remain in full force and effect and shall not be effected thereby.

C. Waiver of Breach: Failure by one party to notify the other of a breach of any provision of this Agreement shall not constitute a waiver of any continuing breach. Failure by one party to enforce any of its rights under this Agreement shall not constitute a waiver of those rights. The waiver by either Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or any other provision hereof.

D. Interpretation: The Agreement shall be construed and interpreted in accordance with the laws of the State of California.

E. Headings: The titles of sections of these General Conditions are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.

EXHIBIT C – RATE SHEET

Contractor will provide fuel delivery services based on the fixed differential rates provided herein:

<i>Item No.</i>	<i>Description</i>	<i>UOM</i>	<i>Differential</i>
1	Regular Unleaded Gasoline	gal	.15
2	Renewable Diesel (R-99)	gal	.15

Total Compensation under this Agreement is:

Not to Exceed \$150,000.00 per Fiscal Year.

Fiscal Year 1 June 1, 2026 through February 28, 2027 is approved. All future fiscal years are subject to an approved budget.

NOTICE OF INTENT TO AWARD

Date: April 30, 2026

To: Chris Tate
Efuel LLC. dba Ramos Oil Co.
1515 S River Road
West Sacramento, CA 95691

Project Title: Tracy Field Office (TFO) Fuel Delivery Services

Project Specification Number: F27-TFO-003

You are hereby notified that your Bid dated April 29, 2026, for the above Contract has been considered. You are the apparent successful and low bidder and will be recommended for award of the contract for the above-named project.

The Total Price of your contract is:

NOT-TO-EXCEED \$150,000 (One Hundred Fifty Thousand Dollars.) PER FISCAL YEAR THROUGH FEBRUARY 28, 2029. ALL FUTURE FUNDING IS SUBJECT TO AVAILABILITY OF FUNDS AND BOARD APPROVAL OF FUNDING; NO GUARANTEE OF FUTURE YEAR FUNDING.

In accordance with the solicitation documents, contract award will be made once the protest period is up. Please refer to the solicitation for protest periods.

This letter will serve as notification that the San Luis Delta-Mendota Water Authority will recommend to the Board the award of this contract to Efuel LLC. dba Ramos Oil Co. in the amount of \$150,000.

Regards,



Travis Roberts

Contract Specialist

San Luis & Delta-Mendota Water Authority

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

**MATERIALS, SUPPLIES/EQUIPMENT AGREEMENT
For
LOS BANOS FIELD OFFICE (LBFO) FUEL DELIVERY SERVICES**

This Materials, Supplies/ Equipment (MSE) Agreement (“Agreement”) is made and entered into effective May ____, 2026 in the State of California, by and between the San Luis & Delta-Mendota Water Authority (“SLDMWA”) and Toro Petroleum Corp., (“Contractor”), and subject to the terms and conditions set forth herein.

SLDMWA and Contractor agree as follows:

1. SCOPE OF WORK

Contractor shall furnish the materials, supplies and/or equipment described in Scope of Work/Technical Specifications (or Purchase Order) set forth in Exhibit A at the price or prices set forth in Exhibit C within the times stated and in accordance with the General Conditions set forth in Exhibit B, each exhibit attached hereto and incorporated herein.

Any change in the Scope of the Work or schedule set forth herein, or to any other matter materially affecting the performance of or nature of the Scope of Work will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing, by SLDMWA.

2. CONTRACT DOCUMENTS

The Contract Documents shall include the solicitation documents (if applicable) Addenda, the accepted Bid Form, the Agreement, any required bonds, the General Conditions, the Special Provisions (if applicable), Specifications, Exhibits, the Contract Schedule, and any approved change order or amendment.

3. TERM OF AGREEMENT

The term of this Agreement shall be from date of contract execution, through February 28, 2029 inclusive, unless earlier terminated in accordance with the General Conditions. This Agreement may be extended by SLDMWA, at its sole and absolute discretion, for up to two additional one-year terms by giving the Provider written notice of the extension at least thirty (30) days before the Agreement expires. Time is of the essence in this Agreement. All future year funding is subject to availability of funds and board approval of funding; no guarantee of future year funding.

4. PARTY REPRESENTATIVES AND NOTICES

Each party’s designated representative for administration of this Agreement and receipt of notices is designated below. All notices or other communications provided for by the Agreement shall be in writing and shall be sent by 1) personal delivery, 2) nationally-recognized overnight delivery service (such as Federal Express) which provides evidence of delivery, 3) first class United States mail (postage prepaid), registered or certified, return receipt requested, or 4) e-mail

with a copy by first class U.S. mail. Notice shall be deemed received on the date actually delivered if delivered by personal delivery, overnight delivery, or U.S. Mail with return receipt requested and delivered during normal business hours on a business day. Notice by e-mail shall be deemed delivered on the date of transmission, unless the same is after 5:00 p.m. or on a weekend or holiday, in which event delivery shall be on the next business day. A party may change its address for notices under the Agreement by giving notice as provided herein. Notices shall be sent to the following party representatives at the following addresses:

<u>Contractor</u>	<u>SLDMWA</u>
Larry Shepherd Toro Petroleum Corp. 35175 West Shaw Ave. Firebaugh, CA 93622 larrys@toropetroleum.com 209-840-1976	Brandon Soares San Luis & Delta-Mendota Water Authority 18785 S. Creek Road Los Banos, CA 93635 Brandon.soares@sldmwa.org 209-826-4788

IN WITNESS WHEREOF, this Agreement has been executed by and on behalf of the parties hereto, the day, month and year so indicated above. If Contractor is a corporation, partnership or limited liability company, documentation must be provided that the person signing below for Contractor has the authority to do so and to so bind Contractor to the terms of this Agreement.

<u>Contractor</u>	<u>San Luis & Delta-Mendota Water Authority</u>
By: _____ (Signature)	By: _____ Pablo R. Arroyave Chief Operating Officer San Luis & Delta-Mendota Water Authority
_____ (Print Name & Title)	
_____ (Company Name)	

EXHIBIT A –TECHNICAL SPECIFICATIONS

TECHNICAL SPECIFICATIONS

1. CONTRACT PERIOD:

The Bid Proposal shall cover SLDMWA’s annual requirements for fuel delivery services. Initial contract period shall begin June 1, 2026 through February 28, 2029. Annual contract period will be SLDMWA’s fiscal year March 1 through February 28.

2. CONTRACT EXTENSION

SLDMWA may elect to extend the contract for a maximum of one (1) additional one (1) year period(s). Contractor may request an adjustment to differential prices for contract items at time of annual renewal. All such requests must be in writing at least thirty (30) days prior to contract expiration. Price adjustments shall be supported by such documentation as may be required by SLDMWA, as justification of price changes. Price changes shall in no event exceed the additional cost, paid by the Contractor. The SLDMWA reserves the right to accept or reject any price adjustments.

3. PRODUCT PRICING

The pricing is based on two factors; Region Base Market Cost and the Differential.

- A. Region Base Market Cost: For the base price of the Regular Unleaded Gasoline and Renewable Diesel – R99”, “Time of Delivery” “Fresno Rack Average” price quoted for Regular Unleaded Gasoline and Renewable Diesel – R99 in the OPIS (Oil Price Information Service).
- B. Differential: Transportation and Delivery Cost to SLDMWA location based on load size.
- C. Differential Prices quoted shall be:
 - Exempt from Federal Excise Tax
 - Exclusive of: State Sales Tax, Local Sales Tax, California Motor Vehicle Fuel Tax, Oil Spill Liability Trust Fund Tax and any other applicable tax.

If the OPIS publication is modified, SLDMWA reserves the right to re-establish the base price calculation method or cancel all or part of the contract without prejudice against any party to the contract.

4. APPLICABLE TAXES:

- A. State Sales Tax and all other applicable taxes shall be added to the invoice at the time of delivery.
- B. SLDMWA is exempt from Federal Excise Tax and an exemption form will be issued to the successful Bidder(s) after award of the contract.
- C. California Motor Vehicle Fuel Tax/State Excise Tax, CA oil Spill Liability Tax and any other applicable tax shall be set out as separate items on the invoice.
- D. At the time of award, the successful Bidder shall supply SLDMWA with a detailed breakdown of all taxes included in the prices that will be shown on invoices.

5. PRICE VERIFICATION:

During period of contract, successful Bidder may be required to provide price verification. Successful Bidder may be requested to submit copies of the Fresno Rack pricing, showing the Unbranded prices, with their own invoice for each truck/trailer load of fuel.

6. SUPPLY REQUIREMENTS:

All Bidders shall have fuel supply contracts, which shall assure the continuous supply of product during the Contract period. Bidders may be required to furnish information supporting their ability to supply, without major interruption, the products covered in this bid.

7. DELIVERY REQUIREMENTS:

- A. Products shall be delivered as ordered by SLDMWA's User Department(s):
User Department(s): San Luis & Delta-Mendota Water Authority – Los Banos Field Office Division.
- B. Delivery will be once a week on a set day (excluding Friday) between the hours of 7:00 AM and 3:00 PM.
- C. A minimum of 300 gallons is required at all times in each tank. Contractor shall monitor both fuel tanks with Smart Logic equipment at no charge. SLDMWA shall have access to the Smart Logic web portal.
- D. All deliveries shall be F.O.B. Destination, Freight Prepaid to locations listed in Section 10.

- E. Contractor must gain entry to and exit from the premises by identifying themselves to the Secretary and by signing in and out in the log books located in the Administration Building.
- F. Contractor's Driver shall provide at the time of delivery, a receipt to include the delivered number of gallons, type of product, date, time and temperature.
- G. Contractor will provide within five calendar days of delivery, a scanned invoice to Accounts.Payable@sldmwa.org. An original invoice shall be mailed after. SLDMWA will only remit payment based on an original invoice.
- H. Emergency callouts shall be arranged by the SLDMWA authorized representative.
- I. Invoices must reflect R-99 diesel to maintain compliance with CARB and County Air Board.

8. CAUTION AND SAFETY:

- A. Contractor's personnel shall abide by all SLDMWA safety rules and regulations outlined in the SLDMWA Injury and Illness Prevention Program. The Contractor should direct any questions regarding safety to the SLDMWA authorized representative.
- B. Prior to work under this agreement, Contractor shall submit for approval to SLDMWA a Contractor's "Materials Safety Data Sheet" or "OSHA Form 20" for all chemical compounds to be used within the scope of this agreement. SLDMWA retains the right to reject any material that may create a safety or health hazard.
- C. Contractor's equipment and vehicles shall meet all safety standards as required by Federal, State, and Occupational Safety and Health Act (OSHA) standards.
- D. SLDMWA may immediately terminate any procedure or operation under this agreement that is in violation with the above or is an immediate or obvious safety hazard.

9. CANCELLATION:

SLDMWA reserves the right to cancel without prior notice the balance of the contract if the vendor fails to deliver the product within the time specified herewith or comply with requirements as set forth in this bid document.

10. QUANTITIES:

SLDMWA's usage for the period of March 1, 2024 through February 28, 2025 is provided herein. While SLDMWA estimates that consumption will not be less than that shown for the prior period, there shall be no guarantee as to actual quantities required during the period of the contract.

- A. Regular Unleaded Gasoline
 - a. Quantity: 21,543.40 gallons
- B. Renewable Diesel (R-99)
 - a. Quantity: 16,122.90 gallons

11. FUEL TANK LOCATION AND CAPACITY

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY (SLDMWA)

DEPT. NAME	LOCATION	TYPE	CAPACITY GALLONS
Los Banos Field Office	18785 S. Creek Road Los Banos, CA 93635	Above Ground Unleaded Gasoline	1,000
Los Banos Field Office	18785 S. Creek Road Los Banos, CA 93635	Above Ground Renewable Diesel (R-99)	1,000

EXHIBIT B – GENERAL CONDITIONS

ARTICLE 1. ENTIRE AGREEMENT

The Agreement, including all exhibits, represents the entire and integrated agreement between SLDMWA and Contractor and supersedes all prior proposals, negotiations, representations, understandings and/or agreements, either written or oral. No changes, amendments, alterations or modifications to this Agreement will be effective unless in writing and executed in the same manner as the Agreement. No claim for any additional compensation or time shall be valid unless authorized by a written amendment executed by SLDMWA and Contractor.

ARTICLE 2. CONFLICTS OF INTEREST

Contractor shall not have a familial, financial, or investment interest in any of the persons, contractors or companies with responsibilities related to the subject of this Agreement. A familial interest exists if any of Contractor's officers, directors, employee(s) providing professional services on the Project, or owners of 10% or more of the business is the spouse, sibling, parent, child, grandparent, grandchild, aunt/uncle or niece/nephew of any of the officers, directors, project managers, or owners of 10% or more of the business of any of the persons, contractors or companies with responsibilities related to the Project. Contractor affirms that, to the best of its knowledge, there exists no actual or potential conflict between family, business, or financial interests of Contractor and SLDMWA. Contractor agrees to advise SLDMWA of any actual or potential conflicts of interest that may develop subsequent to the date of execution of the Agreement.

ARTICLE 3. CHANGES OR TERMINATION

Changes will be binding on SLDMWA only if in writing and signed by the SLDMWA. SLDMWA, for its convenience, may by written change order make any change, including, without limitation, additions or deductions in quantities ordered, changes in the specifications or drawings, changes in the time of delivery, or termination. SLDMWA may terminate or suspend at its convenience all or any portion of this order not shipped as of the date of termination or suspension of the order. In the event of any change or termination, there shall be an equitable price adjustment by SLDMWA. If Contractor maintains that SLDMWA's adjustment is not equitable, the price change shall be negotiated. In the event the parties cannot agree, the final determination shall be made in accordance with the dispute resolution provision of this Agreement. No change or termination shall relieve SLDMWA or Contractor of any of their obligations as to any material shipped prior to Contractor's receipt of the change, termination or suspension order. Any claim for adjustment by Contractor hereunder must be asserted in writing within ten (10) days from the date the change or termination is ordered.

In the event of a termination for default, SLDMWA may, in addition to all other rights and remedies, purchase substitute items or services elsewhere and hold Contractor liable for any and all excess costs incurred, including attorneys' fees and experts' and Contractors' fees actually incurred.

ARTICLE 4. PAYMENT; TAXES

- A. Compensation: The price herein specified shall, unless otherwise expressly stated within the terms of this Agreement, include all taxes and duties of any kind levied by federal, state, municipal, or other governmental authorities, which either party is required to pay with respect to the production, sale, use or shipment of the materials covered by this Agreement, and all charges for packing, loading, unloading and shipping. Any and all taxes imposed or assessed on Contractor's income by reason of this agreement or its performance, including but not limited to sales or use taxes, shall be paid by Contractor. Contractor shall be responsible for any taxes or penalties assessed by reason

of any claims that Contractor is an employee of SLDMWA. If transportation costs are designated as part of the cost to SLDMWA, only actual transportation costs shall be included. Damage to equipment or goods not packed to insure proper protection shall be charged to Contractor. Contractor's invoice shall set forth the items delivered to the project site, the date of delivery, the unit cost and total costs of the items invoiced.

- B. Payment: Invoices received and subsequently approved by SLDMWA shall be paid not more than thirty (30) days after delivery of an approved invoice. Disputed invoices shall be returned to Contractor within ten (10) working days of receipt.
- C. Invoicing: Provider shall submit separate invoices no later than five days after each delivery, including applicable time records and identification of any deliverables submitted during the billing period, at the differential rates not to exceed those stated in **Exhibit C** to Accounts Payable, San Luis & Delta-Mendota Water Authority, at accounts.payable@sldmwa.org.
- D. Payment Disputes: SLDMWA may dispute any invoice or portion thereof which is not properly documented and in accordance with the Agreement. For any disputed payment, SLDMWA shall provide written notice describing its dispute to Provider. Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of SLDMWA. This decision shall be final and conclusive unless within ten (10) days from the date of the receipt of its copy, Contractor mails or otherwise furnishes a written appeal to SLDMWA's Chief Operating Officer. In connection with any such appeal, Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the Chief Operating Officer shall be binding upon Contractor and Contractor shall abide by the decision. Unless otherwise directed by SLDMWA, Contractor shall continue performance under this Agreement while matters in dispute are being resolved. In the event of a dispute between each parties Terms & Conditions, SLDMWA terms will prevail.
- E. Taxes: Provider shall pay any and all taxes imposed or assessed on Provider's income by reason of this Agreement or its performance, including but not limited to sales or use taxes. Provider shall be responsible for any taxes or penalties assessed by reason of any claims that Provider is an employee of SLDMWA. SLDMWA is exempt from Federal Excise Tax.

ARTICLE 5. RISK OF LOSS

Notwithstanding the terms of shipment, the risk of loss shall pass to SLDMWA only after delivery to the job site or other place designated in writing by SLDMWA.

ARTICLE 6. DELIVERY

Time is of the essence of this Agreement. If no delivery date is specified on the face of this Agreement, all deliveries of materials shall conform to the date or dates specified in writing from time to time by SLDMWA's representative. Should delivery for any reason fail to be timely, Contractor shall be liable for all damages suffered by SLDMWA as a result of such failure.

ARTICLE 7. INSPECTION

SLDMWA shall have the right to inspect and test the materials at Contractor's plant any time prior to shipment and to conduct additional inspections at any time after arrival at the job site. The making or failure to make any inspection of, or payment for or acceptance of, the materials shall not impair SLDMWA's right to later reject nonconforming materials, or to avail itself of any other remedy to which SLDMWA may be entitled, notwithstanding SLDMWA's knowledge of the nonconformity, its substantiality, or the

ease of its discovery. Contractor shall be liable for all inspection, reshipment and return costs on nonconforming materials. Contractor shall not replace returned materials unless so directed by SLDMWA in writing.

ARTICLE 8. WARRANTIES

Contractor warrants to SLDMWA that all of the materials provided under this Agreement shall be free from all defects, shall be of the quality specified, and shall be fit and appropriate for the purpose intended. Contractor further warrants that the materials will be complete in all respects necessary to make the materials fully functional if installed in accordance with the Solicitation Documents. All warranties implied by law or usage of trade are incorporated into this Agreement and shall apply to services and materials ordered. Contractor guarantees SLDMWA that the materials rendered shall be free of any and all defects in workmanship and materials which may develop for a minimum period of three (3) years or 2,000 hours following acceptance of the materials by SLDMWA. The materials are ordered by SLDMWA in reliance on each and all of the warranties and guarantees specified herein and implied by law or usage of trade. SLDMWA's remedies pursuant to this paragraph are in addition to, and not a limitation on, all other remedies allowed by law.

ARTICLE 9. INFRINGEMENT

Contractor shall pay all royalties and licensing fees arising in connection with the sale or use of materials hereunder. Contractor further undertakes and agrees to defend, at Contractor's expense, all suits, actions or proceedings in which SLDMWA, its successors, assigns, customers or users of its customer's products are made defendants for actual or alleged infringement of any U.S. or foreign letters patent, copyrights or trademarks or any intellectual property rights of any kind resulting from the use or purchase of any materials furnished under this Agreement, and Contractor agrees to pay or discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against such defendants therein.

ARTICLE 10. COMPLIANCE

Contractor's performance shall in all ways strictly conform with all applicable laws, regulations, safety orders, labor agreements, prevailing wage requirements and working conditions to which it is subject, including, but not limited to, all state, federal and local non-discrimination in employment provisions, and all local regulations and building codes. Contractor shall execute and deliver all documents as may be required to effect or evidence compliance.

ARTICLE 11. ASSIGNMENTS; SETOFF

Any delegation, subletting or assignment by operation of law or otherwise, of all or any portion of the obligations to be performed by Contractor without the prior written consent of SLDMWA shall be void. In the event of any transfer, hypothecation or assignment by Contractor, without SLDMWA's consent, of the right to receive all or any part of any payments due or to become due hereunder, SLDMWA may, at any time thereafter withhold any or all monies or payments due or to become due hereunder until final payment is due and all conditions precedent to such payment are satisfied. SLDMWA may, at its option, setoff any amounts otherwise due from SLDMWA to Contractor under this Agreement against any delinquent amounts or liabilities which are due to SLDMWA or its commonly controlled affiliates from Contractor.

ARTICLE 12. LICENSES

Contractors are required by law to be licensed and regulated by the appropriate State Licensing Board. Contractor shall comply with all required licensing laws applicable to its services under this Agreement.

ARTICLE 13. NON-DISCRIMINATION

Contractor shall not discriminate against any employee or potential employee on the basis of prohibited criteria, as defined in Government Code section 12940. Without limiting the foregoing in any way, during the performance of this Agreement, Contractor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor shall give written notice of its obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

ARTICLE 14. INSURANCE

A. Required Policies: Contractor shall furnish to SLDMWA certificates of insurance and policy endorsements satisfactory to SLDMWA evidencing insurance, with reliable insurance companies approved by the State of California Department of Insurance and with a Bests' rating of no less than (A) Level VII, for the following minimum insurance coverages, which may be increased or expanded by the Agreement:

1. Workers' Compensation insurance and occupational disease insurance, as required by law, with limit of no less than \$1,000,000 per accident for bodily injury or disease;
2. Employer's liability insurance, with minimum limits of \$1,000,000, covering all workplaces involved in the Agreement.
3. Commercial General Liability Insurance in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Contractor's obligations under this Agreement, products and completed operations, and coverage for independent contractors.
4. Commercial Automobile Insurance for all owned, non-owned and hired vehicles used by Contractor in the performance of its services under this Agreement with a limit of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
5. Pollution Liability insurance with a limit of not less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

B. Additional Terms:

1. All general liability, automobile, and pollution liability policies shall name SLDMWA, its elected or appointed officers, officials, agents, authorized

volunteers and employees as additional insureds ("Additional Insureds"), include a severability of interest provision, and shall provide that such policy is primary and not contributory with any insurance carried by SLDMWA or its Members.

2. The insurance to be provided by Contractor under this Agreement shall not include any of the following: any claims-made insurance policies; any self-insured retention or deductible amount greater than two hundred fifty thousand dollars (\$250,000) unless approved in writing by SLDMWA; any endorsement limiting coverage available to SLDMWA that is otherwise required by this Article 14; and any policy or endorsement language that (i) negates coverage to SLDMWA for SLDMWA's own negligence; (ii) limits the duty to defend SLDMWA under the policy; (iii) provides coverage to SLDMWA only if Contractor is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SLDMWA's rights under this Agreement.
3. Contractor shall provide Certificates of Insurance, or other evidence of insurance as requested by SLDMWA, to SLDMWA within ten (10) days after receipt by Contractor of the executed Agreement. The certificates shall provide that there will be no cancellation, suspension, voiding or change of coverage without thirty (30) days' prior written notice to SLDMWA. There shall be no reduction or modification of coverage of insurance required by the Agreement without the written consent of SLDMWA. Contractor shall provide SLDMWA with a new or renewed certificate of insurance upon any changes or modifications to coverage, including any extension or renewal of required insurance coverage; provided that any changes or modifications to coverage shall be consistent with this Agreement.
4. The insurer(s) issuing the required policies shall, by separate endorsement, agree to waive all rights of subrogation against the "Additional Insureds" for losses arising in any manner from the products or work provided or performed by or on behalf of Contractor for SLDMWA, but this provision applies regardless of whether or not SLDMWA has received the waiver of subrogation.
5. Pollution Legal Liability Endorsement: \$2,000,000 combined single limit, annual aggregate for bodily injury, sickness, disease, mental anguish or shock, property damage and defense costs; with a minimum of \$1,000,000 per occurrence. Pollution Legal Liability insurance shall cover liability of the insured disposal or treatment facility that is accepting any waste or soil under this Project. Contractor shall require such disposal or treatment facilities to furnish proof of the required coverage or Contractor provides proof of coverage for Pollution Legal Liability for Non-Owned Disposal Site.

ARTICLE 15. INDEMNITY; NO LIABILITY FOR CONSEQUENTIAL DAMAGES

A. Contractor shall, with respect to all work which is covered by or incidental to the Agreement, defend, indemnify, and hold harmless SLDMWA, its officers, directors, agents, representatives and employees (collectively "SLDMWA"), from and against any and all liens and claims asserted by firms or individuals claiming through Contractor, and claims, liability, loss, damage, civil fines, penalties, costs, or expenses, including reasonable attorneys' fees, expert's fees, awards, fines, or judgments, relating to the death or bodily injury to persons, injury to property, other loss, damage, or expense to the extent that any of the above arise out of, pertain to, or relate to the negligence, recklessness, willful misconduct or breach of this

Agreement by Contractor or anyone acting under its direction or control or on its behalf in the course of its performance under this Agreement. Contractor's duty shall include the duty to defend the indemnitees as required by Civil Code section 2778, which duty shall arise from the need for defense and is not contingent upon a finding of liability for indemnification, and Contractor shall employ counsel reasonably acceptable to SLDMWA for this defense obligation. Contractor shall not be obligated under the Agreement to indemnify SLDMWA to the extent that the damage is caused by the active or sole negligence or willful misconduct of SLDMWA or its agents or servants other than Contractor.

B. The acceptance by SLDMWA or its representatives of any certificate of insurance providing for coverage of any kind shall in no event be deemed a waiver of any of the provisions of this Article. None of the foregoing provisions shall deprive SLDMWA of any action, right or remedy otherwise available by law.

C. Except to the extent of any insurance coverage, neither Contractor nor SLDMWA shall be responsible to the other for any form of consequential damages, including, but not limited to losses of use, sale, profits, financing, business and reputation, and attorney fees thereon. Nothing in these provisions or in this Agreement shall waive, release or compromise any insurance requirements or coverages required in Article 14.

ARTICLE 16. RESERVED

ARTICLE 17. DEFAULTS

If Contractor fails to perform any of its obligations hereunder, SLDMWA shall be entitled to all remedies provided by law, and, except as otherwise set forth herein, SLDMWA shall be entitled to recover any and all damages incurred, including without limitation, direct and compensatory damages, attributable to Contractor's breach of this Agreement. If Contractor becomes insolvent or makes an assignment for the benefit of creditors, or files or becomes subject to receivership or reorganization or bankruptcy proceedings, or becomes involved in labor difficulties, which in SLDMWA's opinion threaten Contractor's ability to perform in a timely manner, SLDMWA may, in addition to any other rights or remedies it may have hereunder or at law, terminate the purchase order upon written notice to Contractor; such termination shall be deemed a termination for default. SLDMWA's failure to notify Contractor of a rejection of nonconforming equipment or materials or to specify with particularity any defect in nonconforming materials after rejection or acceptance thereof will not bar SLDMWA from pursuing any remedies for breach which it may otherwise have.

ARTICLE 18. TERMINATION OF AGREEMENT

This Agreement may be terminated by either party upon 30 days' written notice, with or without cause, upon written notification to the other party. Following such termination, SLDMWA shall pay Contractor all unpaid sums due for materials provided under this Agreement and accepted by SLDMWA. No termination of the Agreement shall excuse or otherwise relieve Contractor of its responsibilities under the Agreement, including, without limitation, Contractor's warranty obligations for materials provided and accepted by SLDMWA and Contractor's indemnity obligations.

ARTICLE 19. DISPUTE RESOLUTION

Contractor and SLDMWA shall attempt to resolve conflicts or disputes that arise under this Agreement or that relate in any way to this Agreement or the subject matter of this Agreement in a fair and reasonable

manner. The parties agree to attempt to mediate through a professional mediator any conflicts or disputes not otherwise resolved by the parties, with the costs of mediation shared equally by the parties. If the mediation does not settle the conflict or dispute, the parties may agree in writing to binding arbitration, or the matter may proceed in litigation before a court of competent jurisdiction. Neither party shall commence or pursue arbitration or litigation prior to (1) the completion of mediation proceedings, and (2) prior to completion of Contractor's services under this Agreement.

The existence of a dispute between SLDMWA and Contractor, not involving a material default by SLDMWA in performance of a condition precedent to Contractor's performance, shall not relieve Contractor of its obligation to perform under this Agreement.

ARTICLE 20. ADDITIONAL PROVISIONS

A. Successors and Assigns: SLDMWA and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto and to the partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in the Agreement. Contractor shall not assign the Agreement or sublet it in whole or part without the written consent of SLDMWA, nor shall Contractor assign any moneys due or to become due to it hereunder without the prior written consent of SLDMWA.

B. Unenforceability of any Clause: If any clause or provision of the Agreement is held to be unenforceable or invalid, then that provision of the Agreement shall be stricken and all other provisions of this Agreement shall remain in full force and effect and shall not be effected thereby.

C. Waiver of Breach: Failure by one party to notify the other of a breach of any provision of this Agreement shall not constitute a waiver of any continuing breach. Failure by one party to enforce any of its rights under this Agreement shall not constitute a waiver of those rights. The waiver by either Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or any other provision hereof.

D. Interpretation: The Agreement shall be construed and interpreted in accordance with the laws of the State of California.

E. Headings: The titles of sections of these General Conditions are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.

EXHIBIT C – RATE SHEET

Contractor will provide fuel delivery services based on the fixed differential rates provided herein:

<i>Item No.</i>	<i>Description</i>	<i>UOM</i>	<i>Differential</i>
1	Regular Unleaded Gasoline	gal	.30
2	Renewable Diesel (R-99)	gal	.30

Total Compensation under this Agreement is:

Not to Exceed \$150,000.00 per Fiscal Year.

Fiscal Year 1 June 1, 2026 through February 28, 2027 is approved. All future fiscal years are subject to an approved budget.

NOTICE OF INTENT TO AWARD

Date: April 30, 2026

To: Larry Shepherd
Toro Petroleum Corp.
35175 West Shaw Ave.
Firebaugh, CA 93622

Project Title: Los Banos Field Office (LBFO) Fuel Delivery Services

Project Specification Number: F27-LBFO-004

You are hereby notified that your Bid dated April 29, 2026, for the above Contract has been considered. You are the apparent successful and low bidder and will be recommended for award of the contract for the above-named project.

The Total Price of your contract is:

NOT-TO-EXCEED \$150,000.00(One Hundred Fifty Thousand Dollars.) PER FISCAL YEAR THROUGH FEBRUARY 28, 2029. ALL FUTURE FUNDING IS SUBJECT TO AVAILABILITY OF FUNDS AND BOARD APPROVAL OF FUNDING; NO GUARANTEE OF FUTURE YEAR FUNDING.

In accordance with the solicitation documents, contract award will be made once the protest period is up. Please refer to the solicitation for protest periods.

This letter will serve as notification that the San Luis Delta-Mendota Water Authority will recommend to the Board the award of this contract to Toro Petroleum Corp. in the amount of \$150,000.00.

Regards,



Travis Roberts

Contract Specialist

San Luis & Delta-Mendota Water Authority



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Board of Directors, Alternates
SLDMWA Water Resources Committee, Alternates

From: Federico Barajas, Executive Director

Date: May 11, 2026

RE: Adoption of Resolution Providing Support for ACWA Vision for Our Water Future

Background

In September 2025, the Association for California Water Agencies (ACWA) initiated a General Manager Working Group (Working Group) to assist with developing a strategic, member-driven policy document that articulates focused statewide priorities and recommended actions. The Working Group is comprised of twenty-one members with representation from the ten ACWA regions; San Luis & Delta-Mendota Water Authority Executive Director Federico Barajas is a member of the Working Group.

On March 20, 2026, ACWA's Board of Directors unanimously approved the Vision for Our Water Future policy recommendations and backed it with resources necessary to support its success. ACWA is encouraging members to help elevate the Vision, including by adopting a resolution or proclamation in support of the Vision.

Issue for Decision

Whether the Water Resources Committee should recommend, and the Board of Directors should adopt, a Resolution Providing Support for the ACWA Vision for Our Water Future.

Recommendation

Staff recommends adoption of the proposed resolution.

Analysis

ACWA's Vision for Our Water Future seeks to elevate water as a top priority for California's next governor, legislative leadership, and state officials. More information is available in the attachments, and on ACWA's website at ACWA.com/vision.

Attachments

1. Proposed Resolution Providing Support for ACWA Vision for Our Water Future
2. ACWA Vision Policy Framework

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2026-

**RESOLUTION PROVIDING SUPPORT FOR ACWA VISION FOR OUR WATER
FUTURE**

WHEREAS, in April 2026, the Association of California Water Agencies (“ACWA”) launched Vision for Our Water Future, a member-driven initiative to identify statewide water priorities to inform engagement with California’s next Administration; and

WHEREAS, the Vision for Our Water Future priorities are a set of recommendations for the next governor, emphasizing the importance of strong leadership, sustainable investment and coordinated action across all levels of government to secure California’s water future; and

WHEREAS, the first priority is to lead on water and elevate water as foundational to California’s economy, agriculture, communities, environment and climate resilience through sustained leadership and coordinated state action; and

WHEREAS, the second priority is to ensure safe and reliable water remains affordable through sustained and predictable funding partnerships and streamlined investment delivery; and

WHEREAS, the third priority is to strengthen and modernize California’s water infrastructure, including both built and natural systems, to improve reliability and resilience; and

WHEREAS, the fourth priority is to improve regulatory, operational and scientific frameworks to enable efficient project delivery and adaptive water management; and

WHEREAS, local water agencies play a critical role in delivering safe and reliable water supplies and are essential partners in implementing statewide solutions; and

WHEREAS, supporting the Vision recommendations demonstrates a unified commitment to collaborative, science-based and practical policies that advance a secure and resilient water future for California’s communities, farms, economy and environment.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby expresses support for ACWA’s Vision for Our Water Future recommendations and affirms its commitment to working collaboratively to advance reliable, affordable and resilient water supplies.

PASSED, APPROVED AND ADOPTED this 14th day of May, 2026, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

Cannon Michael, Chair
San Luis & Delta-Mendota Water Authority

Attest:

Federico Barajas, Secretary

I hereby certify that the foregoing Resolution No. 2026- was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 14th day of May, 2026.

Federico Barajas, Secretary

VISION

FOR OUR WATER FUTURE



Setting the Vision

The Association of California Water Agencies (ACWA) represents approximately 470 public water agencies that collectively deliver approximately 90 percent of the water used by Californians — in their homes, on their farms, and for their businesses.

Water agencies are being proactive and are on the front lines of the state's most pressing challenges — from droughts, floods, and wildfires to aging infrastructure and the need for more housing. Meaningful progress requires state partnership with local water suppliers to achieve common goals. Bold leadership from the governor is critical to setting a unified direction, accelerating action, and delivering results to prepare California for the future. Action is needed now.

Why Water Matters

Water is the foundation upon which California is built. This State is the world's fourth-largest economy, the nation's breadbasket, a global technology leader, and home to extraordinary ecosystems. None of it functions without water.

Water is not a single-sector issue. It is the backbone every other sector depends on. It determines where homes can be built, whether farms can produce, how businesses operate and grow, and whether species can survive a changing climate. A safe, reliable, and affordable water supply is one of the most important investments California can make.

ACTION IS NEEDED NOW



**Lead
on Water**



**Protect
Affordability**



**Deliver Critical
Infrastructure**



**Modernize Water
Management**

California Thrives With Water

- › **Housing:** California must plan for 2.5 million new homes in the next decade. Every unit requires a reliable water supply.
- › **Agriculture:** California agriculture is 12% of the state's economy, contributing \$60 billion; employing over 400,000 people; and producing more than half of the nation's fruits, nuts, and vegetables. Both surface and groundwater are fundamental to California's agriculture sector.
- › **Economy:** California's \$4 trillion economy spans technology, innovation, manufacturing, trade, and tourism. Every dollar of it depends on a reliable water supply.
- › **Environment:** California's extraordinary ecosystems — its rivers, wetlands, and floodplains — depend on the same water system managed by local water suppliers. A thriving California requires managing water to sustain both communities and ecosystems.
- › **Public Health:** Water suppliers are California's first line of public health defense, delivering safe, clean drinking water to every community in the state.
- › **Climate Resilience:** Climate whiplash — the swing between extreme droughts and extreme floods — is increasing, snowpack is diminishing, and wildfires are growing more severe. Water suppliers are modernizing, but they cannot do it alone.

Building A Modern System

Securing California's water future requires more than incremental fixes. It demands a fundamental shift in how the State leads, invests, and operates. The Vision for Our Water Future provides an essential framework for ensuring a resilient and reliable water system.

Funded, built, and managed for extreme conditions, our modern water system is resilient, coordinated, and flexible — meeting the needs of California's communities, economy, and environment.

- › **Anchored by Backbone Infrastructure:** The State Water Project and Central Valley Project form the foundation of the statewide water system. These assets capture and manage California's highly variable hydrology and move water where and when it is needed.
- › **Strengthened by Regional Resiliency:** Regional and watershed-based partnerships strengthen local water reliability under changing hydrologic conditions and during emergencies through coordinated planning, interconnected infrastructure, diversified supplies, and shared responsibility.
- › **Delivered Locally:** Water is delivered by local suppliers, even when conveyed through or interconnected with statewide or regional systems. Local agencies set rates and policies — ratepayers fund approximately 85% of California's water system costs — while navigating structural constraints from Proposition 218, regulatory mandates, and permitting complexity.

Key Elements of A Modern Water System

- › Designed and upgraded for the future
- › Flexible and responsive to changing climate conditions
- › Supported by aligned state permitting, regulatory, and investment frameworks
- › Informed by technology, data, and science
- › Grounded in long-term affordability

A modern water system must be resilient, coordinated, and flexible to meet California's evolving needs.





LEAD ON WATER

Recognize water as an essential resource and the infrastructure that underpins California's economy, housing growth, food production, environmental health, and community resilience. Sustained executive leadership is needed to improve water supply reliability, accelerate climate resilience, and ensure coordinated action across state government.

- **Set a Bold Water Agenda (First 100 Days):** Establish a focused statewide water agenda aligned with this Vision for Our Water Future.

- **Appoint Leaders to Deliver Results:** Appoint and empower leaders to deliver measurable outcomes.
- **Unify State Agencies:** Direct state agencies to align under unified statewide water priorities and jointly advance implementation in partnership with local, regional, and federal water managers. Designate a cabinet-level water policy executive, reporting directly to the Governor, to align agencies and organize state resources to implement California's water priorities.



PROTECT AFFORDABILITY

Ensure safe and reliable water remains affordable by strengthening sustained state investment and funding partnerships with local, regional, and federal agencies to address rising infrastructure, climate, and regulatory costs. California's ratepayers fund more than 85% of the system. Without predictable investment, these costs will increasingly fall on households, businesses, and farmers.

- **Secure Sustainable Water Funding:** Create a reliable sustainable state funding source for water infrastructure that provides predictable, long-term investment. This funding should support critical water infrastructure projects, environmental needs, and California's Human Right to Water while leveraging federal, regional, and local investment.

- **Accelerate Funding:** Improve funding programs and coordination so investments reach projects faster — reducing administrative delays, lowering project costs, and accelerating infrastructure delivery.
- **Integrate Investments Across Sectors:** Align state investments and integrate water infrastructure funding across energy, housing, and climate and hazard mitigation to advance multi-benefit projects and maximize federal, state, and regional investment.





DELIVER CRITICAL INFRASTRUCTURE

Future-proof California's critical water infrastructure to ensure reliable supplies in the face of climate change, growing economic and community demands, and escalating emergency risks. This requires strengthening the statewide water system, including both built and natural infrastructure, while advancing regional resilience to maximize systemwide reliability.

- **Strengthen the State's Water Backbone:** Upgrade, repair, and optimize California's essential backbone infrastructure — the California State Water Project and Central Valley Project.
 - ◆ **Modernize and Protect Infrastructure:** Advance a durable Delta conveyance solution, strengthen Delta levees, safeguard critical infrastructure from subsidence and seismic risk, and upgrade system technologies — including Forecast Informed Reservoir Operations, snowpack measurement, and remote monitoring control.
 - ◆ **Improve Coordinated Operations:** Integrate operations of the California State Water Project and Central Valley Project to increase system flexibility, expand the storage and movement of water, and enhance water supply reliability.
- **Safeguard Colorado River Water Supplies:** Protect California's Colorado River allocation, consistent with the State's legal entitlements and the efforts of the Colorado River Board of California.
- **Empower Regional Water Solutions:** Champion regional and watershed-based solutions. State policy should empower regions with the tools, flexibility, and investment needed to advance regional planning, partnerships, and projects that diversify water supplies, strengthen system connectivity and operational efficiency, and restore ecosystem functions to ensure reliable water supplies.



MODERNIZE WATER MANAGEMENT

Improve California's regulatory and operational systems so water projects can move forward reliably and efficiently, infrastructure can be operated more flexibly, and agencies can respond more rapidly to changing conditions. California's regulatory framework should deliver clear, coordinated decisions grounded in the best available science, while maintaining environmental protections, public transparency, and California's existing water rights priority system.

- **Improve Permitting Performance:** Enhance the clarity, coordination, and efficiency of state permitting processes to accelerate infrastructure and operational improvements; eliminate avoidable costs; and ensure state and local agencies deliver timely, accountable results.
 - ◆ **Integrate Permit Requirements:** Integrate requirements and processes across regulatory agencies to eliminate redundancy and inconsistency.
 - ◆ **Enhance Regulatory Certainty:** Establish transparent procedures, clear criteria for permit approval, and accountable timelines for agency decisions — developed in direct partnership with water suppliers.
 - ◆ **Streamline Pathways:** Create efficient pathways to advance multi-benefit, climate-resilient water supply projects.
- **Modernize Water Operations:** Advance operational approaches that reflect changing climate realities to improve water supply reliability across environmental, agricultural, and urban sectors. This may include coordinated reservoir management, flexible diversion rules tied to real-time hydrology, accelerated groundwater recharge and conjunctive use, expanded water transfers, and other adaptive strategies.
- **Strengthen Water Data and Science:** Invest in integrated, science-based statewide data systems and technology that improve transparency, inform real-time decisions, and strengthen regulatory and operational performance to increase efficiency and better manage water resources.

VISION
FOR OUR WATER FUTURE



Vision for Our Water Future is an initiative of the Association of California Water Agencies, representing approximately 470 public water agencies in California.



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Water Resources Committee Members and Alternates / Board of Directors and Alternates
From: Scott Petersen, Water Policy Director
Date: May 11, 2026
RE: Water Resources Committee to Consider Recommendations on Legislation / Board of Directors to Consider Same

Recommendation

Recommend to the Water Resources Committee and Board of Directors to adopt the following positions on legislation:

Federal Legislation

- Adopt of position of "Support and Amend" on H.R. 8259 (Bentz), Reclamation Project Consultation Improvement Act of 2026

State Legislation

- Adopt a position of "Not Favor" on A.B. 2214 (Jackson), Government finance: deposits
- Adopt a position of "Watch" on A.B. 2215 (Calderon), Water rights: permits: State Water Project
- Adopt a position of "Watch" on A.B. 2216 (Aguiar-Curry), Sacramento-San Joaquin Delta Conservancy
- Adopt a position of "Oppose" on A.B. 2447 (Bauer-Kahan), Water Supply Protection Act
- Adopt a position of "Support" on A.B. 2739 (Soria), Water: affordability and system stabilization
- Adopt a position of "Favor" on S.B. 1001 (Archuleta), Local agency, corporation, or mutual water company: personnel access: Personal Identity Verification-Interoperable

Federal Legislation

H.R. 8259 (Bentz), Reclamation Project Consultation Improvement Act of 2026

RECOMMENDATION: Support and Amend

POLICY SCOPE: Environmental and Regulatory Compliance

Summary

The bill establishes requirements for federal agencies to engage in routine and continuing communication with affected Reclamation contractors during the development and review of biological assessments and biological opinions for federal water projects in Reclamation States. It ensures contractors receive timely information on agency actions, proposed alternatives, and measures to avoid harm to endangered or threatened species. Contractors are given opportunities to review draft biological opinions, provide



comments, and participate in discussions about reasonable and prudent alternatives and mitigation measures. The law emphasizes transparency, cooperation, and accountability in decision-making processes that impact water supply and local economic interests.

Status

H.R. 8259 was introduced on April 14, 2026, was heard by the Water, Wildlife and Fisheries Subcommittee of the House Natural Resources Committee on April 29, 2026, and awaits markup in the House Natural Resources Committee.

Importance to the Authority

Consultation on operations of the Central Valley Project (CVP) under Section 7 of the federal Endangered Species Act (ESA) have significant impacts on the reliability and affordability of water supplies under Reclamation contracts. The legislation is modeled after Section 4004 authorities established by the Water Infrastructure Improvements for the Nation (WIIN) Act, which created a process for engagement between Reclamation, as an action agency, and its contractors, who bear the effects of any operational changes to the CVP as a result of compliance with the federal ESA.

The bill specifically requires that if a federal agency considers an action that would not result in full delivery of water to contractors, those contractors must be informed and engaged — including being told what legal authority supports the action and why alternatives with fewer adverse water supply impacts are inadequate.

The bill strengthens contractor role in proceedings where species protections intersect with water management. Contractors are entitled to receive a copy of draft biological opinions and have the opportunity to review and comment on them, with those comments to be afforded due consideration during the consultation. The bill also ensures that covered entities have routine and continuing opportunities to discuss and submit information for consideration during the development of any biological assessment, and to engage with respect to its preparation.

In short, H.R. 8259 operationalizes several of SLDMWA's FY 2027 policy objectives by converting advocacy goals — particularly around the Section 7 consultation process — into statutory rights.

For these reasons, staff recommends a “Support and Amend” position.

Potential Amendments

Authority staff seeks to develop clarifying amendments to ensure that (1) the transparency provisions of the legislation associated with full delivery of water pursuant to a contract are associated with actions taken to reduce adverse effects on listed species, rather than hydrologic conditions, as well as (2) additional statutory direction for improvements to the stakeholder engagement process based on lessons learned from WIIN Act engagement for CVP contractors.



State Legislation

A.B. 2214 (Jackson), Government finance: deposits

RECOMMENDATION: Not Favor

POLICY SCOPE: Funding and Finance

Existing Law

Existing law requires the Treasurer to invest, or deposit into banks and other financial institutions, specified state moneys designated as surplus as a part of the Pooled Money Investment Account (PMIA) and determined to be available for that purpose by the Pooled Money Investment Board.

Existing law generally requires banks and other financial institutions to deposit with the Treasurer securities in a value at least ten percent in excess of the amount deposited with the institution to be eligible to receive deposits of state funds, except as specified.

Summary

This bill would declare findings about the State's intent to use the PMIA, as specified.

This bill would establish, within the PMIA, the Community Reinvestment Account that would allocate \$4 billion from the PMIA into the Community Reinvestment Account for qualified institutions, such as the following:

- (A) Verified small business lending in underserved census tracts.
- (B) First-time or first-generation home buyer lending.
- (C) Affordable housing lending
- (D) A formal partnership with any of the following:
 - (i) A community development financial institution (CDFI).
 - (ii) A Small Business Development Center (SBDC).
 - (iii) A state-approved nonprofit financial coach.
- (E) Verified brokerage of financing products, such as silent second lien disaster mortgages, for homeowners facing displacement and loss of home ownership seeking to rebuild their home following disaster.

This bill would prioritize qualifications of deposits into the Community Reinvestment Account and set qualifications, as specified, for the following institutions:

- (A) Minority Depository Institutions (MDIs).
- (B) Community banks serving rural and urban low-wealth areas.
- (C) Community Development Financial Institutions (CDFIs) with a California lending footprint.



This bill would require securities, for a deposit from the Community Reinvestment Account or under the Small Business Lending Time Deposit Program, to be in an amount in value of at least 90 percent of the amount deposited with the institution.

This bill would require the Treasurer to deposit moneys from the Community Reinvestment Account with qualified institutions that have committed to specified lending activities, including, among other things, that at least 50 percent of the moneys from the account are used for affordable housing lending, as defined and specified.

This bill would require institutions that receive deposits from the Community Reinvestment Account to submit quarterly, nonidentifying, performance reports to the Treasurer and the Treasurer to publish the data it receives in a publicly available report.

This bill would require the department, in consultation with the Department of Parks and Recreation and the Department of Food and Agriculture, to develop a voluntary framework to prevent the overland spread of invasive mussels through the conveyance of watercraft overland. The bill would require the framework to include specified elements, including, among other elements, minimum standards for watercraft inspection, decontamination, and quarantine and a banding program or other mechanisms by which to confirm the inspection, decontamination, or quarantine status of a watercraft.

Status

02-19-2026 As Introduced

As introduced, the bill would have allocated funds from the Local Agency Investment Fund (LAIF) into the Community Reinvestment Account for institutions that meet specific performance standards.

04-13-2026 As Amended

As amended, this bill would create the Community Reinvestment Account and transfer \$4 billion from the PMIA for purposes of small business lending, first-time home ownership, affordable housing lending, and community reinvestment connected to measurable community lending performance while prioritizing safety, liquidity, and yield.

Importance to the Authority

This bill proposes to create a new fund under the PMIA, which includes LAIF funds, that would carve out and transfer a significant portion of local agency funds that are on deposit and dedicate those funds for lending activities that are not consistent with current liquidity requirements of the local agencies investing in PMIA and their needs.

According to the author, AB 2214 would “modernize collateral and participation frameworks to responsibly expand the pool of eligible institutions.” This bill fails to consider the consequences of diverting funding to a wider pool of recipients which would dilute the number of local agencies participating in the PMIA and would ultimately reduce benefits to the taxpayer. The author aims to create “measurable outcomes for small business growth, homeownership, or community reinvestment in underserved areas.” This is inconsistent with current PMIA requirements and presents an issue as it should not fall solely on public agencies to address barriers faced by lenders in underserved areas.

Given uncertain federal funding opportunities and continued state budget deficits, local agencies should not have to endure potentially losing another source of focused funding that has reliably provided special



districts and public agencies with assistance for management costs and administrative expenses. Diluting funds in the PMIA to serve purposes that are not aligned with those who are participating is not appropriate and would hurt ongoing public projects and plans that are dependent on these funds.

The Water Authority has a small amount of funds in LAIF and a number of member agencies have funds in LAIF; should the legislation pass, the majority have indicated that they would transition funds from LAIF into another vehicle.

For these reasons, staff recommends a “Not Favor” position.

Other Associations

The California Association of County Treasurers and Tax Collectors has formally registered an oppose position on AB 2214 and is developing a coalition. The California Special Districts Association also has an oppose position on this bill. Staff are coordinating with other local government associations that may take positions on the bill.

A.B. 2215 (Calderon), Water rights: permits: State Water Project

RECOMMENDATION: Watch

POLICY SCOPE: Environmental and Regulatory Compliance

Existing Law

Existing law requires that construction work for a project that will put appropriated water to beneficial use be commenced, prosecuted with due diligence, and completed within the time period specified in the water right permit.

Existing law authorizes the State Water Resources Control Board (State Water Board) to extend the deadline specified in the permit to commence or complete construction work and to put appropriated water to beneficial use for good cause shown.

Summary

This bill would extend the timeline for the full development of the State Water Project’s (SWP) water rights permits, held by the Department of Water Resources (DWR), until December 31, 2046, for beginning construction work, completion of construction work, or application of the water to beneficial use.

This bill would specify that the bill shall not be construed as an approval of any proposed modification of physical facilities of the SWP, including the Delta Conveyance Project.

Status

02-19-2026 As Introduced

As introduced, the bill would make nonsubstantive changes to the provision of law naming the Urban Water Management Planning Act.

03-19-2026 As Amended

As amended, the bill would extend the timeline for the full development of the State Water Project’s water rights permits, held by DWR, until December 31, 2085.



04-16-2026 As Amended

As amended, the bill would extend the timeline for the full development of the State Water Project's water rights permits, held by DWR, until December 31, 2046.

Importance to the Authority

Background

The SWP is the largest state-owned water and power generator and user-financed system. As the main operator, DWR has constructed 36 water storage facilities, 21 pumping plants, five hydroelectric power plants, four pumping-generating plants, and approximately 700 miles of canals, tunnels, and pipelines over several decades. This system plays a critical role during extremes such as flood and drought and provides water for 27 million Californians.

To help ensure that the SWP can adapt to more extreme shifts in hydrology, DWR has filed for a time extension for the water rights of the SWP with the State Water Board. According to DWR, since it was built in the 1960s, the SWP has operated under state water rights permits designed to protect water users, water quality, and fish and wildlife. Each permit issued by the State Water Board specifies, in part, the rate and amount of water that can be diverted. California's changing climate is resulting in more prolonged droughts punctuated by wetter periods. The State needs the flexibility to adapt its water management practices to better recover critical water supply following extreme dry conditions when the wet conditions return. The time extension for the water rights better allows for that flexibility.

Regulatory Delays

AB 2215 would extend the time for DWR to develop its water rights. In 1990, the SWP was granted a time extension by the State Water Board. Then, in 2009, DWR filed a petition for another time extension with the State Water Board that has never been processed. DWR re-filed this Notice with the State Water Board in 2025, but the delay and uncertainty is hindering DWR's ability to modernize the SWP and effectively plan for climate change.

Further, even if the SWP time extension petition were moved forward by the State Water Board, the administrative process would likely take years, cost the taxpayers hundreds of thousands of dollars in staff time, and public water agencies' significant time and money.

Given the implications of full development of the SWP water right and interactions with member agency water rights applications in the future, as the State Water Board implements groundwater recharge and other storage projects that may come online prior to the full development of SWP water rights, staff recommends a "Watch" position.

A.B. 2216 (Aguiar-Curry), Sacramento-San Joaquin Delta Conservancy.

RECOMMENDATION: Watch

POLICY SCOPE: Water Quality and Resource Management, Funding and Finance

Existing Law

The Sacramento-San Joaquin Delta Reform Act of 2009 provides that it is the intent of the Legislature to provide for the sustainable management of the Sacramento-San Joaquin Delta (Delta) ecosystem, to provide for a more reliable water supply for the state, to protect and enhance the quality of water supply from the



Delta, and to establish a governance structure that will direct efforts across state agencies to develop a legally enforceable Delta Plan. Established within the California Natural Resources Agency, the Sacramento-San Joaquin Delta Conservancy (Conservancy) is the primary state agency to implement ecosystem restoration in the Delta and to support efforts that advance environmental protection and the economic well-being of Delta residents.

Existing law requires the Conservancy to prepare and adopt a strategic plan to achieve the goals of the Conservancy and requires the strategic plan to be consistent with certain plans. Existing law specifies the composition of the governing board of the Conservancy and requires liaison advisers to serve in an advisory, nonvoting capacity.

Existing law authorizes the Conservancy to engage in partnerships with nonprofit organizations, local public agencies, and landowners, and authorizes the Conservancy to provide grants and loans to state agencies, local public agencies, and nonprofit organizations to further the goals of the Conservancy.

Existing law establishes the Sacramento-San Joaquin Delta Conservancy Fund in the State Treasury. Existing law makes moneys in the fund available, upon appropriation by the Legislature, for purposes of these provisions.

Summary

This bill would rename the Conservancy the “Valley and Delta Conservancy,” rename the “Sacramento-San Joaquin Delta Conservancy Fund” the “Valley and Delta Conservancy Fund,” and make conforming changes. This bill would expand the footprint covered by the Conservancy to include the “Valley”—defined as the “lands within the Counties of Yolo, Sacramento, Solano, and San Joaquin that are outside of the Delta.”

This bill would define the Sacramento-San Joaquin Valley and Delta as unique natural resources. It identifies the Delta’s environmental challenges as land subsidence, pressure on native species, altered water flow, and habitat conversion, while noting that the Valley faces challenges such as land fallowing, water scarcity, invasive species, destruction of habitat, and fire risks. The bill would also identify environmental justice challenges in the Valley, including access to clean, safe, and affordable drinking water; lack of green space; exposure to pollutants and toxins; degraded air quality; and inequitable access to recreation.

This bill would add two additional liaison advisers, who are designees of the Sierra Nevada Conservancy and the San Joaquin River Conservancy.

The bill would establish the Valley Program, under the administration of the Conservancy, to support efforts that advance the environmental protection and the economic well-being of Valley residents. This bill would require funds to be allocated for activities in the Valley only if there is an appropriation for that purpose.

This bill would also authorize the Conservancy to engage in partnerships with, and to award grants and loans to, tribal organizations, while requiring the Conservancy to consult with resource conservation districts and other agencies when necessary.

Status

A.B. 2216 was introduced on February 19, 2026, passed the Assembly Committee on Natural Resources on April 14, 2026, and is now on the suspense file at the Assembly Committee on Appropriations.



Importance to the Authority

AB 2216 would expand the Conservancy's jurisdiction to Valley lands within the Counties of Yolo, Sacramento, Solano, and San Joaquin that are outside of the Delta, but experience similar environmental challenges. The geographical expansion of the Conservancy would further opportunities for funding and projects in and around the Delta that work towards efforts to advance the environmental, economic, and recreational well-being of this region.

According to the author's office, AB 2216 was introduced to support and expand the current efforts of the Conservancy and to take a "watershed approach" to future projects and funding opportunities. More specifically, the sponsor has indicated that the bill would provide access to counties that have significant wildfire risk but have previously not had access to recent funding packages for wildfire resiliency projects. The bill could benefit the Conservancy's existing operations by expanding its authority to fund climate resilience, on-farm habitat, and tribal partnerships in the expanded footprint, while increasing accessibility for underserved groups through advanced payments and workforce development grants.

Historically, conservancies have not produced regulatory mandates, and Conservancy staff and the sponsor confirmed that such actions are not the intent of this legislation. In addition, to address fiscal concerns, the bill establishes the Valley Program under a distinct appropriation. This separation ensures the funds designated for the Delta and Suisun Marsh are used exclusively for those areas and remain in compliance with the conditions of those appropriations. AB 2216 would not affect the allocation of Proposition 4, but would better position the Conservancy to support this region in future funding measures.

This bill will not impact the State Water Resources Control Board's update to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Watershed and may support the Healthy Rivers and Landscapes Program by facilitating the management and implementation of non-flow restoration actions.

For these reasons, staff recommends a "Watch" position.

A.B. 2447 (Bauer-Kahan), Water Supply Protection Act

RECOMMENDATION: Oppose Unless Amended

POLICY SCOPE: Water Quality and Resource Management, Environmental and Regulatory Compliance

Existing Law

Under the Porter-Cologne Water Quality Control Act (Porter-Cologne Act), the State Water Resources Control Board (State Water Board) and the nine California regional water quality control boards are the principal state agencies with authority over matters relating to water quality. Existing law authorizes the State Water Board and the regional boards to prescribe waste discharge requirements for the discharge of waste that could affect the quality of the waters of the state.

Summary

This bill would create the Nitrogen Pollution Reduction Act.



This bill would require the State Water Board to require the regional water boards to update the Irrigated Lands Regulatory Program in order to reduce nitrogen waste discharges from commercial irrigated agricultural lands so that by January 1, 2030, those lands do not cause or contribute to either of the following:

- (1) Exceedances of the maximum contaminant level for nitrate, as specified, for waters designated for municipal and domestic supply.
- (2) Exceedances of a water quality objective or total maximum daily load for nitrate, as set forth in applicable approved basin plans.

This bill would require the regional boards to adopt revised orders with waste discharge requirements on or before January 1, 2028, that are sufficient to meet the reductions in nitrogen waste discharge described in this bill and must include both of the following:

- (1) Quantitative limits on nitrogen fertilizer application and nitrogen discharge implemented through an adaptive irrigation and nutrient management plan designed to minimize nitrogen discharge.
- (2) Sufficient procedures to ensure compliance with the limits described in paragraph (1), which may include, but is not limited to, verification by a certified crop advisor or cooperative or independent monitoring program, cross-referencing fertilizer application information with fertilizer sales information, and water quality or soil testing.

This bill would provide that the revised orders may include any of the following elements, provided the elements are designed to meet the reductions in nitrogen waste discharge described in this bill:

- (1) Provisions to encourage increased participation in programs designed to reduce nitrogen waste and greenhouse gas emissions from agriculture and improve soil health, as specified.
- (2) Standardized figures estimating reductions in nitrogen discharge for certain sustainable farming practices based on the best available science, as specified.
- (3) Credits or discount factors based on the standardized figures, which may be accounted for in meeting the requirements of this bill.
- (4) Interim limits on nitrogen pollution that accommodate regional differences in agricultural production or surface or groundwater quality.
- (5) Alternative or streamlined compliance pathways for small and diversified farms of fewer than 50 acres, including simplified monitoring and reporting procedures as well as forms published in languages spoken by small farmer operators, as specified.

This bill would allow the State Water Board to adjust its fee schedule for the Irrigated Lands Regulatory Program to cover the cost of implementing this update to the program. The bill would prohibit any adjustment from including discounts on a per-acre basis for larger farms.

This bill would require the State Water Board, on or before July 1, 2027, to publish both a list of standardized crop names and categories, and a statewide methodology for calculating, and field-level reporting of, nitrogen balances for croplands, including nitrogen fertilizer applications and nitrogen discharges, that must account for available soil nitrogen, to be used by the regional boards and incorporated into the orders



described in this bill. The bill would require that the field-level data produced by the field-level reporting be made publicly available.

This bill would require the State Water Board, on or before January 1, 2031, to submit a report to the relevant policy committees of the Legislature on progress achieved in implementing this chapter, including data on the extent of progress made toward meeting the reductions in nitrogen waste discharges through the update to the Irrigated Lands Regulatory Program.

This bill would provide that nothing in this section is intended to weaken existing water quality protections in this division. In the event of a conflict between the provisions of this section and any other law, the more stringent provision shall prevail.

This bill would provide that, for the purposes of this section, commercial irrigated agricultural lands include, but are not limited to, lands that are irrigated to produce crops or pasture for commercial purposes with one or more of the following characteristics:

- (1) The landowner or operator holds a current operator identification number or permit number for pesticide use reporting.
- (2) The crop is sold to a third party, including, but not limited to, any of the following: (A) An industry cooperative.
(B) A harvest crew or company.
(C) A direct marketing location, including a farmers' market.
- (3) The landowner or operator files federal taxes using the Internal Revenue Service Schedule F (Form 1040) for Profit or Loss From Farming.

Status

A.B. 2447 was introduced on February 21, 2026, passed the Committee on Environmental Safety and Toxic Materials on April 15, 2026, and has been referred to the Appropriations Committee.

Importance to the Authority

AB 2447 (Bauer-Kahan) would require the Regional Water Boards to update the Irrigated Lands Regulatory Program (ILRP) to require compliance with the nitrate drinking water Maximum Contaminant Level (MCL) and objectives for surface water by 2030.

The Author's Office states that the need for the bill is to reduce nitrogen pollution since the State Water Board has had ample time to act on this issue and it persists at alarming levels today. Nitrate is a tasteless, odorless, and invisible chemical that can cause health effects when found in high levels in drinking water. Nitrate is common in fertilizers and waste discharges in the Central Valley.

A coalition of farmers, ranchers, processors, and agricultural businesses are opposed to the bill as the bill would create an entirely new level of regulatory oversight and enforcement capacity at the Regional Water Boards and the State Water Board. Currently, water quality program costs in place are funded through fees on farmers by existing programs. Coalition monitoring, domestic well testing, nitrate replacement water programs, and compliance administration already cost the agricultural community tens of millions annually. Additionally, AB 2447 undermines the role of the coalitions under ILRP and implementation of the Nitrate



Control Program. Ultimately, AB 2447 could dismantle the coordination and financing for domestic well testing and, where contamination is identified, drinking water replacement for affected households.

For these reasons, staff recommends an “Oppose” position.

A.B. 2739 (Soria), Water: affordability and system stabilization

RECOMMENDATION: Support

POLICY SCOPE: Funding and Finance

Existing Law

Existing law declares the responsibility of the State to assist local governments in providing certain essential services and facilities where water resource construction projects financed, in whole or in part, by the State or jointly by the State and the federal government, create an undue burden on a local area’s ability to provide these services and facilities.

The California Safe Drinking Water Act requires the State Water Resources Control Board (State Water Board) to administer provisions relating to the regulation of drinking water to protect public health. California’s “Human Right to Water” declares that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

AB 401 (Chapter 662, Statutes 2015) requires the State Water Board, by January 1, 2018, to develop a plan for the funding and implementation of a Low-Income Water Rate Assistance (LIRA) Program. The plan is required to include a description of the (1) method for collecting moneys to support implementation; (2) mechanism for providing funding assistance through either direct credits to enrollees or reimbursements to water service providers; and (3) method for determining the amount of moneys that may need to be collected from water ratepayers to fund the program. The State Water Board is required to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action, by February 1, 2018.

Summary

Definitions

This bill would define the following terms:

1. “Fund” as the Community Water Affordability Assistance Fund, and
2. “Program” as the Community Water Affordability Program.

Community Water Affordability Program and Fund

This bill would require DWR, upon appropriation by the Legislature, to develop and administer the Community Water Affordability Program (Program) and would establish the Community Water Affordability Assistance Fund (Fund) within the State Treasury. This bill would, for the purpose of reducing the amount of ratepayer funding required, require the Program to provide funding via grants to water suppliers for system repairs, rehabilitation, and enhancements; water safety and quality; and other infrastructure projects. This bill would require moneys in the Fund, upon appropriation by the Legislature, to be made available to DWR for purposes of administering the Program.



Program Administration

This bill would require DWR, before disbursing funds, to develop and adopt Program guidelines and project solicitation documents. The guidelines would require an applicant to provide at least 50 percent of the total funding needed for a project but would authorize federal funding and other state loans and grants to be included in that amount. DWR could waive or reduce that minimum amount if complying with it would cause extreme financial hardship on the applicant. The guidelines and solicitation documents would not be subject to administrative regulations and rulemaking requirements under the Administrative Procedure Act.

Status

A.B. 2739 was introduced on February 20, 2026, and was amended into its current state on April 15, 2025, and is now waiting action by the Assembly Appropriations Committee.

The Water Authority's practice is to take a position on legislation based on the version in print. AB 2739's sponsors have indicated to staff that substantive amendments to the bill are coming. The anticipated amendments would flesh out the language currently in print and establish a permanent "Water Affordability and System Stabilization Trust" in the State Treasury. The Legislature would deposit funds into the trust, and a trustee would distribute most of it to water assistance programs, reinvesting 10% to grow the fund. For the first 25 years, the trustee would send 45% of the total amount deposited in the fund annually to each of two assistance programs. After 25 years, the fund would live off investment income and divide distributions of fund income between the two funds. The proposed funds would be as follows:

- Water Rate Assistance Fund — would fund a statewide LIRA program, like the one proposed in SB 1125.
- Community Water Affordability Program — would provide grants to water utilities for infrastructure projects (improving supply, quality, resilience, or cutting energy costs), that, if funded locally, would drive rate increases and challenge affordability.

Importance to the Authority

AB 2739 is intended to establish a durable source of funding to support water affordability in California, including funding for a statewide water LIRA program.

Staff recommend a "Support" position.

S.B. 1001 (Archuleta), Water utility workers: identification card program.

RECOMMENDATION: Favor

POLICY SCOPE: Stakeholder Engagement and Communication, Emergency Response

Existing Law

Existing law creates the Office of Emergency Services (CalOES) within the office of the Governor and sets forth its powers and duties, including establishing by rule and regulation various classes of disaster service workers, the scope and duty of each class, and the way disaster service workers of each class are to be registered.



Section 409.5 of the Penal Code authorizes peace officers, as defined, to close an area where a menace to the public health or safety created by a calamity, including a flood, storm, fire, earthquake, explosion, accident, or other disaster, exists for the duration of the menace to all persons not authorized by the lifeguard or officer to enter or remain within the enclosed area. Under existing law, an unauthorized person who enters or remains in a closed area, as prescribed, is guilty of a misdemeanor.

Existing law provides that Section 409.5 of the Penal Code does not prevent the following individuals from entering the enclosed areas, unless it is unsafe for the person to enter or the presence of the person would interfere with disaster response:

- (1) A duly authorized representative of a news service, newspaper, or radio or television station or network.
- (2) An individual who holds a valid livestock pass identification document, as specified.

Government Code Section 3100 declares all public employees to be disaster service workers subject to such disaster service activities as may be assigned to them by their superiors or by law.

Summary

This bill would require CalOES to develop a water utility worker identification program to issue identification cards to employees of a city, county, city and county, special district, water corporation, or mutual water company that provides water utility services to authorize access to an area during or following a flood, storm, fire, earthquake, or other disaster for the purpose of protection of public health and safety, preservation of life and property, and repair and restoration of water service.

This bill would require CalOES to prepare and make available an application for water utilities to use to request that an individual be issued an identification card and provide an individual with a water utility worker identification card upon receipt of the application signed by a duly authorized representative of a water utility that includes a statement justifying the need for the individual to receive access to such areas and certification by the water utility. The application would be required to indicate that the worker has completed appropriate safety training.

This bill would provide that access to an area closed in accordance with subdivision (a) of Section 409.5 of the Penal Code only be granted to a water utility worker identification cardholder by the incident commander, a law enforcement official having jurisdiction, or their designee. If access is granted by emergency response personnel other than the incident commander, the emergency response personnel would be required to notify the incident commander that access has been provided to the water utility worker.

The water utility worker identification card would be valid for five years and renewable upon submission of an application for renewal. Water utilities would be responsible for collecting and destroying an identification card if a utility worker ceases employment or the job duties change and the identification card is no longer appropriate.

This bill would require CalOES to impose and collect a fee from a water utility for an identification card that does not exceed the reasonable costs of issuing the card and administration of the program.

The bill would provide that Section 409.5 of the Penal Code would not prevent an individual who holds a valid water utility worker identification card from entering an enclosed area, unless it would be unsafe for the cardholder to enter or the presence of the cardholder would interfere with disaster response.



Status

S.B. 1001 was introduced on February 10, 2026, passed the Senate Committee on Public Safety on April 14, 2026, and has been placed on the Senate Appropriations Committee suspense file.

Importance to the Authority

During emergency situations, such as wildfires and earthquakes, law enforcement officers will often close off areas to the public to protect public health and safety and allow emergency responders to be the most effective. It is very common for utility workers to need access to those restricted areas to fix damaged critical infrastructure and restore vital services. Some agencies do not experience challenges gaining access to these areas, but there have been instances where workers have run into issues gaining access which cost valuable time. Delays and requests for verification can take hours and further threaten lives and property.

SB 1001 creates a voluntary, statewide credentialing framework administered by CalOES, upon request by a utility employer for essential utility workers who may need access to emergency areas to maintain or restore critical infrastructure. This bill would address a challenge of access that Water Authority members may face during times of emergency by establishing a recognizable credentialing system. This bill would support faster restoration of critical services such as water, power, and gas and strengthen coordination between utilities and emergency personnel.

Guidelines for Taking Positions on Legislation

A number of controversial bills are introduced in the Congress and in the California Legislature. It is important to understand how the Authority takes positions on legislation.

Policy

By Agenda Item 7, dated December 12, 2025, the Board adopted the Policy Framework and Fiscal Year 2027 Policy Action Plan.

Water Authority's Positions on Legislation

The Water Authority takes positions on legislation that, if enacted, would impact Water Authority members, consistent with Water Authority Board adopted Goals and Objectives in the Strategic Plan, as implemented through the Policy Framework and Annual Policy Action Plan.

The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Support and Amend, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, Favor and Amend, and Watch (neutral).

The Water Authority's staff and consultants testify and advocate with legislators and staff through direct meetings and coordination of member agency contacts on all positions except Watch, Favor and Not Favor. For Favor and Not Favor positions, written communication of the Water Authority's position is provided to the legislator, the Water Authority's delegation, and relevant Committees.

Nothing in this section should be read to preclude the Executive Director or his or her designee from taking an informal support or informal oppose position on behalf of the Water Authority that is consistent with the Policy Framework and Annual Policy Action Plan, or to preclude the Executive Director from communicating a position on emergency legislation after obtaining the concurrence of the Chair, or the Chair's designee,



provided that the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board meeting.

Amendment Development Process

If the Water Authority takes a position contingent on amendments, the Water Authority will typically discuss the concepts for the amendments at the meeting. Then Water Authority staff, in consultation with Committee and/or Board Members as needed, will develop the amendments after the meeting.

Information Sharing

To provide adequate information to the entire Water Authority membership, the Water Authority provides legislative updates, posts positions and other information on our website, and sends out advisories and alerts on key legislation.

The Water Authority's legislative department is available to provide specific information on bills on request and Board Members are encouraged to communicate Water Authority positions on priority legislation in meetings with legislative staff, consistent with Water Authority policy. The Water Authority's Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.



BILL TEXT

8259

(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R.

To ensure meaningful consultation and cooperation between Federal and local entities in the operation of Federal water projects in the Reclamation States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BENTZ introduced the following bill; which was referred to the Committee
on

A BILL

To ensure meaningful consultation and cooperation between Federal and local entities in the operation of Federal water projects in the Reclamation States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Reclamation Project
5 Consultation Improvement Act of 2026".

1 **SEC. 2. CONSULTATION WITH AFFECTED CONTRACTORS OF**
2 **FEDERAL WATER PROJECTS.**

3 (a) RESOLUTION OF WATER RESOURCE ISSUES.—In
4 furtherance of the policy established by section 2(c)(2) of
5 the Endangered Species Act of 1973 (16 U.S.C.
6 1531(c)(2)), in a consultation or reconsultation under sec-
7 tion 7 of that Act (16 U.S.C. 1536) with respect to the
8 operation of a Federal water project, the head of each ac-
9 tion agency, the Secretary, or the head of an action agency
10 and the Secretary working in coordination, as applicable,
11 shall ensure that each covered entity that so requests
12 shall—

13 (1) have routine and continuing opportunities—

14 (A) to discuss and submit information to
15 the action agency for consideration during the
16 development of any biological assessment; and

17 (B) engage with the action agency with re-
18 spect to the preparation of the biological assess-
19 ment;

20 (2) if the head of an action agency suggests or
21 considers an agency action that would not result in
22 full delivery of water pursuant to a contract for con-
23 tractors of the Federal water project, be informed
24 and engaged as to—

25 (A) the legal authority invoked by the ac-
26 tion agency to support that such agency action

1 would be within the scope of the authority of
2 the action agency;

3 (B) how each component of the agency ac-
4 tion would contribute to avoiding jeopardizing
5 the continued existence of any threatened spe-
6 cies or endangered species and destroying or
7 adversely modifying critical habitat and the sci-
8 entific data or information that supports each
9 component of the agency action under consider-
10 ation; and

11 (C) why any other agency actions that
12 would have fewer adverse water supply and eco-
13 nomic impacts are inadequate to avoid jeopard-
14 izing the continued existence of any threatened
15 species or endangered species and destroying or
16 adversely modifying critical habitat;

17 (3) be informed by the head of the action agen-
18 cy of the schedule for preparation of a biological as-
19 sessment;

20 (4) be informed by the Secretary of the sched-
21 ule for preparation of the biological opinion at such
22 time as the biological assessment is submitted to the
23 Services by the action agency;

24 (5) receive a copy of draft biological opinion
25 and have the opportunity to review each such draft

1 biological opinion and provide comment to the Sec-
2 retary through engagement with the action agency,
3 which comments shall be afforded due consideration
4 during the consultation;

5 (6) have the opportunity to confer and engage
6 with the head of the action agency and applicant, if
7 any, with respect to reasonable and prudent alter-
8 natives prior to the identification of any reasonable
9 and prudent alternative for consideration;

10 (7) if the Secretary suggests a reasonable and
11 prudent alternative, be informed and engaged with
12 respect to—

13 (A) how each component of the reasonable
14 and prudent alternative will contribute to avoid-
15 ing jeopardizing the continued existence of any
16 threatened species or endangered species and
17 destroying or adversely modifying critical habi-
18 tat and the scientific data or information that
19 supports each component of the reasonable and
20 prudent alternative; and

21 (B) why any other proposed reasonable
22 and prudent alternatives that would have fewer
23 adverse water supply and economic impacts are
24 inadequate to avoid jeopardizing the continued
25 existence of any threatened species or endan-

1 gered species and destroying or adversely modi-
2 fying critical habitat; and

3 (8) if the Secretary proposes a reasonable and
4 prudent measure to avoid or minimize take of
5 threatened species or endangered species, or terms
6 and conditions to implement such reasonable and
7 prudent measure, be informed and engaged with re-
8 spect to—

9 (A) how the reasonable and prudent meas-
10 ure or terms and conditions relate to avoiding
11 or minimizing such take; and

12 (B) whether the reasonable and prudent
13 measure or terms and conditions conform to
14 any applicable limitations.

15 **SEC. 3. DEFINITIONS.**

16 In this Act:

17 (1) ACTION AGENCY.—The term “action agen-
18 cy” means the Federal agency responsible for au-
19 thorizing, funding, or carrying out an action subject
20 to consultation under section 7 of the Endangered
21 Species Act of 1973 (16 U.S.C. 1536).

22 (2) AGENCY ACTION.—The term “agency ac-
23 tion” has the meaning given the term in section
24 7(a)(2) of the Endangered Species Act of 1973 (16
25 U.S.C. 1536(a)(2)).

1 (3) BIOLOGICAL ASSESSMENT.—The term “bio-
2 logical assessment” means a biological assessment
3 conducted under section 7(c) of the Endangered
4 Species Act of 1973 (16 U.S.C. 1536(c)).

5 (4) BIOLOGICAL OPINION.—The term “biologi-
6 cal opinion” means a written statement provided by
7 the Secretary under section 7(b)(3) of the Endan-
8 gered Species Act of 1973 (16 U.S.C. 1536(b)(3)).

9 (5) CONTRACTOR.—The term “contractor”
10 means any public agency, quasi-municipal corpora-
11 tion, irrigation district, water users association, or
12 similar entity that has entered into a water service,
13 repayment, or other contract with the United States
14 related to storage, diversion, or delivery of water
15 from a Federal water project.

16 (6) COVERED ENTITY.—The term “covered en-
17 tity” means a public or quasi-municipal agency or
18 water users association that has a contract with the
19 Bureau of Reclamation for municipal or agricultural
20 water supply from a Federal water project.

21 (7) CRITICAL HABITAT.—The term “critical
22 habitat” has the meaning given the term in section
23 3 of the Endangered Species Act of 1973 (16 U.S.C.
24 1532).

1 (8) ENDANGERED SPECIES.—The term “endan-
2 gered species” has the meaning given the term in
3 section 3 of the Endangered Species Act of 1973 (16
4 U.S.C. 1532).

5 (9) ENGAGE.—The term “engage” means to
6 conduct direct written and in-person communications
7 recognizing the unique interest of the contractor and
8 promoting maximum candor and cooperation.

9 (10) FEDERAL WATER PROJECT.—The term
10 “Federal water project” means any project or facil-
11 ity—

12 (A) in a Reclamation State described in
13 subparagraphs (B) through (R) of section
14 128(a)(7) of the EXPLORE Act (16 U.S.C.
15 8426(a)(7)); and

16 (B) operated or managed by a Federal
17 agency for the authorized purpose of municipal
18 or agricultural water supply.

19 (11) REASONABLE AND PRUDENT ALTER-
20 NATIVE.—The term “reasonable and prudent alter-
21 native” means a reasonable and prudent alternative
22 suggested by the Secretary under section 7(b)(3) of
23 the Endangered Species Act of 1973 (16 U.S.C.
24 1536(b)(3)).

1 (12) REASONABLE AND PRUDENT MEASURE.—

2 The term “reasonable and prudent measure” means
3 a reasonable and prudent measure specified by the
4 Secretary under section 7(b)(4) of the Endangered
5 Species Act of 1973 (16 U.S.C. 1536(b)(4)).

6 (13) SECRETARY.—The term “Secretary” has
7 the meaning given the term in section 3 of the En-
8 dangered Species Act of 1973 (16 U.S.C. 1532).

9 (14) TAKE.—The term “take” has the meaning
10 given the term in section 3 of the Endangered Spe-
11 cies Act of 1973 (16 U.S.C. 1532).

12 (15) THREATENED SPECIES.—The term
13 “threatened species” has the meaning given the
14 term in section 3 of the Endangered Species Act of
15 1973 (16 U.S.C. 1532).

AMENDED IN ASSEMBLY APRIL 13, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2214

Introduced by Assembly Member Jackson

February 19, 2026

An act to amend Sections 16521 and 16611 of, and to add Section 16429.5 to 16481.5 to, the Government Code, relating to government finance, and making an appropriation therefor.

LEGISLATIVE COUNSEL’S DIGEST

AB 2214, as amended, Jackson. ~~Local Agency Investment Fund: Community Reinvestment Account. Government finance: deposits.~~

Existing law provides that all moneys in the Local Agency Investment Fund, which is continuously appropriated, is held in trust in the custody of the Treasurer and shall be deposited, invested, and reinvested in the same manner and to the same extent as if it were state moneys in the State Treasury. Existing law authorizes the Treasurer to invest the moneys of the fund in prescribed securities and to elect to have the moneys in the fund invested through the Surplus Money Investment Fund, as specified, so as to achieve the objective of the fund which is to realize the maximum return consistent with safe and prudent treasury management.

Existing law requires the Treasurer to invest, or deposit into banks and other financial institutions, specified state moneys designated as surplus as a part of the Pooled Money Investment Account and determined to be available for that purpose by the Pooled Money Investment Board.

Existing law, for purposes of a savings and loan association or credit union being eligible to receive deposits of state funds, specifies which

~~securities may be accepted as collateral, and includes within that list of eligible securities a letter of credit issued by the Federal Home Loan Bank of San Francisco that, notwithstanding requirements that a savings and loan association or credit union~~ *law generally requires banks and other financial institutions to deposit with the Treasurer securities in a value at least 10% in excess of the amount deposited with the savings and loan association or credit union, shall be in an amount in value of at least 100% of the amount deposited with the savings and loan association or credit union. institution to be eligible to receive deposits of state funds, except as specified.*

~~This bill would create within the Local Agency Investment Fund Pooled Money Investment Account the Community Reinvestment Account from which deposits shall be made to institutions that meet specified performance standards including verified small business lending in underserved census tracts and first-time or first-generation home buyer lending. The bill would require the Treasurer to establish the percentage of funds, not less than 5% and not exceeding 10%, in the Local Agency Investment Fund that shall be transferred~~ *transfer \$4 billion from the Pooled Money Investment Account to the Community Reinvestment Account. Because the fund is moneys invested and reinvested as part of the Pooled Money Investment Account are continuously appropriated, this bill would make an appropriation. Notwithstanding the provisions described above applicable to savings and loan associations and credit unions, the bill would authorize a letter of credit issued by the Federal Home Loan Bank of San Francisco accepted as collateral above-described securities requirement, this bill would instead require securities, for a deposit from the Community Reinvestment Account or under the Small Business Lending Time Deposit Program, to be in an amount in value of at least 90% of the amount deposited with the institution. The bill would require the Treasurer to deposit moneys from the Community Reinvestment Account with qualified institutions that have committed to specified lending activities, including, among other things, that at least 50% of the moneys from the account are used for affordable housing lending, as defined and specified. The bill would require institutions that receive deposits from the Community Reinvestment Account to submit quarterly, nonidentifying, performance reports to the Treasurer and the Treasurer to publish the data it receives in a publicly available report.*

~~Vote: majority $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.~~

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that this measure is intended to utilize the ~~Local Agency Investment Fund (LAIF)~~ *Pooled Money Investment Account* as a catalyst for small business lending, first-time home ownership, *affordable housing lending*, and community reinvestment connected to measurable community lending performance while prioritizing safety, liquidity, and yield.

~~SEC. 2. Section 16429.5 is added to the Government Code, immediately following Section 16429.4, to read:~~

~~16429.5.—~~

SEC. 2. Section 16481.5 is added to the Government Code, immediately following Section 16481.2, to read:

16481.5. (a) There is within the Local Agency Investment Fund the Community Reinvestment Account from which deposits shall be made to institutions that meet the performance standards described in this section.

(b) *For purposes of this section, the following definitions apply:*

(1) “Affordable housing” means housing affordable to persons or families of low or moderate income as that term is defined in Section 50093 of the Health and Safety Code.

(2) “Underserved census tracts” means a qualified opportunity zone, as defined in Section 1400Z-1(a) of Title 26 of the United States Code, that has received a designation pursuant to that section.

~~(b)~~

(c) The Treasurer shall ~~establish the percentage of funds, not less than 5 percent and not exceeding 10 percent, in the Local Agency Investment Fund that shall be transferred~~ *transfer four billion dollars (\$4,000,000,000) from the Pooled Money Investment Account to the Community Reinvestment Account.*

~~(c)~~

(d) As determined by the Treasurer and provided in this section, the ~~account~~ *Community Reinvestment Account* shall operate with separate risk controls and liquidity ~~thresholds than the fund,~~ *thresholds*, provided the account maintains the security of the principle, maintains daily liquidity access, and provides competitive market yield.

~~(d)~~

(e) (1) The Treasurer shall determine those institutions that are qualified to receive deposits from the ~~account~~ *Community Reinvestment Account* pursuant to the requirements described in this subdivision.

(2) A qualified institution shall demonstrate at least one of the following:

(A) Verified small business lending in underserved census tracts.

(B) First-time or first-generation home buyer lending.

(C) *Affordable housing lending.*

~~(C) A~~

(D) *Verified status as, or a formal partnership with* with, any of the following:

(i) A community development financial institution (CDFI).

(ii) A Small Business Development Center (SBDC).

(iii) A state-approved nonprofit financial coach.

~~(D)~~

(E) Verified brokerage of financing products, such as silent second lien disaster mortgages, for homeowners facing displacement and loss of home ownership seeking to rebuild their home following disaster.

(3) Priority for qualification to receive deposits from the account shall be given to all of the following institutions:

(A) Minority Depository Institutions (MDIs).

(B) Community banks serving rural and urban low-wealth areas.

(C) Community Development Financial Institutions (CDFIs) with a California lending footprint.

(4) *A qualified institution shall commit to extending or issuing at least three lines of credit or loans with the deposits received pursuant to this section.*

(5) *An institution qualified based on a formal partnership under subparagraph (D) of paragraph (2) shall commit to investing at least 25 percent of any deposits received under this section with that partner.*

~~(e)~~

(f) (1) Collateralization may be tiered, risk weighted, and partially credit enhanced using loan guarantees, federal State Small Business Credit Initiative (SSBCI) funds, or state loss reserves.

~~(2) Letters of credit issued by the Federal Home Loan Bank of San Francisco for a deposit from the Community Reinvestment Account, which shall be in the form and shall contain provisions~~

1 as the Treasurer may prescribe, and shall include the following
2 terms:

3 (A) The Treasurer shall be the beneficiary of the letter of credit.

4 (B) The letter of credit shall be clean and irrevocable, and shall
5 provide that the Treasurer may draw upon it up to the total amount
6 in the event of the failure of the institution or if the institution
7 refuses to permit the withdrawal of funds by the Treasurer or any
8 other authorized state officer or employee.

9 (C) Notwithstanding Section 16611, the letter of credit shall at
10 all times be in an amount in value of at least 90 percent of the
11 amount deposited with the institution.

12 (2) Notwithstanding Section 16521 or 16611, to be eligible to
13 receive and retain deposits under this section, an institution shall
14 deposit with the Treasurer as security for those deposits, securities
15 listed in Section 16522 or 16612 and approved by the Treasurer,
16 in an amount in value of at least 90 percent of the amount deposited
17 with the institution.

18 (g) The Treasurer shall deposit moneys from the account with
19 qualified institutions that have committed to lending activities in
20 the compliance with the following requirements:

21 (1) Not less than 50 percent of moneys from the account shall
22 be utilized for affordable housing lending activities for affordable
23 housing projects located in underserved census tracts. Investments
24 made for affordable housing may have a term of up to five years
25 and shall accrue interest at a rate equal to the yield on United
26 States Treasury securities of comparable maturity plus 50 basis
27 points (0.05 percent).

28 (2) Not less than 10 percent of moneys from the account shall
29 be utilized for lending for homeowners facing displacement and
30 loss of home ownership seeking to rebuild their home in
31 underserved census tracts following disaster, including silent
32 second lien disaster mortgages.

33 (3) The remaining moneys from the account shall be utilized
34 for the following types of lending activities:

35 (A) Down payment assistance for first time homebuyers buying
36 a home located in an underserved census tract.

37 (B) Lines of credit to the following types of small businesses
38 located in underserved census tracts:

39 (i) Early-stage, innovation-driven businesses, including software
40 startups, application developers, artificial intelligence and machine

- 1 *learning ventures, biotech prerevenue companies, and clean*
2 *technology prototypes.*
- 3 *(ii) Small construction companies, including residential*
4 *subcontractors, independent general contractors, specialty trades,*
5 *and renovation companies.*
- 6 *(iii) Hospitality and food service businesses, including*
7 *independent restaurants, food trucks, bars and nightclubs, small*
8 *catering companies, and boutique hotels.*
- 9 *(iv) Independent, brick-and-mortar retail businesses, including*
10 *small apparel stores, specialty gift shops, independent bookstores,*
11 *convenience stores, and seasonal, pop-up retailers.*
- 12 *(v) Agricultural and seasonal businesses, including small farms,*
13 *organic produce companies, fishing operations, landscaping*
14 *companies, and snow removal services.*
- 15 *(vi) Personal services businesses, including hair salons and*
16 *barbershops, nail salons, daycare centers, cleaning services, and*
17 *fitness studios.*
- 18 *(vii) Small transportation businesses, including independent*
19 *trucking companies, owner-operator freight carriers, and small*
20 *logistics brokers.*
- 21 *(viii) Businesses owned by historically underbanked*
22 *communities, including small grocery stores and corner markets,*
23 *ethnic restaurants, auto repair shops, and beauty supply stores.*
- 24 ~~(f)~~
- 25 *(h) Using federal State Small Business Credit Initiative (SSBCI)*
26 *funds or a General Fund appropriation, the Treasurer may do any*
27 *of the following:*
- 28 *(1) Buy down interest rates for qualifying entities.*
29 *(2) Provide loan loss reserves for higher risk but creditworthy*
30 *entities.*
- 31 *(3) Stabilize lending during economic downturns.*
- 32 ~~(g)~~
- 33 *(i) Institutions that receive deposits from the Community*
34 *Reinvestment Account shall submit quarterly, nonidentifying,*
35 *performance reports to the Treasurer that include all of the*
36 *following information for each of the three categories described*
37 *in subdivision (g):*
- 38 *(1) The number and dollar value of all small business loans it*
39 *issued; loans or lines of credit issued or extended.*

~~(2) The number and dollar value of all loans it issued to first-time home buyers.~~

~~(3)~~

~~(2) The geographic distribution of borrowers who received loans described in paragraphs (1) and (2); or lines of credit.~~

~~(4)~~

~~(3) The interest rates and terms at which the loans described in paragraphs (1) and (2) were issued; or lines of credit were issued or extended.~~

~~(5)~~

~~(4) The outcome or status of the loans described in paragraphs (1) and (2); or lines of credit.~~

~~(h)~~

~~(j)~~ The Treasurer shall publish the data received from recipient institutions pursuant to subdivision ~~(g)~~ (i) in a publicly available report entitled “Local Agency Investment Fund “The Community Reinvestment Dashboard.”

SEC. 3. Section 16521 of the Government Code is amended to read:

16521. (a) To be eligible to receive and retain demand or time deposits, a bank shall deposit with the Treasurer as security for such deposits, securities specified in Section 16522, and approved by the Treasurer, in an amount in value at least 10 percent in excess of the amount deposited with the bank. Uncollected funds shall be excluded from the amount deposited in a demand account with a bank when determining the security requirements for such deposits.

(b) Notwithstanding subdivision (a), to be eligible to receive and retain demand or time deposits under the Small Business Lending Time Deposit Program established by the State Treasurer, a bank shall deposit with the Treasurer as security for such deposits, securities specified in Section 16522, and approved by the Treasurer, in an amount in value at least 90 percent of the amount deposited with the bank. Uncollected funds shall be excluded from the amount deposited in a demand account with a bank when determining the security requirements for such deposits.

SEC. 4. Section 16611 of the Government Code is amended to read:

16611. (a) To be eligible to receive and retain deposits, a savings and loan association and credit union shall deposit with the Treasurer as security for deposits, securities specified in Section

1 16612, and approved by the Treasurer, in an amount in value at
2 least 10 percent in excess of the amount deposited with the savings
3 and loan association or credit union.
4 *(b) Notwithstanding subdivision (a), to be eligible to receive*
5 *and retain deposits under the Small Business Lending Time Deposit*
6 *Program established by the State Treasurer, a savings and loan*
7 *association and credit union shall deposit with the Treasurer as*
8 *security for deposits, securities specified in Section 16612, and*
9 *approved by the Treasurer, in an amount in value at least 90*
10 *percent of the amount deposited with the savings and loan*
11 *association or credit union.*

AMENDED IN ASSEMBLY APRIL 16, 2026

AMENDED IN ASSEMBLY MARCH 19, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2215

Introduced by Assembly Member Calderon
(Principal coauthor: Assembly Member Jeff Gonzalez)
(Coauthors: Assembly Members ~~Garcia, Irwin, Michelle Rodriguez,~~
~~and Blanca Rubio~~) Carrillo, Garcia, Harabedian, Irwin, Macedo,
***Michelle Rodriguez, Blanca Rubio, and Wallis*)**
(Coauthors: Senators ~~Archuleta and Ochoa Bogh~~) Archuleta,
***Ochoa Bogh, and Valladares*)**

February 19, 2026

An act to amend Section 1398 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2215, as amended, Calderon. Water rights: permits: State Water Project.

The Department of Water Resources operates the State Water Resources Development System, commonly referred to as the State Water Project.

Existing law requires that construction work for a project that will put appropriated water to beneficial use be commenced, prosecuted with due diligence, and completed within the time period specified in the water right permit. Existing law authorizes the State Water Resources Control Board to extend the deadline specified in the permit to commence or complete construction work and to put appropriated water to beneficial use for good cause shown.

This bill would require that the time periods for the application of water to beneficial use and for the completion of construction work for specific water right permits held by the Department of Water Resources for the operation of the State Water Project be December 31, ~~2085~~ 2046.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The State Water Project is critical infrastructure that serves
4 27,000,000 Californians and 750,000 acres of farmland. The State
5 Water Project is necessary to maintain California's economy and
6 quality of life.

7 (b) Climate change has caused unprecedented challenges for
8 the State Water Project, including a diminished snowpack leading
9 to reduced water runoff and changes in the timing of runoff, severe
10 drought, groundwater overdraft causing land subsidence, and
11 extreme atmospheric rivers causing flooding.

12 (c) To address the impacts of climate change, the Department
13 of Water Resources must modernize the State Water Project by
14 updating its long-term operation guidelines, planning a new point
15 of diversion for a North Bay Aqueduct Project, working to develop
16 additional water storage south of the Delta to capture wet year
17 surplus water for drought-year supplies, and working to construct
18 the Delta Conveyance Project. Together these efforts will enable
19 the Department of Water Resources to put the water appropriated
20 under permits 16477, 16478, 16479, 16480, 16481, and 16482 to
21 beneficial use in the future.

22 (d) A time extension for permits 16477, 16478, 16479, 16480,
23 16481, and 16482 is necessary to allow the Department of Water
24 Resources to complete these planning efforts and construction
25 projects to modernize the State Water Project and make it resilient
26 to climate change.

27 (e) The Department of Water Resources has proceeded with
28 due diligence and good cause has been shown for the extension
29 of time contained in this act.

1 (f) *Due to the unique circumstances pertaining to the State*
2 *Water Project, this act does not set a precedent for any other*
3 *permit issued by the State Water Resources Control Board.*

4 (g) *It is the intent of the Legislature that the State Water*
5 *Resources Control Board retain its full authority to administer*
6 *and enforce permits 16477, 16478, 16479, 16480, 16481, and*
7 *16482 and that any future additional time extension for these*
8 *permits be considered by the State Water Resources Control Board*
9 *through existing administrative process.*

10 ~~SECTION 1.~~

11 SEC. 2. Section 1398 of the Water Code is amended to read:

12 1398. (a) (1) The period specified in the permit for beginning
13 construction work, for completion of construction work, for
14 application of the water to beneficial use, or any or all of these
15 periods may, for good cause shown, be extended by the board.

16 (2) After any hearing on a petition to extend the period or
17 periods, the board may revoke the permit in accordance with
18 Section 1410.

19 (b) (1) The time periods for application of water to beneficial
20 use and for the completion of construction work for water right
21 permits numbered 16477, 16478, 16479, 16480, 16481, and 16482
22 held by the Department of Water Resources for the operation of
23 the State Water Project shall be December 31, ~~2085~~, 2046.

24 (2) This subdivision shall not be construed as an approval of
25 any proposed modification of physical facilities of the State Water
26 Project, including the Delta Conveyance Project.

AMENDED IN ASSEMBLY APRIL 6, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2216

Introduced by Assembly Member Aguiar-Curry

February 19, 2026

An act to amend Sections 32300, 32301, 32310, 32320, 32330, 32340, 32350, 32360, 32360.5, 32362, 32363, 32364, 32364.5, and 32376 of, *to amend the heading of Chapter 3 (commencing with Section 32320) of Division 22.3 of*, to amend the heading of Division 22.3 (commencing with Section 32300) of, ~~to amend the heading of Chapter 3 (commencing with Section 32320) of Division 22.3 of~~, and to add Section 32361 to, the Public Resources Code, relating to conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2216, as amended, Aguiar-Curry. Sacramento-San Joaquin Delta Conservancy.

Existing law establishes in the Natural Resources Agency the Sacramento-San Joaquin Delta Conservancy. Existing law requires the conservancy to act as a primary state agency to implement ecosystem restoration in the Delta and to support efforts that advance environmental protection and the economic well-being of Delta residents. Existing law specifies the composition of the governing board of the conservancy and requires liaison advisers to serve in an advisory, nonvoting capacity. Existing law requires the conservancy to prepare and adopt a strategic plan to achieve the goals of the conservancy and requires the strategic plan to be consistent with certain plans. Existing law authorizes the conservancy to engage in partnerships with nonprofit organizations, local public agencies, and landowners, and authorizes the conservancy to provide grants and loans to state agencies, local public agencies, and

nonprofit organizations to further the goals of the conservancy. Existing law establishes the Sacramento-San Joaquin Delta Conservancy Fund in the State Treasury. Existing law makes moneys in the fund available, upon appropriation by the Legislature, for purposes of these provisions.

This bill would expand the area covered by the conservancy to include the Valley, as defined. The bill would rename the conservancy the Valley and Delta Conservancy, rename the Sacramento-San Joaquin Delta Conservancy Fund the Valley and Delta Conservancy Fund, and make conforming changes. The bill would add 2 additional liaison advisers, who are designees of the Sierra Nevada Conservancy and the San Joaquin River Conservancy, respectively. The bill would require funds to be allocated for activities in the Valley only if there is an appropriation for that purpose. The bill would also authorize the conservancy to engage in partnerships with, and to award grants and loans to, tribal organizations. The bill would establish the Valley Program, under the administration of the conservancy, to support efforts that advance the environmental protection and the economic well-being of Valley residents.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The heading of Division 22.3 (commencing with
2 Section 32300) of the Public Resources Code is amended to read:
3
4 DIVISION 22.3. VALLEY AND DELTA CONSERVANCY
5
6 SEC. 2. Section 32300 of the Public Resources Code is
7 amended to read:
8 32300. This division shall be known, and may be cited, as the
9 Valley and Delta Conservancy Act.
10 SEC. 3. Section 32301 of the Public Resources Code is
11 amended to read:
12 32301. The Legislature finds and declares all of the following:
13 (a) The Sacramento-San Joaquin Valley and the Delta, to which
14 the tributaries, rivers, sloughs, and channels in the Valley drain,
15 are unique natural resources of local, state, and national
16 significance.

1 (b) At 1,300 square miles, the Delta is the largest estuary on the
2 west coast of North and South America. Its tributaries, rivers, and
3 labyrinths of sloughs and channels are home to 750 species of
4 plants and wildlife, as well as 55 species of fish, provide habitat
5 for 700 native plant and animal species, and are part of the Pacific
6 Flyway.

7 (c) The Delta also faces many environmental challenges, such
8 as land subsidence, pressure on native species, altered water flow,
9 and habitat conversion.

10 (d) The Delta contains more than 500,000 acres of agricultural
11 land, with unique soils, and farmers who are creative and utilize
12 innovative agriculture, such as carbon sequestration crops,
13 subsidence reversal crops, wildlife-friendly crops, and crops direct
14 for marketing to the large urban populations nearby.

15 (e) The Valley provides critical habitat and ecological value to
16 the State of California. Home to unique habitat and species, it is
17 a crucial part of the Pacific Flyway and holds critical habitat for
18 many species in decline, including the western monarch butterfly.

19 (f) The Valley faces many environmental challenges, such as
20 land fallowing, water scarcity, invasive species, destruction of
21 habitat, and fire risks. The Valley also faces environmental justice
22 challenges, including access to clean, safe, and affordable drinking
23 water, lack of green space, exposure to pollutants and toxins,
24 degraded air quality, and inequitable access to recreation.

25 (g) The Valley, Delta, and Suisun Marsh provide numerous
26 opportunities for recreation, such as boating, camping, kayaking,
27 fishing, hiking, birding, and hunting. Urban areas occur throughout
28 the Valley and the areas surrounding the Delta, making it important
29 to provide access to this region for all.

30 (h) The Delta's history is rich with a distinct natural, agricultural,
31 and cultural heritage. It is home to the community of Locke, the
32 only town in the United States built primarily by early Chinese
33 immigrants. Other legacy communities include Bethel Island,
34 Clarksburg, Courtland, Freeport, Hood, Isleton, Knightsen, Rio
35 Vista, Ryde, and Walnut Grove.

36 (i) The Valley and Delta are the ancestral home to many tribes,
37 including the Maidu, Miwok, and Yokut tribes, and hold cultural
38 significance to tribes throughout the state.

1 (j) The Delta is home to more than 500,000 people and 200,000
2 jobs, and contributes over thirty-five billion dollars
3 (\$35,000,000,000) to the state's economy.

4 (k) In addition, the Delta provides water to more than ~~25 million~~
5 ~~25,000,000~~ Californians and ~~three million~~ 3,000,000 acres of
6 agricultural land. It supports a ~~four hundred billion dollar~~
7 *four-hundred-billion-dollar* (\$400,000,000,000) economy and is
8 traversed by energy, communications, and transportation facilities
9 vital to the economic health of California.

10 (l) Together, the Valley and Delta create a complex, interrelated
11 ecosystem that is essential to the State of California and its
12 conservation, equity, and climate goals.

13 (m) The State of California has a commitment, and recognizes
14 that it is in the best interest of the people of California, to fight
15 climate change, protect biodiversity, achieve the state's 30x30
16 goals, as defined in Section 71450, implement nature-based climate
17 solutions, create equity, create access to California resources for
18 all, and ensure equitable access to the outdoors, among other
19 priorities.

20 (n) A Valley and Delta Conservancy can support efforts that
21 advance both the environmental protection and economic
22 well-being of Valley and Delta residents in a complementary
23 manner and in coordination with relevant local, state, and federal
24 agencies, including other state conservancies and the Delta
25 Protection Commission, including all of the following:

26 (1) Protect, enhance, and restore ecosystem function and habitat.

27 (2) Support on-farm activities that contribute to wildlife habitat
28 and provide multiple conservation benefits.

29 (3) Protect and preserve agriculture and working landscapes.

30 (4) Provide increased opportunities for tourism and recreation.

31 (5) Promote Delta legacy communities and economic vitality
32 in the Delta in coordination with the Delta Protection Commission.

33 (6) Increase the resilience of the Valley and Delta to the effects
34 of climate change and natural disasters, such as floods, droughts,
35 wildfires, and earthquakes.

36 (7) Protect and improve water quality.

37 (8) Assist the regional economy through the operation of the
38 conservancy's program, including, but not limited to, supporting
39 workforce development.

1 (9) Identify priority projects and initiatives for which funding
2 is needed.

3 (10) Protect, conserve, and restore the region's physical,
4 agricultural, cultural, historical, and living resources.

5 (11) Assist local entities in the implementation of their habitat
6 conservation plans and natural community conservation plans.

7 (12) Promote environmental education.

8 SEC. 4. Section 32310 of the Public Resources Code is
9 amended to read:

10 32310. For the purposes of this division, the following terms
11 have the following meanings:

12 (a) "Board" means the governing board of the Valley and Delta
13 Conservancy.

14 (b) "Conservancy" means the Valley and Delta Conservancy.

15 (c) "Delta" means the Sacramento-San Joaquin Delta as
16 described in Section 12220 of the Water Code.

17 (d) "Fund" means the Valley and Delta Conservancy Fund
18 created pursuant to Section 32360.

19 (e) "Local public agency" means a city, county, special district,
20 or joint powers authority.

21 (f) "Natural lands" has the same meaning as defined in Section
22 9001.5.

23 (g) "Nonprofit organization" means a private, nonprofit
24 organization that qualifies for exempt status under Section
25 501(c)(3) of Title 26 of the United States Code and that has among
26 its principal charitable purposes preservation of land for scientific,
27 recreational, scenic, or open-space opportunities, protection of the
28 natural environment, preservation or enhancement of wildlife,
29 preservation of cultural and historical resources, or efforts to
30 provide for the enjoyment of public lands.

31 (h) "Suisun Marsh" means the area defined in Section 29101
32 and protected by Division 19 (commencing with Section 29000).

33 (i) "Tribal organization" has the same meaning as defined in
34 Section 33302.

35 (j) "Valley" means the lands within the Counties of Yolo,
36 Sacramento, Solano, and San Joaquin that are outside of the Delta.

37 (k) "Working lands" has the same meaning as defined in Section
38 9001.5.

1 SEC. 5. The heading of Chapter 3 (commencing with Section
2 32320) of Division 22.3 of the Public Resources Code is amended
3 to read:

4
5 CHAPTER 3. VALLEY AND DELTA CONSERVANCY
6

7 SEC. 6. Section 32320 of the Public Resources Code is
8 amended to read:

9 32320. There is in the Natural Resources Agency the Valley
10 and Delta Conservancy, which is created as a state agency to work
11 in collaboration and cooperation with local governments and
12 interested parties.

13 SEC. 7. Section 32330 of the Public Resources Code is
14 amended to read:

15 32330. The board shall consist of 11 voting members and two
16 nonvoting members, appointed or designated as follows:

17 (a) The 11 voting members of the board shall consist of all of
18 the following:

19 (1) The Secretary of the Natural Resources Agency, or their
20 designee.

21 (2) The Director of Finance, or their designee.

22 (3) One member of the board or a designee who is appointed
23 by the Contra Costa County Board of Supervisors, who is a resident
24 of that county.

25 (4) One member of the board or a designee who is appointed
26 by the Sacramento County Board of Supervisors, who is a resident
27 of that county.

28 (5) One member of the board or a designee who is appointed
29 by the San Joaquin County Board of Supervisors, who is a resident
30 of that county.

31 (6) One member of the board or a designee who is appointed
32 by the Solano County Board of Supervisors, who is a resident of
33 that county.

34 (7) One member of the board or a designee who is appointed
35 by the Yolo County Board of Supervisors, who is a resident of that
36 county.

37 (8) Two public members appointed by the Governor, subject to
38 confirmation by the Senate.

39 (9) One public member appointed by the Senate Committee on
40 Rules.

1 (10) One public member appointed by the Speaker of the
2 Assembly.

3 (b) The two nonvoting members shall consist of a Member of
4 the Senate, appointed by the Senate Committee on Rules, and a
5 Member of the Assembly, appointed by the Speaker of the
6 Assembly. The members appointed under this subdivision shall
7 meet with the conservancy and participate in its activities to the
8 extent that this participation is not incompatible with their positions
9 as Members of the Legislature. The appointed members shall
10 represent a district that encompasses a portion of the Delta.

11 (c) Twelve liaison advisers who shall serve in an advisory,
12 nonvoting capacity shall consist of all of the following:

13 (1) One representative of the United States Fish and Wildlife
14 Service, designated by the United States Secretary of the Interior.

15 (2) One representative of the United States National Marine
16 Fisheries Service, designated by the United States Secretary of
17 Commerce.

18 (3) One representative of the United States Bureau of
19 Reclamation, designated by the United States Secretary of the
20 Interior.

21 (4) One representative of the United States Army Corps of
22 Engineers, designated by the Commanding Officer, United States
23 Army Corps of Engineers, South Pacific Division.

24 (5) A designee of the San Francisco Bay Conservation and
25 Development Commission for coordination purposes.

26 (6) A designee of the State Coastal Conservancy for coordination
27 purposes.

28 (7) A designee of the Sierra Nevada Conservancy for
29 coordination purposes.

30 (8) A designee of the San Joaquin River Conservancy for
31 coordination purposes.

32 (9) A designee of the Suisun Resource Conservation District
33 for coordination purposes.

34 (10) A designee of the Central Valley Flood Protection Board.

35 (11) A designee of the Yolo Basin Foundation.

36 (12) A designee of the Delta Protection Commission.

37 (d) The public members appointed by the Governor shall serve
38 for a term of four years, with a two-term limit.

39 (e) The locally appointed members and alternates shall serve at
40 the pleasure of the appointing board of supervisors.

1 (f) The public members appointed by the Senate Committee on
2 Rules or the Speaker of the Assembly shall serve for a term of four
3 years, with a two-term limit.

4 (g) The Members of the Senate and Assembly shall serve at the
5 pleasure of the appointing body.

6 (h) Alternates for members appointed pursuant to paragraphs
7 (3) to (7), inclusive, of subdivision (a) may be appointed by the
8 respective county boards of supervisors.

9 SEC. 8. Section 32340 of the Public Resources Code is
10 amended to read:

11 32340. The board shall maintain a headquarters office, and
12 may open satellite offices, within the areas under the conservancy's
13 jurisdiction or the counties that those areas are within, or in the
14 City of Sacramento, in the number and location applicable to the
15 conservancy's work under the direction of the board to the extent
16 that funding is available. The conservancy may rent or own real
17 and personal property and equipment pursuant to applicable statutes
18 and regulations.

19 SEC. 9. Section 32350 of the Public Resources Code is
20 amended to read:

21 32350. The board shall hold its regular meetings within the
22 areas under the conservancy's jurisdiction and shall rotate the
23 location of the meetings among the different counties within those
24 areas.

25 SEC. 10. Section 32360 of the Public Resources Code is
26 amended to read:

27 32360. (a) Except as specified in Section 32360.5, the
28 jurisdiction and activities of the conservancy are limited to the
29 Valley, Delta, and Suisun Marsh.

30 (b) (1) The Valley and Delta Conservancy Fund is hereby
31 created in the State Treasury. Moneys in the fund shall be available,
32 upon appropriation by the Legislature, only for the purposes of
33 this division.

34 (2) Funds provided for ecosystem restoration and enhancement
35 shall be available for ecosystem restoration projects consistent
36 with the conservancy's strategic plan adopted pursuant to Section
37 32376.

38 (3) Funds may be allocated to a separate program within the
39 conservancy for economic sustainability in the Valley and Delta.
40 The economic sustainability plan adopted pursuant to Section

1 29759 shall be the basis for the program. Funds provided to the
2 conservancy to implement ecosystem restoration projects pursuant
3 to the Bay Delta Conservation Plan shall only be used for
4 ecosystem restoration purposes.

5 (4) Funds shall only be allocated for activities in the Valley if
6 there is an appropriation by the Legislature for that purpose. Funds
7 that have already been appropriated to the conservancy for activities
8 in the Delta or the Suisun Marsh shall be used in compliance with
9 the conditions of those appropriations and for activities only in
10 those areas.

11 SEC. 11. Section 32360.5 of the Public Resources Code is
12 amended to read:

13 32360.5. (a) In furtherance of the conservancy's mission and
14 role in implementing the Delta Plan and other relevant plans within
15 the areas under the conservancy's jurisdiction, the conservancy
16 may take or fund an action outside those areas if the board makes
17 all of the following findings:

18 (a)

19 (1) The project implements the goals of the conservancy, the
20 Delta Plan, and other relevant plans within the areas under the
21 conservancy's jurisdiction.

22 (b)

23 (2) The project is consistent with the requirements of any
24 applicable state and federal permits.

25 (c)

26 (3) The conservancy has given notice to and reviewed any
27 comments received from affected local jurisdictions, local agencies,
28 and state agencies.

29 (d)

30 (4) The conservancy has given notice to and reviewed any
31 comments received from any state conservancy where the project
32 is located.

33 (e)

34 (5) The project will provide significant benefits to the lands
35 within the areas under the conservancy's jurisdiction.

36 (b) (1) For purposes of this section, "other relevant plans"
37 includes, but is not limited to, the following:

38 (A) Delta Protection Commission's Land Use and Resource
39 Management Plan.

1 (B) Delta Protection Commission's Economic Sustainability
2 Plan for the Sacramento-San Joaquin Delta.

3 (C) Delta Stewardship Council's Delta Adapts: Creating a
4 Climate Resilient Future Sacramento-San Joaquin Delta Climate
5 Change Adaptation Plan.

6 (D) Delta Stewardship Council's Delta Levees Investment
7 Strategy.

8 (E) Natural and Working Lands Climate Smart Strategy.

9 (F) California's Nature-Based Solutions Climate Targets.

10 (G) Any community action plans for legacy communities or
11 relevant local plans.

12 (2) "Other relevant plans" includes updates and plan transitions
13 for all of the plans listed in paragraph (1).

14 SEC. 12. Section 32361 is added to the Public Resources Code,
15 to read:

16 32361. The Valley Program is hereby established, under the
17 administration of the conservancy, to support efforts that advance
18 the environmental protection and the economic well-being of
19 Valley residents. The program shall support conservancy activities
20 in the Valley, which may include, but are not limited to, activities
21 to do any of the following:

22 (a) Protect, enhance, and restore ecosystem function and habitat.

23 (b) Support on-farm activities that contribute to wildlife habitat
24 and provide multiple conservation benefits.

25 (c) Protect and preserve Valley agriculture and natural and
26 working lands.

27 (d) Provide increased opportunities for tourism and recreation
28 in the Valley.

29 (e) Promote Valley legacy communities and economic vitality.

30 (f) Advance workforce development.

31 (g) Increase the resilience of the Valley to the effects of climate
32 change and natural disasters such as floods, droughts, wildfires,
33 and earthquakes.

34 (h) Protect and improve water quality.

35 (i) Assist the regional economy.

36 (j) Identify priority projects and initiatives for which funding
37 is needed.

38 (k) Protect, conserve, and restore the region's physical,
39 agricultural, cultural, historical, and living resources.

1 (l) Assist local entities in the implementation of their habitat
2 conservation plans and natural community conservation plans.

3 (m) Promote environmental education.

4 SEC. 13. Section 32362 of the Public Resources Code is
5 amended to read:

6 32362. The conservancy may engage in partnerships with
7 nonprofit organizations, tribal organizations, local public agencies,
8 and landowners.

9 SEC. 14. Section 32363 of the Public Resources Code is
10 amended to read:

11 32363. In implementing this division, the conservancy shall
12 cooperate and consult with the city or county in which a grant is
13 proposed to be expended or an interest in real property is proposed
14 to be acquired, and shall, as necessary or appropriate, coordinate
15 its efforts with other state agencies, in cooperation with the
16 Secretary of the Natural Resources Agency. The conservancy shall,
17 as necessary or appropriate, cooperate and consult with a public
18 water system, levee, flood control, or drainage agency or resource
19 conservation district that owns or operates facilities, including
20 lands appurtenant to those facilities, where a grant is proposed to
21 be expended or an interest in land is proposed to be acquired.

22 SEC. 15. Section 32364 of the Public Resources Code is
23 amended to read:

24 32364. (a) The conservancy may require a grantee to enter
25 into an agreement with the conservancy on terms and conditions
26 specified by the conservancy.

27 (b) The conservancy may require a cost-share or local funding
28 requirement for a grant. The conservancy may make that cost-share
29 or local funding requirement contingent upon the total amount of
30 funding available, the fiscal resources of the applicant, or urgency
31 of the project. The conservancy may waive cost-share requirements.

32 (c) The conservancy may pay grantees at their full federally
33 allocated cost allocation rate or other certified cost allocation rate,
34 when there is no conflict with any applicable laws.

35 (d) The conservancy may make advance payments in accordance
36 with policy set by the board to ensure that moneys are used
37 properly and in accordance with grant agreements.

38 (e) The conservancy may fund or award grants for plans and
39 feasibility studies consistent with its strategic plan, the Delta Plan,

1 or other relevant plans within the areas under the conservancy's
2 jurisdiction.

3 (f) The conservancy may seek repayment or reimbursement of
4 funds granted on terms and conditions it deems appropriate. The
5 proceeds of repayment shall be deposited in the fund.

6 (g) The conservancy may require any funds that exceed the
7 costs of eligible or approved projects or of acquisition to be
8 returned to the conservancy, to be available for expenditure when
9 appropriated by the Legislature.

10 (h) (1) *For purposes of this section, "other relevant plans"*
11 *includes, but is not limited to, the following:*

12 (A) *Delta Protection Commission's Land Use and Resource*
13 *Management Plan.*

14 (B) *Delta Protection Commission's Economic Sustainability*
15 *Plan for the Sacramento-San Joaquin Delta.*

16 (C) *Delta Stewardship Council's Delta Adapts: Creating a*
17 *Climate Resilient Future Sacramento-San Joaquin Delta Climate*
18 *Change Adaptation Plan.*

19 (D) *Delta Stewardship Council's Delta Levees Investment*
20 *Strategy.*

21 (E) *Natural and Working Lands Climate Smart Strategy.*

22 (F) *California's Nature-Based Solutions Climate Targets.*

23 (G) *Any community action plans for legacy communities or*
24 *relevant local plans.*

25 (2) *"Other relevant plans" includes updates and plan transitions*
26 *for all of the plans listed in paragraph (1).*

27 SEC. 16. Section 32364.5 of the Public Resources Code is
28 amended to read:

29 32364.5. (a) The conservancy may provide grants and loans
30 to state agencies, local public agencies, nonprofit organizations,
31 and tribal organizations to further the goals of the conservancy.

32 (b) An entity applying for a grant from the conservancy to
33 acquire an interest in real property shall specify all of the following
34 in the grant application:

35 (1) The intended use of the property.

36 (2) The manner in which the land will be managed.

37 (3) How the cost of ongoing operations, maintenance, and
38 management will be provided, including an analysis of the
39 maintaining entity's financial capacity to support those ongoing
40 costs.

(4) Grantees shall demonstrate, where applicable, how they will provide payments in lieu of taxes, assessments, or charges otherwise due to local government.

SEC. 17. Section 32376 of the Public Resources Code is amended to read:

32376. (a) The board shall prepare, adopt, and update as necessary a strategic plan to achieve the goals of the conservancy. The plan shall describe its interaction with local, regional, state, and federal land use, recreation, water and flood management, and habitat conservation and protection efforts within and adjacent to the Delta and Valley. The strategic plan shall establish priorities and criteria for projects and programs, based upon an assessment of program requirements, institutional capabilities, and funding needs throughout the Delta and Valley. The strategic plan shall be consistent with the Delta Plan, the Delta Protection Commission's resources management plan, the Central Valley Flood Protection Plan, the Suisun Marsh Preservation Act of 1977 (Division 19 (commencing with Section 29000)), the Habitat Management, Preservation and Restoration Plan for the Suisun Marsh, and other relevant plans within the areas under the conservancy's jurisdiction.

(b) (1) For purposes of this section, "other relevant plans" includes, but is not limited to, the following:

(A) Delta Protection Commission's Land Use and Resource Management Plan.

(B) Delta Protection Commission's Economic Sustainability Plan for the Sacramento-San Joaquin Delta.

(C) Delta Stewardship Council's Delta Adapts: Creating a Climate Resilient Future Sacramento-San Joaquin Delta Climate Change Adaptation Plan.

(D) Delta Stewardship Council's Delta Levees Investment Strategy.

(E) Natural and Working Lands Climate Smart Strategy.

(F) California's Nature-Based Solutions Climate Targets.

(G) Any community action plans for legacy communities or relevant local plans.

(2) "Other relevant plans" includes updates and plan transitions for all of the plans listed in paragraph (1).

AMENDED IN ASSEMBLY APRIL 6, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2447

Introduced by Assembly Member Bauer-Kahan

February 20, 2026

An act to add Chapter 29 (commencing with Section 16300) to Division 7 of the Water Code, relating to water.

LEGISLATIVE COUNSEL’S DIGEST

AB 2447, as amended, Bauer-Kahan. ~~Water Supply Protection~~ *Water: Nitrogen Pollution Reduction Act*.

Under existing law, the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal state agencies with authority over matters relating to water quality. The act requires the state board to formulate and adopt state policies for water quality control and requires the regional boards to adopt regional water quality control plans in compliance with the state policies. Under the act, the state board and the regional boards prescribe waste discharge requirements for the discharge of waste that could affect the quality of the waters of the state.

This bill would require the State Water Resources Control Board to require the regional boards to update the Irrigated Lands Regulatory Program in order to reduce nitrogen waste discharges from commercial irrigated agricultural areas, as provided. The bill would require the regional boards to adopt revised orders with waste discharge requirements on or before January 1, 2028, that are sufficient to meet certain reductions in nitrogen waste discharges. The bill would require the state board to, on or before July 1, 2027, publish both a list of

standardized crop names and categories, and a statewide methodology for calculating, and field-level reporting of, nitrogen balances for croplands, including nitrogen fertilizer applications and nitrogen discharges, that account for available soil nitrogen, to be used by the regional boards and incorporated into the revised orders. The bill would require the state board, on or before January 1, 2031, and in coordination with the regional boards, to submit a report to the relevant policy committees of the Legislature on progress achieved in implementing these requirements, including data on the extent of progress made toward reducing nitrogen waste discharges, as provided.

~~Existing law establishes the Department of Water Resources within the Natural Resources Agency and vests it with various powers and duties related to water.~~

~~The bill would, upon appropriation of funds by the Legislature, require the state board to convene a Safer Fertilizer Task Force in coordination with the Department of Food and Agriculture to establish best available technology standards for nitrogen-based fertilizers. The bill would require the task force to include persons representing organizations focused on climate-resilient or sustainable agriculture, water quality protection, public health, and biodiversity, as well as persons representing academic institutions, agricultural producers, the fertilizer industry, and appropriate state or local agencies. The bill would require the task force to consult with the Fertilizer Inspection Advisory Board's Technical Advisory Subcommittee in developing those best available technology standards.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Chapter 29 (commencing with Section 16300)
- 2 is added to Division 7 of the Water Code, to read:
- 3
- 4 CHAPTER 29. ~~WATER SUPPLY PROTECTION~~ NITROGEN
- 5 POLLUTION REDUCTION ACT
- 6
- 7 16300. This act shall be known, and may be cited, as the ~~Water~~
- 8 ~~Supply Protection~~ Nitrogen Pollution Reduction Act.
- 9 16302. (a) The state board shall require the regional boards
- 10 to update the Irrigated Lands Regulatory Program in order to reduce

1 nitrogen waste discharges from commercial irrigated agricultural
2 lands so that by January 1, 2030, those lands do not cause or
3 contribute to ~~both~~ *either* of the following:

4 (1) Exceedances of the maximum contaminant level for nitrate,
5 as set forth in Section 64431 of Title 22 of the California Code of
6 ~~Regulations. Regulations, for waters designated for municipal and~~
7 *domestic supply.*

8 (2) Exceedances of a water quality objective or total maximum
9 daily load for nitrate, as set forth in applicable approved basin
10 plans.

11 (b) Consistent with Section 13263, the regional boards shall
12 adopt revised orders with waste discharge requirements on or
13 before January 1, 2028, that are sufficient to meet the reductions
14 in nitrogen waste discharge described in subdivision (a) and shall
15 include both of the following:

16 (1) Quantitative limits on nitrogen fertilizer application and
17 nitrogen discharge implemented through an adaptive irrigation
18 and nutrient management plan designed to minimize nitrogen
19 discharge.

20 (2) Sufficient procedures to ensure compliance with the limits
21 described in paragraph (1), which may include, but is not limited
22 to, verification by a certified crop advisor or cooperative or
23 independent monitoring program, cross-referencing fertilizer
24 application information with fertilizer sales information, and water
25 quality or soil testing.

26 (c) The orders described in subdivision (b) ~~may include, if they~~
27 ~~are designed to meet the reductions in nitrogen waste discharge~~
28 ~~described in subdivision (a), any of the following:~~ *include any of*
29 *the following elements, provided the elements are designed to meet*
30 *the reductions in nitrogen waste discharge described in subdivision*
31 *(a):*

32 (1) Provisions to encourage increased participation in programs
33 designed to reduce nitrogen waste and greenhouse gas emissions
34 from agriculture and improve soil health, including, but not limited
35 to, the Healthy Soils Program, the Organic Transition Pilot
36 Program, and the State Water Efficiency and Enhancement
37 Program.

38 (2) Standardized figures estimating reductions in nitrogen
39 discharge for certain sustainable farming practices based on the

1 best available science, including practices supported by programs
2 described in paragraph (1).

3 (3) Credits or discount factors based on the standardized figures
4 in paragraph (1), which may be accounted for in meeting the
5 requirements of paragraph (1) of subdivision (b).

6 (4) Interim limits on nitrogen pollution that accommodate
7 regional differences in agricultural production or surface or
8 groundwater quality.

9 (5) Alternative or streamlined compliance pathways for small
10 and diversified farms of fewer than 50 acres, including simplified
11 monitoring and reporting procedures as well as forms published
12 in languages spoken by small farmer operators, including, but not
13 limited to, Spanish, Hmong, Mandarin, and Punjabi.

14 (d) Consistent with existing law and regulations, the state board
15 may adjust its fee schedule for the Irrigated Lands Regulatory
16 Program to cover the cost of the state board and regional boards
17 in implementing this update to the program. Any adjustment to
18 the fee schedule by the state board shall not include discounts on
19 a per-acre basis for larger farms, which have the effect of smaller
20 farms paying higher per-acre fees than larger farms.

21 (e) (1) On or before July 1, 2027, the state board shall publish
22 both a list of standardized crop names and categories, and a
23 statewide methodology for calculating, and field-level reporting
24 of, nitrogen balances for croplands, including nitrogen fertilizer
25 applications and nitrogen discharges, that shall account for
26 available soil nitrogen, to be used by the regional boards and
27 incorporated into the orders described in subdivision (b).

28 (2) The field-level data produced by the field-level reporting
29 described in paragraph (1) shall be made publicly available.

30 (f) On or before January 1, 2031, the state board, in coordination
31 with the regional boards, shall submit a report to the relevant policy
32 committees of the Legislature, in compliance with Section 9795
33 of the Government Code, on progress achieved in implementing
34 this chapter, including data on the extent of progress made toward
35 meeting the reductions in nitrogen waste discharges through the
36 update to the Irrigated Lands Regulatory Program as described in
37 subdivision (a).

38 (g) Nothing in this section is intended to weaken existing water
39 quality protections in this division. In the event of a conflict

1 between the provisions of this section and any other law, the more
2 stringent provision shall prevail.

3 *(h) For purposes of this section, commercial irrigated*
4 *agricultural lands shall include, but are not limited to, lands that*
5 *are irrigated to produce crops or pasture for commercial purposes*
6 *with one or more of the following characteristics:*

7 *(1) The landowner or operator holds a current operator*
8 *identification number or permit number for pesticide use reporting.*

9 *(2) The crop is sold to a third party, including, but not limited*
10 *to, any of the following:*

11 *(A) An industry cooperative.*

12 *(B) A harvest crew or company.*

13 *(C) A direct marketing location, including a farmers' market.*

14 *(3) The landowner or operator files federal taxes using the*
15 *Internal Revenue Service Schedule F (Form 1040) for Profit or*
16 *Loss From Farming.*

17 ~~16304. (a) It is the policy of the state to encourage fertilizer~~
18 ~~companies to increase research, investment, and sale of more~~
19 ~~efficient fertilizer technologies to protect water supplies, reduce~~
20 ~~nitrate leaching, and reduce nitrous oxide emissions.~~

21 ~~(b) Upon appropriation of funds by the Legislature, and in~~
22 ~~furtherance of the policy described in subdivision (a), the state~~
23 ~~board shall convene a Safer Fertilizer Task Force in coordination~~
24 ~~with the Department of Food and Agriculture to establish best~~
25 ~~available technology standards for nitrogen-based fertilizers.~~

26 ~~(c) The Safer Fertilizer Task Force shall include persons~~
27 ~~representing organizations focused on climate-resilient or~~
28 ~~sustainable agriculture, water quality protection, public health, and~~
29 ~~biodiversity, as well as persons representing academic institutions,~~
30 ~~agricultural producers, the fertilizer industry, and appropriate state~~
31 ~~or local agencies.~~

32 ~~(d) In developing best available technology standards, the Safer~~
33 ~~Fertilizer Task Force shall consider the following:~~

34 ~~(1) Scientific and peer-reviewed research on fertilizer efficiency~~
35 ~~and technologies, including enhanced efficiency fertilizers.~~

36 ~~(2) Life-cycle and field performance data.~~

37 ~~(3) Technological feasibility and cost-effectiveness.~~

38 ~~(4) Impact on small and disadvantaged farmers.~~

39 ~~(e) The best available technology standards referenced in~~
40 ~~subdivision (b) shall be designed to prioritize the following:~~

- 1 ~~(1) Reductions in nitrate leaching and runoff to the greatest~~
2 ~~extent feasible.~~
3 ~~(2) Reductions in nitrous oxide emissions to the greatest extent~~
4 ~~feasible, as required by the state's policy to achieve net zero~~
5 ~~greenhouse gas emissions as soon as possible, but not later than~~
6 ~~2045, and achieve and maintain net negative greenhouse gas~~
7 ~~emissions after 2045.~~
8 ~~(3) Enhanced synchronization of nitrogen release with crop~~
9 ~~uptake.~~
10 ~~(f) The Safer Fertilizer Task Force shall consult with the~~
11 ~~Fertilizer Inspection Advisory Board's Technical Advisory~~
12 ~~Subcommittee in developing the best available technology~~
13 ~~standards referenced in subdivision (b).~~
14 ~~(g) The state board and regional boards may consult with the~~
15 ~~Safer Fertilizer Task Force and Fertilizer Inspection Advisory~~
16 ~~Board's Technical Advisory Subcommittee in implementing the~~
17 ~~update to the Irrigated Lands Regulatory Program pursuant to~~
18 ~~Section 16302.~~

AMENDED IN ASSEMBLY APRIL 6, 2026

AMENDED IN ASSEMBLY MARCH 19, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2739

**Introduced by Assembly Member Soria
(Coauthor: Assembly Member Davies)**

February 20, 2026

An act to add Part 7.5 (commencing with Section 12965) to Division 6 of the Water Code, relating to ~~water~~: *water, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2739, as amended, Soria. ~~Community Water Affordability Program. Water: affordability and system stabilization.~~

Existing law establishes in the Natural Resources Agency the Department of Water Resources. Existing law vests in the department powers, duties, purposes, responsibilities, and jurisdiction in matters pertaining to water or dams. Existing law declares the responsibility of the state to assist local governments in providing certain essential services and facilities where water resource construction projects financed, in whole or in part, by the state or by the state jointly with the federal government create an undue burden on a local area's ability to provide these services and facilities.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human

being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

This bill would establish in the State Treasury the Water Affordability and System Stabilization Fund for holding the principal and income of the Water Affordability and System Stabilization Trust, which the bill would create. The bill would designate the Treasurer as trustee of the trust, as specified, and would require the trustee, among other things, to hold, manage, and invest the principal of the trust with the obligation of providing a growing perpetual source of annual funding to the Water Rate Assistance Fund, administered by the state board, and the Community Water Affordability Assistance Fund, administered by the department, beginning 25 years after the Legislature transfers funding from the General Fund to the Water Affordability and System Stabilization Fund.

This bill would require, during the first 25 years following the Legislature's transfer, 45% of the income of the trust to be transferred from the Water Affordability and System Stabilization Fund to each of the Water Rate Assistance Fund and the continuously appropriated Community Water Affordability Assistance Fund, and would continuously appropriate the remaining 10% of the income of the trust to be invested as part of the principal of the trust. After the first 25 years, the bill would require 50% of the income of the trust to be transferred from the Water Affordability and System Stabilization Fund to each of the Water Rate Assistance Fund and the Community Water Affordability Assistance Fund. The bill would continuously appropriate no more than 1% of the annual income of the trust to pay for administration of the trust. By making continuous appropriations and by transferring moneys into a continuously appropriated fund, the bill would make an appropriation.

This bill would ~~establish~~ require the department, subject to a transfer of moneys by the Legislature, to develop and administer the Community Water Affordability Program to provide funding in the form of grants to local water suppliers for water system repairs, rehabilitation, and enhancements, water safety and quality, and other community water systems for local water system infrastructure projects, as specified, for the purpose of reducing the amount of local ratepayer funding required for those projects. ~~The bill would require the department, upon appropriation by the Legislature, to develop and administer the program.~~ projects and for avoiding costs that would otherwise be paid for by ratepayers. The bill would require the department to develop and adopt

program guidelines and project solicitation documents before disbursing grant ~~funds~~. *funds, and would exempt those guidelines and documents from the rulemaking procedures of the Administrative Procedure Act.* The bill would require the program guidelines ~~to to~~, *among other things*, require an applicant for a grant to provide at least ~~50%~~ 25% of the total funding required for the project, as provided. The bill would authorize the department to waive or reduce that minimum amount if that requirement would cause extreme financial hardship to the applicant. The bill would also establish the Community Water Affordability Assistance Fund in the State ~~Treasury~~. *Treasury and would provide for deposit into the fund contributions from private and public entities, as specified.* The bill would ~~make continuously appropriate moneys in the fund available, upon appropriation by the Legislature,~~ to the department for the purposes of the ~~program~~. *program, including up to 5% annually for administration of the fund, thereby making an appropriation.*

Vote: ~~majority~~ ²/₃. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 7.5 (commencing with Section 12965) is
2 added to Division 6 of the Water Code, to read:

3
4 PART 7.5. WATER AFFORDABILITY AND SYSTEM
5 STABILIZATION

6
7 CHAPTER 1. WATER AFFORDABILITY AND SYSTEM
8 STABILIZATION ACT

9
10 Article 1. General Provisions

11
12 12965. This chapter shall be known, and may be cited, as the
13 Water Affordability and System Stabilization Act.

14 12965.5. The Legislature finds and declares all of the
15 following:

16 (a) It is the established policy of the state, as stated in Section
17 106.3, that every human being has the right to safe, clean,
18 affordable, and accessible water adequate for human consumption,
19 cooking, and sanitary purposes.

1 (b) Addressing California’s environmental justice challenges
2 requires that the state work to improve water affordability for
3 impacted communities and households.

4 (c) The cost of water has continued to rise, as has the cost of
5 living in California. The increase in the cost of water is largely
6 attributable to increases in the cost of infrastructure, energy, and
7 regulatory compliance costs.

8 (d) Most of California’s public water systems are governed by
9 Proposition 218, which was passed by voters in November 1996,
10 and requires that customers only be charged proportional, cost of
11 service-based rates. Proposition 218 has been interpreted as
12 prohibiting customers from being charged higher rates to subsidize
13 the costs of other customers.

14 (e) At the same time, climate change has added, and will
15 continue to add, significant additional cost pressure to water
16 systems, as providers must increasingly invest in climate resilience
17 and adaptive infrastructure, which in turn places cost pressure on
18 rates.

19 (f) A low-income rate assistance program will assist in
20 addressing affordability challenges for struggling households, but
21 without addressing system costs, such a program will not be
22 sufficiently effective because these cost pressures will continue to
23 result in increased water rates.

24 (g) Federal and state funding of local water infrastructure helps
25 reduce the amount of ratepayer money that a water system needs
26 to collect to ensure a reliable, safe, and clean water supply for its
27 community, and helps address system affordability constraints.

28 (h) It is in the interest of the people of the state to enact this
29 chapter to establish a trust fund, funded by existing state revenues
30 over multiple years, for the governmental purpose of providing a
31 perpetual source of funding to assist with water system costs that
32 place pressure on water affordability, and to provide low-income
33 Californian households with direct assistance with their water
34 bills, which will provide a benefit to Californians across the state.

35 (i) This chapter does not impose a levy, charge, or exaction of
36 any kind, such as a tax or fee.

37 12966. For purposes of this chapter, the following definitions
38 apply:

39 (a) “Beneficiary” means the people of the state, as represented
40 by the board in its implementation of Chapter 6.2 (commencing

1 with Section 116930) of Part 12 of Division 104 of the Health and
2 Safety Code and its administration of the Water Rate Assistance
3 Fund established pursuant to Section 116932 of the Health and
4 Safety Code, and the department in its implementation of Chapter
5 2 (commencing with Section 12968) and its administration of the
6 Community Water Affordability Assistance Fund established
7 pursuant to Section 12968. The beneficiary's interest in the trust
8 shall only be the distributions required to be made from the trust
9 pursuant to subdivision (b) of Section 12967.

10 (b) "Board" means the State Water Resources Control Board.

11 (c) "Community Water Affordability Assistance Fund" means
12 the Community Water Affordability Assistance Fund established
13 pursuant to Section 12968.

14 (d) "Department" means the Department of Water Resources.

15 (e) "Income" means the money, enhanced value, or other
16 income the trust receives as current return from the investment of
17 the trust principal.

18 (f) "Net income" means the trust income earned July 1 to June
19 30, inclusive, of the previous fiscal year minus all of the necessary
20 and reasonable expenses incident to the administration of the trust
21 during that same period, up to 1 percent of the trust income
22 pursuant to paragraph (2) of subdivision (e) of Section 12967.

23 (g) "Principal" means the trust property, that is held in trust
24 for the beneficiary and to accomplish the purposes described in
25 Section 12965.5.

26 (h) "Trust" means the Water Affordability and System
27 Stabilization Trust.

28 (i) "Trust fund" means the Water Affordability and System
29 Stabilization Fund established pursuant to Section 12966.5 to hold
30 the trust property.

31 (j) "Trust property" means the money transferred to the trust
32 fund and any donation to the trust fund received and accepted by
33 the trustee on or after January 1, 2027.

34 (k) "Trustee" means the Treasurer, who shall serve as the
35 trustee of the trust having all of the fiduciary duties,
36 responsibilities, and obligations consistent with serving as a trustee
37 of a trust under existing law.

38 (l) "Water Rate Assistance Fund" means the Water Rate
39 Assistance Fund established pursuant to Section 116932 of the
40 Health and Safety Code.

1 Article 2. *Water Affordability and System Stabilization Trust*

2
3 12966.5. (a) (1) *There is hereby created in the State Treasury*
4 *the Water Affordability and System Stabilization Fund for holding*
5 *the trust property of the Water Affordability and System*
6 *Stabilization Trust and for the purpose of implementing the public*
7 *and governmental purposes of this chapter. Notwithstanding*
8 *Section 13340 of the Government Code, all moneys in the trust*
9 *fund are continuously appropriated to the trustee, without regard*
10 *to fiscal year, for expenditure in accordance with this chapter.*

11 (2) *The distributions by the trustee from the income of the trust*
12 *are hereby transferred to the board and the department for deposit*
13 *into, and expenditure from, the Water Rate Assistance Fund and*
14 *the Community Water Affordability Assistance Fund, respectively,*
15 *in accordance with subdivision (b) of Section 12967.*

16 (b) *The primary purpose of the Water Affordability and System*
17 *Stabilization Trust, a charitable trust established pursuant to this*
18 *chapter, shall be to provide a perpetual source of funding each*
19 *year to the Water Rate Assistance Fund and the Community Water*
20 *Affordability Assistance Fund in furtherance of the trust fund*
21 *purposes described in subdivision (a).*

22 (c) *Moneys in the trust fund, including the trust principal and*
23 *trust income, shall not be available for appropriation or be*
24 *borrowed for use for any purpose not established in this chapter.*

25 (d) *Funding of the principal of the trust is hereby authorized*
26 *and is subject to transfer by the Legislature from the General Fund*
27 *into the trust fund. All future transfers to the trust fund are hereby*
28 *irrevocably transferred from the General Fund during the fiscal*
29 *year the moneys are transferred to the trustee for deposit into the*
30 *Water Affordability and System Stabilization Fund for distribution*
31 *and investment to accomplish the purposes of this chapter and on*
32 *the conditions prescribed in Section 12967.*

33 (e) *Notwithstanding any other law, moneys deposited into the*
34 *trust fund or to fund the trust shall not be transferred to the*
35 *General Fund.*

36 12967. (a) (1) *The trustee shall hold the property of the trust*
37 *for the primary benefit of the trust's beneficiary.*

38 (2) *The trustee shall hold, manage, and invest the principal of*
39 *the trust in accordance with existing law with the obligation of*
40 *providing a growing perpetual source of annual funding to the*

1 Water Rate Assistance Fund and the Community Water
2 Affordability Assistance Fund, beginning 25 years after the
3 Legislature transfers funding from the General Fund to the Water
4 Affordability and System Stabilization Fund. The trustee shall not
5 invade the principal of the trust.

6 (b) The trustee shall collect, receive, and monetize, if prudent
7 and in accordance with existing law, the income of the trust, and
8 shall distribute the income of the trust annually as follows:

9 (1) During the first 25 years following the Legislature's first
10 transfer of revenue from the General Fund to the trust fund, the
11 trustee shall distribute the income of the trust as follows:

12 (A) Transfer 45 percent of the total income deposited into the
13 trust fund during the prior fiscal year to the Water Rate Assistance
14 Fund for the board to expend in accordance with Chapter 6.2
15 (commencing with Section 116930) of Part 12 of Division 104 of
16 the Health and Safety Code.

17 (B) Transfer 45 percent of the total income deposited into the
18 trust fund during the prior fiscal year to the Community Water
19 Affordability Assistance Fund for the department to expend in
20 accordance with Chapter 2 (commencing with Section 12968).

21 (C) In accordance with existing law, invest the remaining 10
22 percent of the total income deposited into the trust fund during the
23 prior fiscal year as part of the trust principal.

24 (2) After the first 25 years following the Legislature's first
25 transfer of revenue from the General Fund to the trust fund, the
26 trustee shall distribute the income of the trust as follows:

27 (A) Transfer 50 percent of the total income deposited into the
28 trust fund during the prior fiscal year to the Water Rate Assistance
29 Fund for the board to expend in accordance with Chapter 6.2
30 (commencing with Section 116930) of Part 12 of Division 104 of
31 the Health and Safety Code.

32 (B) Transfer 50 percent of the total income deposited into the
33 trust fund during the prior fiscal year to the Community Water
34 Affordability Assistance Fund for the department to expend in
35 accordance with Chapter 2 (commencing with Section 12968).

36 (c) Notwithstanding any other law, the trustee, and any employee
37 or agent of the trustee, shall not sell, purchase, exchange, or
38 otherwise deal with or dispose of all or any parts of the principal
39 of the trust.

(d) The trustee shall exercise its administration of the trust as a fiduciary to the beneficiary. The trustee, in its administration of the trust, shall abide by the Uniform Prudent Investor Act (Article 2.5 (commencing with Section 16045) of Chapter 1 of Part 4 of Division 9 of the Probate Code). The trustee shall have the powers, obligations, and responsibilities of a trustee prescribed in Part 4 (commencing with Section 16000) of Division 9 of the Probate Code that are not inconsistent with the purposes of this chapter.

(e) The trustee shall:

(1) Have the power to accept donations that shall be deemed property of the trust and increase the principal of the trust. Donations shall not be expended or transferred until the Legislature transfers funding from the General Fund to the Water Affordability and System Stabilization Fund.

(2) Use no more than 1 percent of the income of the trust earned July 1 to June 30, inclusive, of each fiscal year to pay for the necessary and reasonable expenses incident to the administration of the trust during that same period.

(f) The trustee shall provide for appropriate, as determined by the trustee, audit, accounting, and fiscal management services, plans, and reports relative to the trust fund, in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board.

(g) The trustee annually shall provide the board and the department with an accounting of the investments and a forecast of the projected income to be distributed from the trust fund in future fiscal years.

(h) The trust shall be deemed a charitable trust subject to the supervision of the Attorney General.

CHAPTER 2. COMMUNITY WATER AFFORDABILITY PROGRAM

12968. (a) For purposes of this chapter, the following definitions apply:

(1) "Board" means the State Water Resources Control Board.

(2) "Community water system" has the same meaning as defined in Section 116275 of the Health and Safety Code.

(3) "Department" means the Department of Water Resources.

(4) "Fund" means the Community Water Affordability Assistance Fund.

1 (5) “Program” means the Community Water Affordability
2 Program.

3 (b) (1) The department shall, subject to transfer of moneys into
4 the fund by the Legislature, develop and administer the Community
5 Water Affordability Program. The program shall provide funding
6 in the form of grants to community water systems for local water
7 infrastructure projects that shall include, but are not limited to,
8 projects that improve water supplies, resiliency, or quality, and
9 projects that reduce energy costs for a community water system.
10 The purpose of the grants shall be reducing the amount of local
11 ratepayer funding required for those projects and for avoiding
12 costs that would otherwise be paid for by ratepayers.

13 (2) (A) Before disbursing grant funds pursuant to this section,
14 the department shall develop and adopt program guidelines and
15 project solicitation documents, after soliciting public comment
16 and feedback inclusive of community water systems. The guidelines
17 and project solicitation documents developed pursuant to this
18 section are not subject to Chapter 3.5 (commencing with Section
19 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

20 (B) The program guidelines shall do all of the following:

21 (i) Require an applicant for a grant to provide at least 25
22 percent of the total funding required for the project. Federal
23 funding and other state loans and grants may be included in this
24 amount. The department may waive or reduce that minimum
25 amount if that requirement would cause extreme financial hardship
26 to the applicant.

27 (ii) Establish a methodology for evaluating projects for purposes
28 of a grant award by consideration of factors that include, but are
29 not limited to, the net present value of the cost avoided on a per
30 account basis over a 25-year period of time, the applicant’s ability
31 to complete the project in a timely manner, and the number of
32 households it would benefit.

33 (iii) The established methodology for evaluating projects for
34 purposes of a grant award shall not consider an applicant’s ability
35 to provide the minimum amount of total funding required by clause
36 (i) and shall not prejudice an applicant for requesting that the
37 department waive or reduce that minimum amount due to financial
38 hardship.

39 (C) Before adopting program guidelines and project solicitation
40 documents, the department shall hold at least three public

1 workshops throughout the state on draft program guidelines and
2 shall provide at least 45 days of public comment on the draft.

3 (3) The department shall annually post on its internet website
4 a report on the revenues, expenditures, and benefits of the fund
5 for the prior fiscal year. The report shall include the cumulative
6 and fiscal year number of households the Community Water
7 Assistance Program has benefited and the estimated amount of
8 cost the program has caused to be avoided.

9 (4) The department shall coordinate with the board for projects
10 that seek to combine funding from the program and the board.

11 (c) The department may undertake any of the following actions
12 to implement the fund:

13 (1) Provide for the deposit of any of the following moneys into
14 the fund:

15 (A) Federal contributions.

16 (B) Voluntary contributions, gifts, grants, or bequests.

17 (C) Financial participation by a public agency in an activity
18 authorized for funding from the fund.

19 (2) Enter into agreements for contributions to the fund from the
20 federal government, local or state agencies, or private corporations
21 or nonprofit organizations.

22 (3) Take additional action as may be appropriate for adequate
23 administration and operation of the fund.

24 (4) Expend moneys from the fund for reasonable costs associated
25 with administration of the fund, including outreach regarding the
26 availability of the funding. The department shall not expend more
27 than 5 percent of the annual revenue from the fund for reasonable
28 costs associated with the administration of the fund.

29 (d) The department may set appropriate requirements as a
30 condition of funding, including, but not limited to, any of the
31 following:

32 (1) An audit.

33 (2) Improvements to reduce costs and increase efficiencies of
34 the infrastructure project funded.

35 (3) An evaluation of alternatives.

36 (e) The Community Water Affordability Assistance Fund is
37 hereby established in the State Treasury. Notwithstanding Section
38 13340 of the Government Code, all moneys in the fund are
39 continuously appropriated to the department, without regard to
40 fiscal year, in accordance with this chapter. Moneys in the fund

1 *at the close of the fiscal year shall remain in the fund and shall*
2 *not revert to the General Fund. Moneys in the fund shall not be*
3 *available for appropriation or borrowed for use for any purpose*
4 *not established in this chapter unless that use of the moneys is*
5 *authorized by statute that receives an affirmative vote of two-thirds*
6 *of the membership in each house of the Legislature.*

7 ~~SECTION 1. Part 7.5 (commencing with Section 12965) is~~
8 ~~added to Division 6 of the Water Code, to read:~~

10 ~~PART 7.5. COMMUNITY WATER AFFORDABILITY~~
11 ~~PROGRAM~~
12

13 ~~12965. (a) For purposes of this part, the following definitions~~
14 ~~apply:~~

15 ~~(1) "Fund" means the Community Water Affordability~~
16 ~~Assistance Fund.~~

17 ~~(2) "Program" means the Community Water Affordability~~
18 ~~Program.~~

19 ~~(b) (1) The department shall, upon appropriation by the~~
20 ~~Legislature, develop and administer the Community Water~~
21 ~~Affordability Program. The program shall provide funding in the~~
22 ~~form of grants to local water suppliers for water system repairs,~~
23 ~~rehabilitation, and enhancements, water safety and quality, and~~
24 ~~other local water system infrastructure projects, for the purpose~~
25 ~~of reducing the amount of local ratepayer funding required for~~
26 ~~those projects.~~

27 ~~(2) (A) Before disbursing grant funds pursuant to this section,~~
28 ~~the department shall develop and adopt program guidelines and~~
29 ~~project solicitation documents. The guidelines and project~~
30 ~~solicitation documents developed pursuant to this section are not~~
31 ~~subject to Chapter 3.5 (commencing with Section 11340) of Part~~
32 ~~1 of Division 3 of Title 2 of the Government Code.~~

33 ~~(B) The program guidelines shall require an applicant for a grant~~
34 ~~to provide at least 50 percent of the total funding required for the~~
35 ~~project. Federal funding and other state loans and grants may be~~
36 ~~included in this amount. The department may waive or reduce that~~
37 ~~minimum amount if that requirement would cause extreme financial~~
38 ~~hardship to the applicant.~~

39 ~~(c) The Community Water Affordability Assistance Fund is~~
40 ~~hereby established in the State Treasury. Upon appropriation by~~

- 1 the Legislature, moneys in the fund shall be made available to the
- 2 department for the purposes of the program.

AMENDED IN SENATE APRIL 21, 2026

AMENDED IN SENATE MARCH 17, 2026

SENATE BILL

No. 1001

Introduced by Senator Archuleta
(Coauthors: Senators Dahle, Grayson, and Rubio)

February 9, 2026

An act to add Section 8585.6 to the Government Code, and to amend Section 409.5 of the Penal Code, relating to emergency services.

LEGISLATIVE COUNSEL'S DIGEST

SB 1001, as amended, Archuleta. Local agency, ~~corporation~~, *public utility*, or mutual water company: personnel access: Personal Identity Verification-Interoperable.

Existing law creates the Office of Emergency Services within the office of the Governor and sets forth its powers and duties, including establishing by rule and regulation various classes of disaster service workers, the scope and duty of each class, and the way disaster service workers of each class are to be registered.

Existing law authorizes officers of the Department of the California Highway Patrol, police departments, marshal's office or sheriff's office, and officers or employees of the Department of Forestry and Fire Protection or the Department of Fish and Wildlife designated as peace officers to close to all unauthorized persons an area where a menace to the public health or safety created by a calamity exists for the duration of the menace and the immediate area surrounding any emergency field command post or any other command post activated for the purpose of abating a calamity, riot, or other civil disturbance, as specified. Under existing law, an unauthorized person who enters or remains in a closed area, as prescribed, is guilty of a misdemeanor.

This bill would, beginning on July 1, 2028, require the Office of Emergency Services, upon request, to issue a local agency, ~~corporation~~, *public utility*, or mutual water company responsible for public works and critical infrastructure with specified credentialing to facilitate personnel access to an area during or following a natural disaster, act of terrorism, or other man-made disaster. The bill would specify that the credentialing, a Personal Identity Verification-Interoperable (PIV-I), would conform with the federal Personal Identity Verification standards pursuant to federal National Incident Management System guidelines.

This bill would require the application for a PIV-I card to be signed by a duly authorized representative of a local agency, ~~corporation~~, *public utility*, or mutual water company and include a certification by the local agency, ~~corporation~~, *public utility*, or mutual water company.

This bill would ~~authorize~~ *require* the office to impose and collect a fee from a local agency, ~~corporation~~, *public utility*, or mutual water company for a PIV-I card that does not exceed the reasonable costs of the identification card program.

This bill would specify that the authorization for particular officers to close an area, as described above, shall not prevent an individual who holds a valid PIV-I card *or an individual who holds a valid identification card issued by a local agency, public utility, or mutual water company* from entering the closed area unless a peace officer finds that the disaster is of such a nature that it would be unsafe for the cardholder to enter or that the presence of the cardholder would interfere with disaster response.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) Electrical, natural gas, water, and wastewater systems
- 3 represent critical infrastructure that is vulnerable to a wide range
- 4 of natural and man-made disasters. Critical services such as
- 5 firefighting and health care, as well as other dependent and
- 6 interdependent sectors like public health and critical manufacturing,
- 7 could experience severe consequences from disruptions in utility
- 8 services.
- 9 (b) Preserving critical infrastructure functions, minimizing health
- 10 and safety threats, and efficiently restoring and revitalizing systems

1 and services requires timely access to critical infrastructure by
2 utility personnel.

3 (c) The use of a common approach for managing access and
4 phased reentry into evacuation zones is particularly important
5 during incidents that require significant population evacuations to
6 ensure the coordination of public and private sector response and
7 recovery assets and restoration of critical infrastructure and
8 essential public services.

9 (d) The Office of Emergency Services, pursuant to its California
10 Emergency Services Act responsibilities to prepare the state for
11 disasters, may do both the following:

12 (1) Provide guidance to local emergency management agencies
13 to ensure that there is a process to coordinate and approve resources
14 for access into restricted areas in order to improve coordination
15 with utilities requiring access and law enforcement entities
16 enforcing access controls.

17 (2) Encourage a review of emergency preparedness plans
18 regarding lines of authority and existing control and management
19 procedures regarding the establishment of access requirements
20 and the conduct of reentry operations during emergencies to enable
21 utility personnel to timely participate in response and recovery
22 operations in order to minimize or eliminate the potential loss of
23 life and property damage.

24 SEC. 2. Section 8585.6 is added to the Government Code, to
25 read:

26 8585.6. (a) Beginning on July 1, 2028, the office shall, upon
27 request, issue a local agency, ~~corporation~~, *public utility*, or mutual
28 water company responsible for public works and critical
29 infrastructure with credentialing to facilitate personnel access to
30 an area during or following a natural disaster, act of terrorism, or
31 other man-made disaster.

32 (b) The office shall prepare and make available no later than
33 July 1, 2028, an application for a local agency, ~~corporation~~, *public*
34 *utility*, or mutual water company to request that an individual be
35 issued a Personal Identity Verification-Interoperable (PIV-I)
36 credential that conforms with the federal Personal Identity
37 Verification standards pursuant to federal National Incident
38 Management System guidelines. The office shall provide a PIV-I
39 card upon receipt of the application signed by a duly authorized
40 representative of a local agency, ~~corporation~~, *public utility*, or

1 mutual water company that includes a statement justifying the
2 need for the individual to receive that identification for purposes
3 of access to those ~~areas and certification by the local agency,~~
4 ~~corporation, or mutual water company.~~ areas. The application
5 shall also indicate that the individual has completed appropriate
6 education, training, experience, and certification or licensure for
7 performing the purposes for access. *an emergency support function*
8 *discipline or activity.*

9 (c) Access to an area closed in accordance with subdivision (a)
10 of Section 409.5 of the Penal Code ~~shall~~ *may* be granted to an
11 individual issued a PIV-I card by the incident commander, a law
12 enforcement official having jurisdiction, or their designee. If access
13 is granted by emergency response personnel other than the incident
14 commander, the emergency response personnel shall notify the
15 incident commander that access has been provided to the individual
16 issued a PIV-I card.

17 (d) A PIV-I card issued by the office shall be valid for five years
18 from the date of issuance and shall be renewable upon submission
19 of an application for renewal.

20 (e) A local agency, ~~corporation,~~ *public utility*, or mutual water
21 company shall be responsible to collect and destroy a PIV-I card
22 if the individual issued a PIV-I card ceases employment with the
23 employer or the job duties of the individual change, making access
24 afforded by the PIV-I card no longer appropriate.

25 (f) The office shall impose and collect a fee from a local agency,
26 ~~corporation,~~ *public utility*, or mutual water company for a PIV-I
27 card that does not exceed the reasonable costs of issuing the card
28 and administration of the program described in this section.

29 (g) *For purposes of this section, “public utility” has the same*
30 *meaning as the term is defined in Section 216 of the Public Utilities*
31 *Code.*

32 SEC. 3. Section 409.5 of the Penal Code is amended to read:

33 409.5. (a) When a menace to the public health or safety is
34 created by a calamity including a flood, storm, fire, earthquake,
35 explosion, accident, or other disaster, officers of the Department
36 of the California Highway Patrol, police departments, marshal’s
37 office or sheriff’s office, an officer or employee of the Department
38 of Forestry and Fire Protection designated a peace officer by
39 subdivision (g) of Section 830.2, an officer or employee of the
40 Department of Parks and Recreation designated a peace officer by

1 subdivision (f) of Section 830.2, an officer or employee of the
2 Department of Fish and Wildlife designated a peace officer under
3 subdivision (e) of Section 830.2, and a publicly employed full-time
4 lifeguard or publicly employed full-time marine safety officer
5 while acting in a supervisory position in the performance of their
6 official duties, may close the area where the menace exists for the
7 duration of the menace by means of ropes, markers, or guards to
8 all persons not authorized by the lifeguard or officer to enter or
9 remain within the enclosed area. If the calamity creates an
10 immediate menace to the public health, the local health officer
11 may close the area where the menace exists pursuant to the
12 conditions set forth in this section.

13 (b) Officers of the Department of the California Highway Patrol,
14 police departments, marshal's office or sheriff's office, officers
15 of the Department of Fish and Wildlife designated as peace officers
16 by subdivision (e) of Section 830.2, or officers of the Department
17 of Forestry and Fire Protection designated as peace officers by
18 subdivision (g) of Section 830.2 may close the immediate area
19 surrounding any emergency field command post or any other
20 command post activated for the purpose of abating a calamity
21 enumerated in this section or a riot or other civil disturbance to all
22 unauthorized persons pursuant to the conditions set forth in this
23 section whether or not the field command post or other command
24 post is located near the actual calamity or riot or other civil
25 disturbance.

26 (c) An unauthorized person who willfully and knowingly enters
27 an area closed pursuant to subdivision (a) or (b) and who willfully
28 remains within the area after receiving notice to evacuate or leave
29 shall be guilty of a misdemeanor.

30 (d) (1) This section shall not prevent a duly authorized
31 representative of a news service, newspaper, or radio or television
32 station or network from entering the areas closed pursuant to this
33 section.

34 (2) This subdivision does not authorize a duly authorized
35 representative of a news service, newspaper, or radio or television
36 station or network to facilitate the entry of a person into, or
37 facilitate the transport of a person within, an area closed, unless
38 for the safety of the person, pursuant to this section if that person
39 is not a duly authorized representative of a news service,
40 newspaper, or radio or television station or network.

(e) This section shall not prevent an individual who holds a valid livestock pass identification document, pursuant to Section 2350 of the Food and Agricultural Code, from entering the areas closed pursuant to this section, unless a peace officer identified in subdivision (a) finds that the disaster is of such a nature that it would be unsafe for the documentholder to enter or that the presence of the documentholder would interfere with disaster response.

(f) This section shall not prevent an individual who holds a valid PIV-I card issued pursuant to Section 8585.6 of the Government Code *or an individual who holds a valid identification card issued by a local agency, public utility, as defined in Section 216 of the Public Utilities Code, or mutual water company* from entering an area closed pursuant to this section unless a peace officer identified in subdivision (a) finds that the disaster is of such a nature that it would be unsafe for the cardholder to enter or that the presence of the cardholder would interfere with disaster response.

SEC. 4. Nothing in this measure is intended to impact the relationship, duties, or responsibilities as between the Office of Emergency Services and local emergency operations plans, emergency operations centers, and the incident command system.

DRAFT

**SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY**

AUDITED FINANCIAL STATEMENTS

February 29, 2024

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

AUDITED FINANCIAL STATEMENTS

February 29, 2024 and February 28, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Luis & Delta-Mendota Water Authority
Los Banos, California

Opinions

We have audited the accompanying financial statements of the San Luis & Delta-Mendota Water Authority (the Authority), as of February 29, 2024 and February 28, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of February 29, 2024 and February 28, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements sections of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentations of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
San Luis & Delta-Mendota Water Authority

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

_____, 2026

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 29, 2024 and February 28, 2023

Overview

The following Management's Discussion and Analysis of the San Luis & Delta-Mendota Water Authority (the Authority) provides an overview of the financial activities and transactions for fiscal year 2024 in comparison to fiscal years 2023 and 2022 in the context of the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended. This discussion and analysis should be read in conjunction with the Authority's audited financial statements and accompanying notes.

Financial Reporting

The Authority's accounting records are maintained in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board (GASB) which for the Authority is the accrual basis of accounting and, where not in conflict with GASB pronouncements, accounting principles prescribed by the Financial Accounting Standards Board (FASB).

Description of Basic Financial Statements

The Authority's basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows. The Statement of Net Position includes all of the Authority's assets, deferred outflows and liabilities, with the difference reported as net position. The Statement of Revenues, Expenses and Changes in Net Position report all of Authority's revenues and expenses during the period indicated. The Statement of Cash Flows shows the amount of cash received and paid out for operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

- **Statement of Net Position**

The Statement of Net Position provides information about assets, liabilities, and net position of the Authority at a specific point in time. Assets are economic resources the Authority owns that have value and can either be sold or used by the Authority to provide services to its members. Assets include various pieces of equipment, vehicles, inventory, cash and investments, and accounts receivable.

Liabilities are the amount of money that the Authority owes to others. This includes money owed to suppliers for materials, credits owed to members participating in activity agreements, money owed for member agency water transfers, prepayments for water conveyance, and amounts due to the Authority's pension plan.

Net Position is the amount of money remaining if the Authority were to sell all of its assets and pay off all liabilities.

- **Statement of Revenues, Expenses and Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position is more commonly known as the Income Statement. This statement provides information regarding the Authority's operations including revenues collected and expenses incurred over a one-year period. The net of these revenues and expenses represents the Authority's end of year net position.

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 29, 2024 and February 28, 2023

• **Statement of Cash Flows**

The Statement of Cash Flows reports the Authority's inflows and outflows of cash. This report provides management with information regarding cash on hand and the ability to pay expenses and purchase assets.

A cash flow statement reflects changes over time rather than absolute dollar amounts at a particular point in time. The bottom line of the cash flow statement shows the net increase or decrease in cash for the period. Cash flow statements are divided into four activities: (1) operating activities; (2) noncapital financing activities; (3) capital financing activities; and (4) investing activities.

1. **Operating Activities** – analyzes the cash flow from operational activities (operating revenues and expenses). This section of the cash flow statement reconciles the operating revenues to the actual cash the Authority received from or used in its operating activities.
2. **Noncapital Financing Activities** – reflects the cash flow from non-operating activities such as water sales and grant activity.
3. **Capital Financing Activities** – shows the cash flow from all financing activities. Typical cash flows from financing activities include funds received from borrowing, debt service payments, and the purchase and/or sale of capital assets.
4. **Investing Activities** – reflects the cash flow from all investment activities including investment income and purchases or sales of investment securities.

Condensed Statement of Net Position

	2024	2023 (As Restated)	2023/2024 Variance	% Change	2022	2022/2023 Variance	% Change
Assets							
Current Assets	\$ 66,008,597	\$ 69,645,416	\$ (3,636,819)	-5%	\$ 60,619,300	\$ 9,026,116	15%
Capital Assets, Net A/D	\$ 5,739,106	\$ 5,418,578	\$ 320,528	6%	\$ 4,911,603	\$ 506,975	10%
Other Assets	\$ 50,363,663	\$ 48,974,597	\$ 1,389,066	3%	\$ 46,304,954	\$ 2,669,643	6%
Total Assets	<u>\$122,111,366</u>	<u>\$124,038,591</u>	<u>\$ (1,927,225)</u>	<u>-2%</u>	<u>\$111,835,857</u>	<u>\$ 12,202,734</u>	<u>11%</u>
Deferred Outflows of Resources	\$ 167,542	\$ 177,397	\$ (9,855)	-6%	\$ 187,252	\$ (9,855)	-5%
Liabilities							
Current Liabilities	\$ 40,374,076	\$ 38,516,576	\$ 1,857,500	5%	\$ 47,606,381	\$ (9,089,805)	-19%
Debt Borrowings, S/T	\$ 3,272,446	\$ 1,398,023	\$ 1,874,423	134%	\$ 2,255,190	\$ (857,167)	-38%
Noncurrent Liabilities	\$ 48,795,299	\$ 47,794,778	\$ 1,000,521	2%	\$ 49,320,520	\$ (1,525,742)	-3%
Total Liabilities	<u>\$ 92,441,821</u>	<u>\$ 87,709,377</u>	<u>\$ 4,732,444</u>	<u>5%</u>	<u>\$ 99,182,091</u>	<u>\$ (11,472,714)</u>	<u>-12%</u>
Net Position							
Total Net Position	<u>\$ 29,837,087</u>	<u>\$ 36,506,611</u>	<u>\$ (6,669,524)</u>	<u>-18%</u>	<u>\$ 12,841,018</u>	<u>\$ 23,665,593</u>	<u>184%</u>

Current Assets

Current assets include cash and equivalents, accounts receivable, grants receivable, interest receivable, inventory and prepaid expenses.

Fiscal Year 2024 Compared to 2023. At February 29, 2024, current assets totaled \$66.01 million which was a \$3.64 million or 5% decrease from the prior year. This decrease, as compared to February 28, 2023, was primarily due to a decrease of \$3.13 million in current cash and cash equivalents restricted for project use energy, in addition to a net decrease of \$17.13 million in cash restricted for EO&M offset by an increase

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 29, 2024 and February 28, 2023

in accounts receivable of \$14.49 million and an increase in cash restricted for San Luis Joint Use of \$1.77 million.

Fiscal 2023 Compared to 2022. At February 28, 2023, current assets totaled \$69.65 million which was a \$9.03 million or 15% increase from the prior year. This increase, as compared to February 28, 2022, was primarily due to a decrease of \$8.09 million in cash and cash equivalents, an increase of \$24.30 million in accounts receivable, and a decrease of \$7.25 million in prepaid expenditures. Accounts receivable increased due to a \$6.50 million receivable due from contractors for the (Reclamation) Project Use Energy year-end true-up and an additional \$2.60 million receivable due for San Luis Joint Use. There were also two years of final accounting receivables outstanding in 2023 in comparison to one year outstanding in 2022.

Capital Assets Net of Depreciation

Capital assets net of depreciation includes automobiles, heavy equipment, furniture, equipment, computers, subscription assets, and lease assets net of all accumulated depreciation.

Fiscal Year 2024 Compared to 2023. At February 29, 2024, net capital assets totaled \$5.75 million net of accumulated depreciation, which was an increase of approximately \$0.33 million from \$5.42 million in fiscal year 2023. This increase is a net result of purchases in vehicles and other furniture and equipment, and the addition of a lease asset.

Fiscal Year 2023 Compared to 2022. At February 28, 2023, net capital assets totaled \$5.42 million net of accumulated depreciation, which was an increase from \$4.91 million in fiscal year 2022 of approximately \$0.51 million. This increase is a net result of a GASB regulation which required the Authority to track and depreciate subscription and lease assets in fiscal year 2023.

	2024	2023 (As Restated)	2022
Heavy Equipment	\$ 3,633,897	\$ 3,416,235	\$ 3,416,235
Vehicles and Light Trucks	\$ 3,557,272	\$ 3,202,000	\$ 3,307,975
Furniture and Equipment	\$ 1,432,541	\$ 1,372,560	\$ 1,361,272
Computers	\$ 667,538	\$ 607,805	\$ 500,722
Subscription Assets	\$ 962,607	\$ 962,607	\$ -
Lease Asset - Building	\$ 269,061	\$ -	\$ -
Total Capital Assets at Cost	\$ 10,522,916	\$ 9,561,207	\$ 8,586,204
Less Accumulated Depreciation	\$ (4,783,810)	\$ (4,142,629)	\$ (3,674,601)
Net Capital Assets	<u>\$ 5,739,106</u>	<u>\$ 5,418,578</u>	<u>\$ 4,911,603</u>

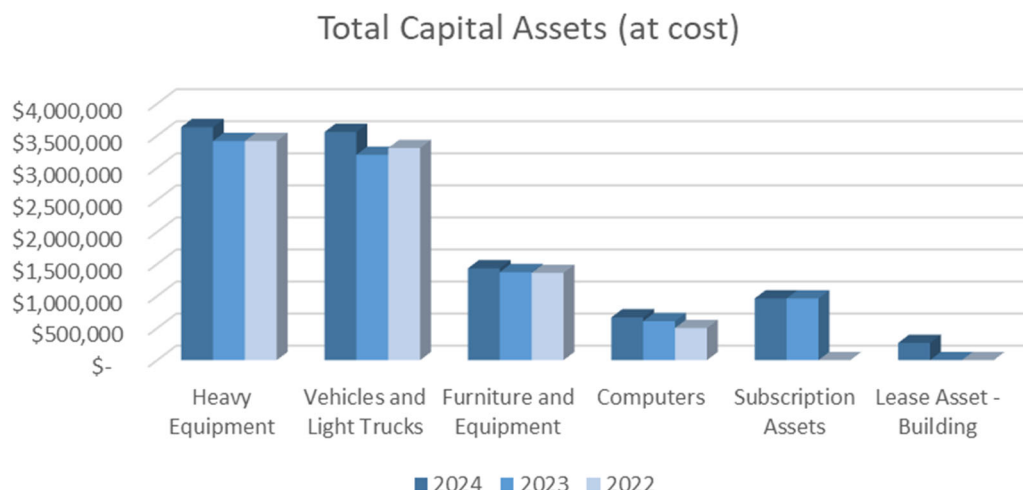
Major capital asset events during fiscal year 2024 include the following:

- Heavy equipment purchases totaled \$0.22 million with no disposals.
- Vehicle purchases and replacements were \$0.38 million with disposals totaling \$0.03 million.
- Furniture and equipment purchases totaled \$0.06 million with no disposals.
- Computer purchases totaled \$0.06 million with no disposals.
- A new lease asset was capitalized in the amount of \$0.27 million.

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 29, 2024 and February 28, 2023

Additional information on the Authority's capital assets may be found in Note 4.



Other Assets

Other assets, which consist primarily of receivables from various financing participants, restricted cash and cash equivalents and investments, and a long-term receivable from members for the Rewind Project financing, increased from \$48.97 million in fiscal year 2023 to \$50.36 million in fiscal year 2024. This was mainly due to an increase in collections on the Rewind Project receivable of \$2.06 million, an increase of \$0.35 million in grant retention receivable, offset by a \$1.33 million decrease in receivables from the Delta Habitat Conservation and Conveyance Program (DHCCP) financing participants. Changes related to the DHCCP debt refunding are further described in Note 7.

Current Liabilities

Current liabilities represent Authority obligations that are due within one year, which include accounts payable, prepayments for water conveyance, and the current portion of long-term liabilities.

Fiscal Year 2024 Compared to 2023. At February 29, 2024, current liabilities totaled \$40.37 million, an increase of \$1.86 million or 5% from the prior year. This change is due to a \$17.09 million increase in accounts payable at fiscal year-end offset by a decrease in unearned revenues of \$15.82 million.

Fiscal Year 2023 Compared to 2022. At February 28, 2023, current liabilities totaled \$38.52 million, a decrease of \$9.09 million or 19% from the prior year due to a \$5.39 million decrease in accounts payable, a decrease of \$3.05 million in unearned revenues, and a decrease of \$0.50 million in accrued interest payable.

Debt Borrowings – Due within One Year

Debt Borrowings – due within one year increased from \$1.40 million in 2023 to \$3.27 million in fiscal year 2024 for an overall increase of \$1.87 million.

Non-Current Liabilities

Fiscal Year 2024 Compared to 2023. Non-current liabilities increased \$1.00 million from \$47.79 million in fiscal year 2023 to \$48.80 million in 2024. This minor increase was due to disbursements on the Unit 3

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 29, 2024 and February 28, 2023

and 5 Rewind notes. More information on the Jones Pumping Plant Rewind Project and Refunding Revenue Bonds can be found in Note 7.

Fiscal Year 2023 Compared to 2022. Debt Borrowings – long-term liabilities decreased \$1.53 million from \$49.32 million in 2022 to \$47.79 million in 2023 due to two years of principal payments made on the Series 2021A Revenue Bonds and Series 2021B Refunding Revenue Bonds, as the March 1, 2023 payment was made on February 28, 2023. More information on the Units 5 and 6 Rewind and Refunding Revenue Bonds can be found in Notes 7.

Total Net Position

Total net position is a measure of equity that is comprised of the difference between total assets and total liabilities.

Fiscal Year 2024 Compared to 2023. The total net position at the end of fiscal year 2024 was \$29.84 million, a decrease of \$6.67 million from the end of fiscal year 2021. Net position decreased due to an operating loss of \$10.49 million, offset by a net non-operating gain of \$3.82 million.

Fiscal Year 2023 Compared to 2022. The total net position at the end of fiscal year 2023 was \$36.51 million, an increase of \$23.66 million from the end of fiscal year 2022. Net position increased mainly due to a net operating gain of \$24.32 million, offset by a net non-operating loss of \$0.64 million.

Revenues and Expenses

The following is a condensed presentation of revenues, expenses and changes in net position for the fiscal year ended February 29, 2024 in comparison to years ended February 28, 2023 and February 28, 2022:

Condensed Statement of Revenues, Expenses and Changes in Net Position

	2024	2023 (As Restated)	2023/2024 Variance	% Change	2022	2022/2023 Variance	% Change
Revenues & Expenses							
Operating Revenues	\$ 88,535,704	\$ 92,517,190	\$ (3,981,486)	-4%	\$ 62,350,396	\$ 30,166,794	48%
Non-Operating Revenues	\$ 10,649,609	\$ 33,327,697	\$ (22,678,088)	-68%	\$ 130,083,507	\$ (96,755,810)	-74%
Operating Expenses	\$ (99,020,801)	\$ (68,199,719)	\$ (30,821,082)	45%	\$ (61,025,258)	\$ (7,174,461)	12%
Non-Operating Expenses	\$ (6,834,036)	\$ (33,969,148)	\$ 27,135,112	-80%	\$ (130,426,829)	\$ 96,457,681	-74%
Net Income (Loss)	\$ (6,669,524)	\$ 23,676,020	\$ (30,345,544)		\$ 981,816	\$ 22,694,204	
Net Position - Beg. of Year	\$ 36,506,611	\$ 12,841,018			\$ 11,859,202		
Restatement per GASB 96		\$ (10,427)					
Net Position - Beg. of Year, as restated	\$ 36,506,611	\$ 12,830,591	\$ 23,676,020	185%	\$ 11,859,202	\$ 971,389	8%
Net Position - End of Year	\$ 29,837,087	\$ 36,506,611	\$ (6,669,524)	-18%	\$ 12,841,018	\$ 23,665,593	184%

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 29, 2024 and February 28, 2023

Operating & Non-Operating Revenues

- **Operating Revenues**

The Authority's principal source of operating revenue is from O&M rates paid for the conveyance of water, extraordinary O&M, Project Use Energy fees, San Luis joint use facility fees and activity agreement membership dues, which typically accounts for approximately 75 percent of fiscal year revenues. Additional components have also been included in the O&M rates to cover payments required on the Jones Pumping Plant Rewind Project debt repayment with Reclamation beginning in 2020 and the Series 2021A bond financing beginning in 2021. See Note 7 for more information.

Fiscal Year 2024 Compared to 2023. Fiscal year 2024 operating revenues were \$88.54 million, a decrease of \$3.98 million as compared to fiscal year 2023. Details to support this decrease include:

1. Water conveyance fees increased \$4.75 million.
2. Project Use Energy fees increased \$10.49 million due to an increase in the estimated payment schedule received from Reclamation, as well as, an additional invoice accrued for the year end power true-up.
3. EO&M revenue decreased \$21.25 million as there was no interim final accounting true-up in the current fiscal year as described in fiscal year 2023.
4. San Luis Joint Use facility fees increased an additional \$2.43 million in fiscal year 2024 from \$15.14 million in fiscal year 2023.

Fiscal Year 2023 Compared to 2022. Fiscal year 2023 operating revenues were \$92.52 million, an increase of \$30.17 million as compared to fiscal year 2022. Details to support this increase include:

5. EO&M revenue increased \$23.36 million, due to the interim final water accounting for water year 2022 true-up recognized in fiscal year 2023.
6. Project Use Energy fees increased \$6.72 million.
7. San Luis Joint Use facility fees increased \$1.43 million from \$13.67 million in fiscal year 2022 to \$15.10 million in fiscal year 2023.
8. Water conveyance fees related to the Rewind rate components increased \$0.98 million.
9. Refunds to water users of totaling \$4.25 million creating an overall decrease in operating revenues in fiscal year 2023.

- **Non-Operating Revenues**

Fiscal Year 2024 Compared to 2023. Non-operating revenues decreased \$22.68 million or 68% from fiscal year 2023 for a total of \$10.65 million at February 29, 2024. This is largely due to the continued decrease in water transfer activity in fiscal year 2024.

Fiscal Year 2023 Compared to 2022. Non-operating revenues decreased \$96.76 million or 74% from fiscal year 2022 for a total of \$33.33 million at February 28, 2023. This decrease is mainly due to significantly reduced water transfer activity.

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 29, 2024 and February 28, 2023

Operating & Non-Operating Expenses

- **Operating Expenses**

Fiscal Year 2024 Compared to 2023. Total operating expenses for fiscal year 2024 were \$99.02 million, an increase of \$30.82 million from 2023. Increase is primarily a result of increased Project Use Energy costs and EO&M reserve expenses from a change in estimate in the amount recognized in 2023 as described in Note 15.

Fiscal Year 2023 Compared to 2022. Total operating expenses for fiscal year 2023 were \$68.20 million, an increase of \$7.17 million from 2022. This is mainly due to a \$6.72 million increase in Project Use Energy costs and a \$1.63 million increase in San Luis Joint Use facility costs.

- **Non-Operating Expenses**

Fiscal Year 2024 Compared to 2023. Total non-operating expenses decreased \$27.14 million or 80% from \$33.97 million in fiscal year 2023 for a total of \$6.83 million in non-operating expenses in fiscal year 2024. This increase is mainly due to a decrease of \$25.50 million in water transfer expenses throughout the fiscal year.

Fiscal Year 2023 Compared to 2022. Total non-operating expenses decreased \$96.46 million or 74% from \$130.43 million in fiscal year 2022 for a total of \$33.97 million in non-operating expenses in fiscal year 2023. This decrease is mainly due to a decrease in expenses incurred from water transfer activities.

Long-Term Debt

Long-term debt increased from \$47.79 million in fiscal year 2023 to \$48.80 million in fiscal year 2024 for an overall increase of \$1.00 million. This increase is attributed to the completion of unit 3 of the Jones Pumping Plant Rewind project and the repayment contract executed with Reclamation to fund the project.

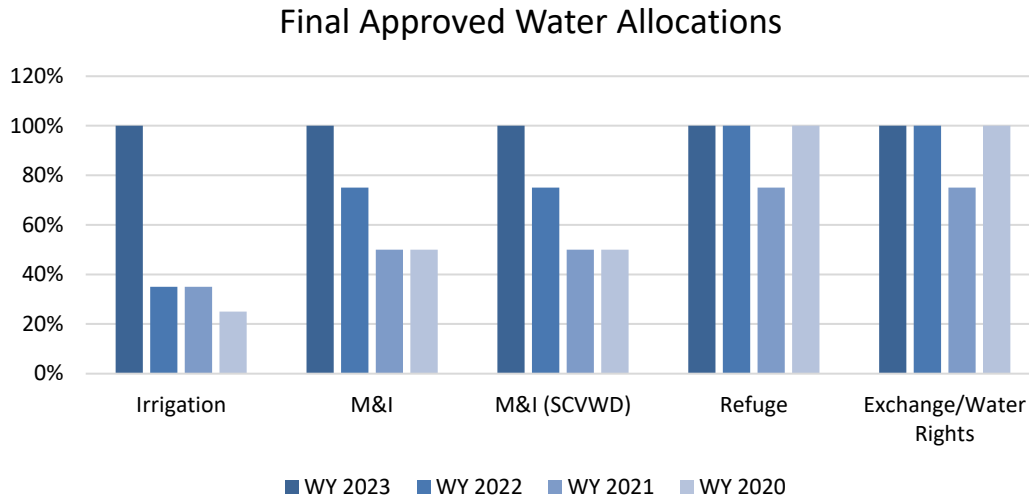
Please see Note 7 for additional information on the Authority's long-term debt.

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 29, 2024 and February 28, 2023

Economic Factors and Subsequent Years' Water Allocation

Water Allocations



Financial Contact

This financial report is intended to provide the Authority's members, creditors, investors and other interested parties an overview of the Authority's financial operations and fiscal condition. Should the reader have questions regarding information included in this report, or wish to request additional financial information, please contact the Authority's Director of Finance at P.O. Box 2157, Los Banos, CA 93635.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF NET POSITION

February 29, 2024 and February 28, 2023

	2024	2023 (As Restated)
ASSETS		
Current Assets:		
Cash and cash equivalents:		
Unrestricted	\$ 1,243	
Restricted - available for activity agreements	6,714,484	\$ 6,365,809
Restricted - available for Project Use Energy		3,131,800
Restricted - available for extraordinary maintenance	5,328,503	22,457,920
Restricted - available for San Luis Joint Use	1,769,532	
Accounts receivable, net	51,308,610	36,822,161
Prepaid expenses	440,577	431,768
Inventory	445,648	435,958
Total Current Assets	<u>66,008,597</u>	<u>69,645,416</u>
Noncurrent Assets:		
Restricted cash and cash equivalents:		
Emergency reserve fund	2,280,327	2,137,002
Debt service	2,179,549	2,019,052
Grant retention receivable	347,677	
Restricted receivables:		
Due from other governments, Jones Pumping Plant Rewind Project	18,771,110	16,708,543
DHCCP financing participants	26,785,000	28,110,000
Capital assets, net	5,739,106	5,418,578
Total Noncurrent Assets	<u>56,102,769</u>	<u>54,393,175</u>
TOTAL ASSETS	<u>122,111,366</u>	<u>124,038,591</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding of debt	167,542	177,397
LIABILITIES		
Current Liabilities:		
Accounts payable	32,765,412	15,672,932
Accrued payroll and related liabilities	497,152	343,030
Accrued interest payable	426,071	
Unearned revenue	6,685,441	22,500,614
Current portion of long-term liabilities	3,272,446	1,398,023
Total Current Liabilities	<u>43,646,522</u>	<u>39,914,599</u>
Noncurrent Liabilities:		
Long-term liabilities, net of current portion	48,795,299	47,794,778
Total Noncurrent Liabilities	<u>48,795,299</u>	<u>47,794,778</u>
TOTAL LIABILITIES	<u>92,441,821</u>	<u>87,709,377</u>
NET POSITION		
Investment in capital assets	4,888,476	4,646,337
Restricted for activity agreements	5,529,129	5,369,980
Restricted for emergency reserve fund	2,280,327	2,137,002
Restricted for extraordinary maintenance	22,520,874	28,567,224
Unrestricted	(5,381,719)	(4,213,932)
TOTAL NET POSITION	<u>\$ 29,837,087</u>	<u>\$ 36,506,611</u>

The accompanying notes are an integral part of these financial statements.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended February 29, 2024 and February 28, 2023

	2024	2023 (As Restated)
OPERATING REVENUES		
Project Use Energy (PUE) fees	\$ 32,109,051	\$ 21,618,417
Water conveyance fees, operations and maintenance	20,014,196	15,266,617
San Luis Joint Use facility fees	17,528,093	15,101,167
Extraordinary operations and maintenance reserve revenue	6,420,375	27,668,158
Water conveyance fees - Rewind debt service	3,721,184	7,174,362
Membership assessments, activity budget	7,195,369	8,473,753
Delta Habitat Conservation and Conveyance Program (DHCCP) revenue	651,946	681,156
United States Bureau of Reclamation service contract	633,403	301,416
Other operating revenue	862,087	479,479
Refunds to water users	(600,000)	(4,247,335)
TOTAL OPERATING REVENUES	<u>88,535,704</u>	<u>92,517,190</u>
OPERATING EXPENSES		
Project Use Energy (PUE) costs	32,109,051	21,618,417
San Luis Joint Use facility costs	17,938,614	15,141,772
Salaries and related benefits	15,598,412	13,797,678
Extraordinary operations and maintenance reserve expense	16,361,652	1,114,484
Legal and professional services	4,961,112	4,175,037
Intertie conveyance	3,773,722	926,530
Jones Pumping Plant Rewind expense	3,115,260	6,969,542
Other operating expenses	2,097,518	1,777,943
Building, machinery and equipment	840,972	549,820
Grassland Basin Drainage specific	963,134	906,957
Auto expenses	619,384	604,665
Depreciation	641,970	616,874
TOTAL OPERATING EXPENSES	<u>99,020,801</u>	<u>68,199,719</u>
OPERATING INCOME (LOSS)	<u>(10,485,097)</u>	<u>24,317,471</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	1,264,589	216,025
Interest expense	(906,251)	(905,465)
Water transfer revenue	3,823,802	29,328,047
Water transfer expense	(3,823,802)	(29,328,047)
State/Federal grant revenue	4,322,218	2,193,076
State/Federal grant pass-through expense	(846,969)	(2,193,076)
Los Vaqueros Reservoir Expansion revenue	1,239,000	1,542,560
Los Vaqueros Reservoir Expansion expense	(1,239,000)	(1,542,560)
Other nonoperating expenses	(18,014)	47,989
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,815,573</u>	<u>(641,451)</u>
CHANGE IN NET POSITION	<u>(6,669,524)</u>	<u>23,676,020</u>
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	36,506,611	12,841,018
Change in accounting principle (GASB 96)		(10,427)
Net position at beginning of year, as restated	<u>36,506,611</u>	<u>12,830,591</u>
NET POSITION AT END OF YEAR	<u>\$ 29,837,087</u>	<u>\$ 36,506,611</u>

The accompanying notes are an integral part of these financial statements.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF CASH FLOWS

For the Years Ended February 29, 2024 and February 28, 2023

	2024	2023 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 58,333,283	\$ 62,916,681
Cash payments to suppliers for goods and services	(69,157,785)	(51,639,195)
Cash payments to employees for services	(11,898,435)	(13,587,521)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(22,722,937)</u>	<u>(2,310,035)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on long-term debt	(810,378)	(4,456,396)
Interest paid on long-term debt	(470,325)	(1,495,253)
Long-term debt issued	1,136,756	
Net water transfers	(27,267)	(27,267)
Noncapital grants received	5,111,663	2,725,012
Noncapital grant expended	(593,711)	(2,735,472)
Other nonoperating revenue received	1,239,000	47,989
Other nonoperating revenue expended	(1,229,357)	
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>4,356,381</u>	<u>(5,941,387)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(721,095)	(265,308)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(721,095)</u>	<u>(265,308)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,249,706	227,175
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	<u>1,249,706</u>	<u>227,175</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(17,837,945)	(8,289,555)
Cash and cash equivalents, beginning of year	36,111,583	44,401,138
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 18,273,638</u>	<u>\$ 36,111,583</u>
Cash and cash equivalents - financial statement classification:		
Unrestricted	\$ 1,243	
Restricted - available for current operations	6,714,484	\$ 6,365,809
Restricted - available for Project Use Energy		3,131,800
Restricted - available for Rewind Project	5,328,503	22,457,920
Restricted - available for San Luis Joint Use	1,769,532	
Restricted for emergency reserve fund	2,280,327	2,137,002
Restricted for debt service	2,179,549	2,019,052
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 18,273,638</u>	<u>\$ 36,111,583</u>

(Continued)

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended February 29, 2024 and February 28, 2023

	2024	2023 (As Restated)
RECONCILIATION OF OPERATING INCOME/(LOSS) TO		
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (13,553,593)	\$ 24,317,471
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:		
Depreciation expense	641,971	616,874
Changes in operating assets and liabilities:		
Accounts receivable, net	(12,406,434)	(28,073,797)
Prepaid expenses	(8,809)	7,254,595
Inventory	(9,690)	(70,175)
Due from other governments, DHCCP financing participants	1,325,000	1,525,000
Accounts payable	16,839,222	(4,847,173)
Accrued payroll and related liabilities	154,122	187,889
Unearned revenue	(15,815,173)	(3,051,712)
Retention payable	(77,039)	(203,854)
Compensated absences	187,486	34,847
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>\$ (22,722,937)</u>	<u>\$ (2,310,035)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Noncash loan proceeds receivable from Reclamation	\$ (3,068,496)	\$ (1,136,756)
Change in long-term receivable for Rewind notes payable	(3,305,814)	1,136,756
Interest capitalized in Rewind notes payable	237,318	
Grant pass-through receivable	(106,125)	420,396
Water transfer pass-through receivable	(27,267)	(27,267)
Acquisition of assets with lease liability	(269,061)	
Amortization of deferred amount on refunding	9,855	9,855
Unrealized gain (loss) on investments	(54,862)	(26,439)

The accompanying notes are an integral part of these financial statements.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

February 29, 2024 and February 28, 2023

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the San Luis & Delta-Mendota Water Authority conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity: The San Luis & Delta-Mendota Water Authority (Authority) was established as a joint powers authority under California law dated July 1, 1990. It serves 27 member agencies, 25 of which contract (Contractors) with the United States Bureau of Reclamation (Reclamation or USBR) for water supply from the Central Valley Project (CVP). The Authority delivers water to the most diverse set of member agencies in California. The member agencies provide water to approximately 1.2 million acres of highly productive farmland, 2 million California residents, and millions of waterfowl dependent upon the nearly 130,000 acres of managed wetlands within the Central Valley area of the Pacific Flyway. The Authority is governed by a 19-member Board of Directors and serves two important roles: (1) to act as the operations and maintenance entity for the Delta Division of the CVP and south of Delta CVP facilities that the Authority's member agencies depend on for the delivery of their water supply, and (2) to provide unified representation on common interests of Authority members.

The member agencies are as follows and are assigned to one of five divisions based on location:

Division 1 (Northern DMC):	Division 4 (San Felipe Unit):
Banta-Carbona Irrigation District	San Benito County Water District
Byron Bethany Irrigation District	Santa Clara Valley Water District (Valley Water)
City of Tracy	
Del Puerto Water District	Division 5 (Southern DMC/Mendota Pool):
Patterson Irrigation District	Broadview Water District
West Stanislaus Irrigation District	Eagle Field Water District
	Fresno Slough Water District
Division 2 (San Luis Unit):	James Irrigation District
Panoche Water District	Laguna Water District
Pleasant Valley Water District	Mercy Springs Water District
San Luis Water District	Oro Loma Water District
Westlands Water District	Pacheco Water District
	Reclamation District 1606
Division 3 (Exchange Contractor and	Tranquillity Irrigation District
Grassland Water District):	Turner Island Water District
Central California Irrigation District	
Columbia Canal Company (Friend)	
Firebaugh Canal Water District	
Grassland Water District	
Henry Miller Reclamation District #2131	

The Authority has determined that there are no component units that meet the criteria for inclusion within the reporting entity.

The Authority is a member of the following joint power authorities/agencies (JPAs): Association of California Water Agencies (ACWA), ACWA Joint Powers Insurance Authority, and the State and Federal Water Contractors Agency and the Los Vaqueros Reservoir Joint Powers Authority, which was dissolved in 2025. The Authority is generally not responsible for the liabilities for the JPAs under the JPA agreements and only has a residual interest in any assets held by the JPAs upon termination of the agreements. However, see Note 10 for a discussion of the effect of changes due to a state law related to pension liabilities.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Presentation – Fund Accounting: The Authority’s resources are allocated to and accounted for in these basic financial statements using an enterprise fund type of the proprietary fund group. A fund is a self-balancing set of accounts. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on the economic resources measurement focus. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the fund are included on the statement of net position. Net position is segregated into the investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Enterprise funds and agency funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for operations and maintenance of the Delta-Mendota Canal, Project Use Energy (PUE) fees, San Luis Joint Use facility fees (fees for the Authority’s share of facilities used jointly by Reclamation and the California Department of Water Resources and funding participants) and related facilities. Operating expenses for the enterprise fund include the cost of operations and maintenance of the Delta-Mendota Canal and related facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Cost reimbursement grant revenues are recognized as revenue when the reimbursable costs are incurred under the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

Charges to Members: The Authority charges operation, maintenance and replacement (OM&R) water rates for the conveyance of water to recover “OM&R Costs.” The First Amended and Restated Memorandum of Understanding (MOU) Between Friant Water Users Authority and San Luis & Delta-Mendota Water Authority Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities (Friant MOU) defines OM&R Costs as “Costs of providing OM&R for the Project Facilities pursuant to the SLDMWA Transfer Agreement, including without limitation conveyance pumping costs associated therewith.” This MOU was subsequently amended and became effective July 8, 2024.

The charges are paid by water contractors each month for the next calendar month based on the estimated acre-feet of water deliveries and estimated rates set by the Authority and approved by the Board of Directors, which includes the Authority’s estimated OM&R Costs, Department of Water Resources (DWR) and Reclamation’s PUE estimated operations and maintenance costs determined at the beginning of the fiscal year, as indicated on the water contractors’ advance payment form.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Charges for services provided but unbilled at the end of the year are recorded as revenue on an estimated basis. Amounts received in advance or in excess of the user charge for a billing period are recorded as unearned revenues until such time as these amounts are either refunded or applied against future user charges.

The Authority's water delivery rates are based on budgeted costs and expected delivery volumes. At the end of each year, as actual costs and volumes are known, a final accounting is performed to true up the actual cost to each contractor. The final accounting can result in amounts due to and from contractors. The resulting receivables or payables to contractors are recorded in the year that the final accounting is performed.

The Authority completed the final accounting for water year 2021 and the interim final accounting for water year 2022 that is reflected in the financial statements for the year ended February 28, 2023. The final accounting resulted in additional unearned revenue of \$8,049,762 related to water year 2021 and an additional billing of \$18,350,496 related to water year 2022. The Water Year 2021/Fiscal Year 2022 final accounting resulted in sixteen contractors with an overpayment of their account while twenty-one contractors had balances due; the net result was \$8 million in overpayments. The large additional billing for water year 2022 was the result of a critically dry water year (Critical), where volumes realized through the O'Neill Pumping Plant were at 71% of forecasted level, combined with USBR San Luis Joint Use expenses being about \$2.6 million higher than budgeted. PUE is billed by USBR on an estimated basis and trueed up after the end of the Federal Fiscal Year. The \$6.5 million shortfall on PUE relates to a combination of the under-absorption of budgeted power costs (PUE), and an additional true-up charge from USBR for Water Year 2022/Fiscal Year 2023 of \$2.97 million. As a result of the final and interim final accounting for water years 2021 and 2022, the Authority recognized revenue of \$17.7 million during the year ended February 28, 2023.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less, including restricted assets, to be cash equivalents, which includes investments in the California Local Agency Investment Fund (LAIF), the Investment Trust of California (CalTRUST) and money market mutual funds.

Accounts Receivable: Billed, but unpaid, services are recorded as accounts receivable. Receivables include a year-end accrual for services provided through the end of the fiscal year that were not billed at year-end.

Receivables are also recognized from water contractors at year-end when conveyance fees are trueed-up based on actual water deliveries and operations and maintenance costs. See Notes 7 and 11 for a description of C.W. "Bill" Jones Pumping Plant Rewind Project and financing participant receivables.

Prepaid Expenses: Prepaid expenses at February 29, 2024 and February 28, 2023 represented payments made to the Association of California Water Agencies Joint Powers Insurance Authority for various forms of insurance. Prepaid expenses at February 29, 2024 and February 28, 2023 also included activity agreement costs that benefited periods beyond year-end.

Restricted Assets: Restricted assets consist of amounts held in the debt service revenue, the emergency reserve fund required under the Reclamation Transfer Agreement, as described in Note 8, and assets restricted under activity agreements with member agencies for specific projects, amounts collected for project use energy that have not been spent, and amounts collected for extraordinary maintenance costs that have not yet been spent.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Inventory: Inventory consists of various parts and materials needed to operate and maintain the Delta-Mendota Canal and other facilities. It is valued on an average cost basis.

Capital Assets Purchased by the Water Authority: Capital assets are recorded at historical cost. It is the Authority's policy to capitalize assets with a cost of \$5,000 or more with useful lives in excess of one year. The costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives.

Description	Estimated Life
Heavy equipment	15-30 years
Vehicles and light trucks	10-30 years
Furniture and equipment	10-30 years
Computers	5-20 years

Right-to-use lease assets are recognized at the lease commencement date and represent the Authority's right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period of the Authority's building lease is 4 years.

Right-to-use subscription IT assets are recognized at the subscription commencement data and represent the Authority's right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at initial value of the subscription liability plus and payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription term or useful life of the underlying asset using the straight-line method. The amortization period of the District's IT assets is 6 years.

Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The United States Bureau of Reclamation transferred assets relating to the conveyance of water, maintenance, and operation of certain Central Valley Project facilities to the Authority at March 1, 1998. Depreciation on these assets has been computed and reported in the financial statements using the straight-line method over their useful lives.

Unearned Revenue: Unearned revenue arises when resources are received by the Authority prior to the incurrence of qualifying operations and maintenance costs. The Authority's unearned revenues represent water conveyance fees, PUE fees, rewind reimbursements and San Luis Joint Use facility fees not earned at year-end by incurring qualifying expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Lease and Subscription Liabilities: Lease liabilities represent the Authority's obligation to make lease payments arising from leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The lease payments are discounted at the rate inherent in the lease agreement or, if not determinable, at an estimated incremental borrowing rate.

Subscription liabilities represent the Authority's obligation to make subscription payments arising from subscription contracts. Subscription liabilities are recognized at the subscription commencement date based on the present value of the future subscription payments expected to be made during the subscription term. The subscription payments are discounted at the rate inherent in the lease agreement or, if not determinable, at an estimated incremental borrowing rate.

Compensated Absences: Accumulated unpaid employee vacation benefits are recognized as a compensated absences liability in the year vested. Vacation is fully payable at separation. Sick leave is accumulated without limit but is not payable at separation and is not recognized as part of the Authority's compensated absences liability except for the available sick leave cash-out balance described below.

According to the Authority's ICMA Retirement Health Savings Plan (Plan) adopted March 1, 2005, upon retirement from the Authority, the participant's available sick leave cash out is required to be contributed to the Plan and is deposited in an individual account held for the benefit of the participant. The available sick leave cash out balance is defined as the lesser of one-half of accumulated sick leave on the effective date of separation or 500 hours for employees 1) that have ten years of service and are at least 55 years of age, or 2) employees with fifteen years of service regardless of age.

Net Position: Net position is categorized as the investment in capital assets, restricted and unrestricted.

Investment in Capital Assets: This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt and other capital payables that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position: This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through contractual provisions or enabling legislation.

Unrestricted Net Position: This category represents net position of the Authority, not restricted for any project or other purpose.

Reclassifications: Certain 2023 expenses were reclassified during 2024 to conform with the current presentation. These reclassifications had no effect on 2023 total expenses or change in net position.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Pronouncements: In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

public-private and public-public partnership arrangements (PPPs). PPPs are arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement requires that PPPs that meet the definition of a lease apply guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of a service concession arrangement. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement No. 87, as amended. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements that include an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement was implemented during the year ended February 29, 2024 and had no effect on the Authority's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement was implemented during the year ended February 29, 2024 and resulted in recording a SBITA asset and liability as described in Notes 4 and 7.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement enhances comparability in accounting and financial reporting and consistency in authoritative literature, including the classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions of Statement 87, *Leases*, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement term, classification as short-term and recognition of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, related to the focus of the government-wide financial statements; terminology updates related to provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement No. 53 to refer to resource flows statements. This Statement will be implemented during the year ended February 28, 2025.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections, an Amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for each type of accounting change, including changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity, and error corrections. This Statement requires changes in accounting principles and error corrections to be reported retroactively by restating prior periods; requires changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period; and requires changes in accounting estimates to be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of new pronouncements in absence of specific transition provisions in the new pronouncement. This Statement also requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance or fund net position, as applicable, to be displayed by reporting unit in the financial statements. Furthermore, this Statement requires information presented in required supplementary information or supplementary information to be restated for error corrections, if practicable, but not for changes in accounting principles. This Statement will be implemented during the year ended February 28, 2025.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. This Statement will be implemented during the year ended February 28, 2025.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a primary government, or reporting unit that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. If the criteria in the Statement have been met for a concentration or constraint, the government should disclose information in notes to financial statements in sufficient detail to enable users of financial statements understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The provisions of this Statement are effective for years beginning after June 15, 2024.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability, including 1) certain topics and disclosures in Management's Discussion and Analysis; 2) requiring the

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

display of inflows and outflows of unusual and infrequent items to be reported separately as the last presented flow(s) of resources prior to the net change in resources flows in the government-wide, governmental fund, and proprietary fund statement of resources flows; 3) changing the definition of proprietary fund nonoperating revenues and expenses to include subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory and investment income and expenses and defines operating revenues and expenses as revenue and expenses other than nonoperating revenue and expenses; 4) requires major component units to be presented separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and 5) requires budgetary comparison schedules to be reported as Required Supplementary Information (RSI), requires the presentation of variances between original and final budget amounts and final budget and actual amounts in the RSI and requires the explanation of significant variances to be reported in notes to the RSI. The provisions of this Statement are effective for years beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires lease assets recognized in accordance with GASB Statement No. 87, *Leases*, right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, subscription assets recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and other intangible assets to be disclosed separately in capital assets footnote disclosures. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should disclose the ending historical cost and accumulated depreciation by major class of asset and the carrying amount of debt for which the assets are pledged as collateral by major class of asset held for sale under this Statement. The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The provisions of this Statement are effective for fiscal years beginning after June 15, 2026.

The Authority is currently analyzing the impact of these new Statements.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 2 – CASH AND INVESTMENTS:

Cash and investments were classified as follows as of the last day of February:

	2024	2023
Cash and cash equivalents:		
Unrestricted	\$ 1,243	
Restricted - available for current operations	6,714,484	\$ 6,365,809
Restricted - available for project use energy		3,131,800
Restricted - available for extraordinary maintenance	5,328,503	22,457,920
Restricted - available for San Luis Joint Use	1,769,532	
Restricted - emergency reserve fund	2,280,327	2,137,002
Restricted - debt service	2,179,549	2,019,052
Total cash and investments	<u>\$ 18,273,638</u>	<u>\$ 36,111,583</u>

Cash and investments were classified as follows under GASB Statement No. 40 as of the last day of February:

	2024	2023
Cash and investments consisted of the following:		
Cash on hand	\$ 1,000	\$ 1,000
Deposits with financial institutions	3,295,147	7,144,579
Investments	14,977,491	28,966,004
Total cash and investments	<u>\$ 18,273,638</u>	<u>\$ 36,111,583</u>

Investment Policy: The Authority's investment policy was approved by Resolution 2013-367. The policy allows the Authority to invest in Federal Deposit Insurance Corporation insured bank deposits, LAIF, the Investment Trust of California (CalTRUST) and United States Treasury notes, bonds, bills or certificates of indebtedness secured by the full faith and credit of the United States Government.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. Under the Authority's Indenture of Trust agreements, debt proceeds may be invested in direct U.S. Government obligations and highly rated: 1) U.S. Government agency obligations with remaining maturities not exceeding three years; 2) U.S. dollar denominated deposit accounts, certificates of deposit, federal funds and banker's acceptances of domestic commercial banks maturing no more than 360 days after the date of purchase; 3) commercial paper maturing in no more than 270 days from the date of purchase; 4) money market funds; 5) municipal obligations; 6) CalTRUST; LAIF; and investment agreements.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Authority manages its exposure to changes in market interest rates by diversifying its investments by security type and institution.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 2 – CASH AND INVESTMENTS (Continued):

The following table illustrates the distribution of the Authority's investments by maturity:

<u>February 29, 2024</u>	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>More than 12 to 24 Months</u>	<u>More than 24 to 60 Months</u>
Local Agency Investment Fund	\$ 64,678	\$ 64,678		
CalTRUST	12,783,539	12,291,836		\$ 491,703
Held by bond trustee:				
Money market funds	2,129,274	2,129,274		
Totals	\$ 14,977,491	\$ 14,485,788	\$ -	\$ 491,703
<u>February 28, 2023</u>	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>More than 12 to 24 Months</u>	<u>More than 24 to 60 Months</u>
Local Agency Investment Fund	\$ 4,544,425	\$ 4,544,425		
CalTRUST	22,107,403	21,636,710		\$ 470,693
Held by bond trustee:				
Money market funds	2,314,176	2,314,176		
Totals	\$ 28,966,004	\$ 28,495,311	\$ -	\$ 470,693

Credit Risk: The Authority limits its exposure to credit risk, that is, the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, by limiting its investments to instruments with the top ratings issued by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority's investment policy, or debt agreements, and the actual Standard & Poor's rating as for each investment type:

<u>February 29, 2024</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>AAf</u>	<u>AA-f</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 64,678	N/A				\$ 64,678
CalTRUST	12,783,539	N/A	\$ 11,754,139	\$ 537,697	\$ 491,703	
Held by bond trustee:						
Money market funds	2,129,274	AAA	2,129,274			
	<u>\$ 14,977,491</u>		<u>\$ 13,883,413</u>	<u>\$ 537,697</u>	<u>\$ 491,703</u>	<u>\$ 64,678</u>
<u>February 28, 2023</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>AAf</u>	<u>AA-f</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 4,544,425	N/A				\$ 4,544,425
CalTRUST	22,107,403	N/A		\$ 21,636,710	\$ 470,693	
Held by bond trustee:						
Money market funds	2,314,176	AAA	\$ 2,314,176			
	<u>\$ 28,966,004</u>		<u>\$ 2,314,176</u>	<u>\$ 21,636,710</u>	<u>\$ 470,693</u>	<u>\$ 4,544,425</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 2 – CASH AND INVESTMENTS (Continued):

investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At February 29, 2024 and February 28, 2023, the carrying amount of the Authority's deposits was \$3,295,147 and \$7,144,579 and the balance in financial institutions was \$4,964,948 and \$7,238,783 respectively. Of the balance in financial institutions, \$250,000 at February 29, 2024 and February 28, 2023 was covered by federal depository insurance and the remaining amounts were collateralized by the pledging financial institution's assets held in a common pool for the Authority and other governmental agencies, but not in the name of the Authority.

Investments in External Investment Pools: The Authority is a voluntary participant in the following external investment pools: Local Agency Investment Fund (LAIF) and the Investment Trust of California (CalTRUST). LAIF is regulated by the California Government Code under the oversight of the Treasurer of the State of California. CalTRUST is administered under the oversight of a Board of Trustees comprised of experienced investment managers. The weighted average maturity of investments held by LAIF was 218 and 281 days as of February 29, 2024 and February 28, 2023, respectively.

The Authority also invests in the CalTRUST liquidity, short-term, and medium-term pools. The fair value of the Authority's investments in these pools are reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by the pools for their entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The amount that may be withdrawn from CalTRUST is based on the net asset value per share and the number of shares held by participants in each pool. The weighted average maturity in the liquidity funds in CalTRUST was 40 and 15 days as of February 29, 2024 and February 28, 2023, respectively. The weighted average maturity of short term-funds in CalTRUST was 318 and 336 days as of February 29, 2024 and February 28, 2023, respectively. The weighted average maturity of medium-term funds in CalTRUST was 861 and 810 days as of February 29, 2024 and February 28, 2023, respectively.

Fair Value Measurement: The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority's investments in LAIF, CalTRUST and money market funds are not subject to the fair value hierarchy or are measured at net asset value. All securities classified in Level 2 are valued using pricing models based on market data, such as matrix or model pricing from outside pricing services. These valuation techniques include third party benchmark yields, reported trades, broker/dealer quotes and other techniques.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 3 – ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES:

Accounts receivable and other receivables consisted of the following as of the last day of February:

	2024	2023
Other receivables	\$ 66,593	\$ 20,241
Due from other governments	51,233,273	36,790,518
Interest receivable	8,744	11,402
Total accounts receivable	51,308,610	36,822,161
Grant retention receivable	347,677	
Long-term Jones Pumping Plant Rewind Project receivable	18,771,110	16,708,543
Long-term DHCCP financing participants receivable	26,785,000	28,110,000
Total	<u>\$ 97,212,397</u>	<u>\$ 81,640,704</u>

NOTE 4 – CAPITAL ASSETS:

Capital asset activity was as follows during the years ended the last day of February:

<u>February 29, 2024</u>	Balance at March 01, 2023 (As Restated)	Additions	Retirements	Balance at February 29, 2024
Capital Assets				
Capital assets, being depreciated:				
Heavy equipment	\$ 3,416,235	\$ 217,662		\$ 3,633,897
Vehicles and light trucks	3,202,000	383,719	\$ (28,447)	3,557,272
Furniture and equipment	1,372,560	59,981		1,432,541
Computers	607,805	59,733		667,538
Subscription assets	962,607			962,607
Lease asset - building		269,061		269,061
Total capital assets, being depreciated	<u>9,561,207</u>	<u>990,156</u>	<u>(28,447)</u>	<u>10,522,916</u>
Less accumulated depreciation:				
Heavy equipment	(1,040,902)	(151,312)		(1,192,214)
Vehicles and light trucks	(1,440,600)	(185,458)	790	(1,625,268)
Furniture and equipment	(1,010,384)	(47,054)		(1,057,438)
Computers	(442,612)	(64,393)		(507,005)
Subscription assets	(208,131)	(104,067)		(312,198)
Lease asset - building		(89,687)		(89,687)
Total accumulated depreciation	<u>(4,142,629)</u>	<u>(641,971)</u>	<u>790</u>	<u>(4,783,810)</u>
Capital assets, net	<u>\$ 5,418,578</u>	<u>\$ 348,185</u>	<u>\$ (27,657)</u>	<u>\$ 5,739,106</u>

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 4 – CAPITAL ASSETS (Continued):

<u>February 28, 2023</u>	Balance at			Balance at
Capital Assets	March 1, 2022	Additions	Retirements	February 28, 2023
	(As Restated)			(As Restated)
Capital assets, being depreciated:				
Heavy equipment	\$ 3,416,235			\$ 3,416,235
Vehicles and light trucks	3,307,975	\$ 161,730	\$ (267,705)	3,202,000
Furniture and equipment	1,361,272	11,288		1,372,560
Computers	500,722	107,083		607,805
Subscription assets	962,607			962,607
Total capital assets, being depreciated	<u>9,548,811</u>	<u>280,101</u>	<u>(267,705)</u>	<u>9,561,207</u>
Less accumulated depreciation:				
Heavy equipment	(894,226)	(146,676)		(1,040,902)
Vehicles and light trucks	(1,465,477)	(228,035)	252,912	(1,440,600)
Furniture and equipment	(919,874)	(90,510)		(1,010,384)
Computers	(395,024)	(47,588)		(442,612)
Subscription assets	(104,066)	(104,065)		(208,131)
Total accumulated depreciation	<u>(3,778,667)</u>	<u>(616,874)</u>	<u>252,912</u>	<u>(4,142,629)</u>
Capital assets, net	<u>\$ 5,770,144</u>	<u>\$ (336,773)</u>	<u>\$ (14,793)</u>	<u>\$ 5,418,578</u>

NOTE 5 – ACCOUNTS PAYABLE:

Accounts payable consisted of the following as of the last day of February:

	<u>2024</u>	<u>2023</u>
Other governments	\$ 30,287,260	\$ 13,206,972
Vendors	<u>2,478,152</u>	<u>2,465,960</u>
Total	<u>\$ 32,765,412</u>	<u>\$ 15,672,932</u>

NOTE 6 – UNEARNED REVENUE:

The water contractors pay water conveyance fees based on estimated water deliveries in the month prior to the water delivery date. The Project Use Energy rate component is based on cost estimates provided by Reclamation and the San Luis Joint Use facility rate component is based on the California Department of Water Resources budget. These fees are reported as unearned revenue at each year-end if not spent for qualifying expenses. Unearned revenue consisted of the following as of the last day of February:

	<u>2024</u>	<u>2023</u>
Contractors:		
O&M (including Rewind Project)	\$ 3,143,451	\$ 7,870,869
Project Use Energy	1,701,895	11,290,540
San Luis Joint Use	1,840,095	3,326,178
Activity Agreements		<u>13,027</u>
Total	<u>\$ 6,685,441</u>	<u>\$ 22,500,614</u>

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES:

The following is a summary of changes in the Authority's long-term liabilities:

<u>February 29, 2024</u>	Balance at March 1, 2023 (as Restated)	Additions	Reductions	Balance at February 29, 2024	Due Within One Year
Revenue Bonds, Series 2021A	\$ 7,200,000			\$ 7,200,000	\$ 250,000
Refunding Revenue Bonds, Series 2021B	28,110,000			28,110,000	1,325,000
	35,310,000			35,310,000	1,575,000
USBR Unit 3 Rewind Note	2,982,706	\$ 3,305,814		6,288,520	332,868
USBR Unit 5 Rewind Note	5,116,932		\$ (248,028)	4,868,904	168,796
USBR Unit 6 Rewind Note	3,569,905		(380,441)	3,189,464	179,489
Total debt	46,979,543	3,305,814	(628,469)	49,656,888	2,256,153
Grant retention payable	129,643		(77,039)	52,604	
Lease liability		269,061	(81,991)	187,070	89,460
Subscription liability	772,241		(99,918)	672,323	103,214
Compensated absences	1,311,374	187,486		1,498,860	823,619
Total	<u>\$ 49,192,801</u>	<u>\$ 3,762,361</u>	<u>\$ (887,417)</u>	<u>\$ 52,067,745</u>	<u>\$ 3,272,446</u>
<u>February 28, 2023</u>	Balance at March 1, 2022 (as Restated)	Additions	Reductions	Balance at February 28, 2023 (as Restated)	Due Within One Year
Revenue Bonds, Series 2021A	\$ 7,690,000		\$ (490,000)	\$ 7,200,000	
Refunding Revenue Bonds, Series 2021B	31,150,000		(3,040,000)	28,110,000	
	38,840,000		(3,530,000)	35,310,000	
USBR Unit 3 Rewind Note	1,845,950	\$ 1,136,756		2,982,706	
USBR Unit 5 Rewind Note	5,400,663		(283,731)	5,116,932	\$ 248,028
USBR Unit 6 Rewind Note	4,212,570		(642,665)	3,569,905	380,441
Total debt	50,299,183	1,136,756	(4,456,396)	46,979,543	628,469
Grant retention payable	333,497		(203,854)	129,643	
Subscription liability	868,968		(96,727)	772,241	99,918
Compensated absences	1,276,527	657,884	(623,037)	1,311,374	669,636
Total	<u>\$ 52,778,175</u>	<u>\$ 1,794,640</u>	<u>\$ (5,380,014)</u>	<u>\$ 49,192,801</u>	<u>\$ 1,398,023</u>

Revenue Bonds (OM&R Project), Series 2021A (Direct Placement):

On January 26, 2021, the Authority issued the Revenue Bonds (OM&R Project), Series 2021A (the 2021A Bonds) in the amount of \$8,020,000. The 2021A Bonds were issued to provide funds to finance a portion of the cost of certain extraordinary maintenance (Unit 1 and Unit 4 Rewind project) to the Jones Pumping Plant and to fund a deposit into a debt service reserve fund.

The 2021A Bonds are special obligations of the Authority and are secured by operations, maintenance, and replacement (OM&R) revenues received by the Authority for the operation, maintenance, and replacement of certain Central Valley Project facilities pursuant to a Transfer Agreement entered into by the Authority and the United States of America acting through the Department of Interior Bureau of Reclamation. Debt

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued):

service on the 2021A bond obligations is sourced by a debt service reserve component included in all rates charged for water deliveries within the transferred works. Excluded from this charge are water deliveries to FWA contractors and water deliveries in the Mendota Poll that do not flow through the Delta Mendota Canal. The 2021A Bonds are secured by a gross lien on OM&R revenues and are payable from OM&R revenues prior to operation and maintenance costs. The 2021A Bonds are on a parity with the obligation of the Authority to pay principal of and interest on two repayment contracts with Reclamation which financed extraordinary maintenance at the Jones Pumping Plant, aggregating approximately \$17,500,000 in principal amount and other operation and maintenance obligations incurred by the Authority from time-to-time in accordance with the OM&R Master Resolution. The 2021A Bonds have a rate covenant requiring the Authority to collect OM&R revenues equal to 1.10 times payments due on all Operation and Maintenance Obligations (all obligations on parity with the 2021A Bonds) and 1.00 times other operations and maintenance costs as defined in the agreement. The 2021A Bonds bear interest at 1.26% to 3.20% and are payable semi-annually on March 1 and September 1, beginning March 1, 2021, through March 1, 2045. Upon default the 2021A Bonds may be declared to be immediately due and payable and a default interest rate of 8% would apply on past due principal.

Refunding Revenue Bonds (DHCCP Development Project), Series 2021B (Direct Placement):

On January 26, 2021, the Authority issued the Refunding Revenue Bonds (DHCCP Development Project), Series 2021B (the 2021B Bonds) in the amount of \$32,725,000. The 2021B Bonds were issued to provide funds to defease \$30,080,000 of the outstanding Refunding Revenue Bonds (DHCCP Development Project), Series 2013A (the 2013A Bonds). The 2013A Bonds were issued to finance planning, preliminary design and environmental activities of the Delta Habitat Conservation and Conveyance Program (DHCCP), a program consisting of joint efforts by agencies of the federal government, State of California and local agencies to fund and plan habitat conservation and water supply activities in the Sacramento-San Joaquin River Delta/San Francisco Bay Estuary (the “Bay-Delta”), including Bay-Delta water conveyance options. Byron Bethany Irrigation District and Laguna Water District repaid their 2013A bond debt service obligation in the amount of \$501,269 and opted not to participate in the 2021 refunding.

The 2021B Bonds are special obligations of the Authority payable solely from a lien on revenues defined in the agreement, including portions of payments received by the Authority pursuant to the DHCCP Activity Agreements by and between the Authority and the Financing Participants (Financing Participant payments) and from amounts in certain funds and accounts established under the Indenture of Trust pursuant to which the 2021B Bonds are issued. The Financing Participants have agreed to collect revenues sufficient to pay their specified percentage of the required principal and interest payments due on the Bond under the DHCCP Activity Agreements. Westlands Water District has agreed pursuant to its DHCCP Activity Agreement to pay 100% of the principal and interest on the 2021B Bonds. The Authority then reimburses Westlands Water District for a portion of such principal and interest payments from amounts that the Authority receives from other Financing Participants, including Broadview Water District, Mercy Springs Water District, Eagle Field Water District, Pacheco Water District, Panoche Water District and San Luis Water District. The Authority has agreed not to pledge, lien, charge or create any other encumbrance on the revenues pledged under the 2021B Bond indenture. A receivable is recognized for the funding participants’ obligation to provide revenues sufficient to make principal payments on the Bond under the DHCCP Activity Agreements. Interest revenue is recognized from the participants on the accrual basis each year. The 2021B Bonds bear interest at .35% to 3.04% and are payable semi-annually on March 1 and September 1, beginning March 1, 2021. The bonds mature at various amounts through March 1, 2042. Upon default the 2021B Bonds may be declared to be immediately due and payable and a default interest rate of 8% would apply on past due principal.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued):

In January of 2021, \$3,684,099 of unused funds from the previously defeased Revenue Notes (DHCCP Development Project), Series 2009A were deposited to an irrevocable escrow account held by a fiscal agent and were used to fully repay the 2013A Bonds in the amount of \$4,145,000 on March 1, 2023.

Pledged Revenue: The Authority pledged future OM&R revenues to repay the 2021A Bonds in the original amount of \$8,020,000. The 2021A Bonds are payable solely from OM&R revenues through March 1, 2045. Total principal and interest remaining to be paid on the 2021A Bonds was \$9,901,347 and \$10,002,214 at February 29, 2024 and February 28, 2023, respectively. Total cash basis principal and interest paid on the 2021A Bonds was \$448,276 and \$449,820 and the total cash basis OM&R revenues was \$51,348,959 and \$42,109,524 for the years ended February 29, 2024 and February 28, 2023, respectively.

The Authority pledged future Financing Participation revenues to repay the 2021B Bonds in the original amount of \$32,725,000. The 2021B Bonds are payable from Financing Participant payment amounts held in an escrow account and are payable through March 1, 2042. Total principal and interest remaining to be paid on the 2021B Bonds was \$35,311,868 and \$35,727,070, at February 29, 2024 and February 28, 2023, respectively. Total cash basis principal and interest paid for the 2021B was \$2,180,131 and \$2,178,646 and the total Financing Participant Payments in total on the Bonds was \$1,975,404 and \$2,184,858 at February 29, 2024 and February 28, 2023, respectively. The total Financing Participant payments above include amounts reported as a reduction of the receivable from financing participants on the statements of net position, which were used to make DHCCP debt service payments.

USBR Jones Pumping Plant Rewind Notes (Private Placement):

In June 2020, the Authority entered into an agreement to receive up to \$12,700,000 for units 2, 3, 4 and 5 from the USBR to rewind the Units of the C.W. “Bill” Jones Pumping Plant. The obligation was on a cost reimbursement basis, with a separate repayment contract created on the substantial completion date for each unit. After entering into the agreement, the Authority chose to self-fund the rewind of Unit 2 and to finance the other three units through this financing method. At February 28, 2022, the rewinds of Units 5 and 6 were completed and at February 28, 2024, the rewind of Unit 3 was completed and repayment agreements were in place with the United States Bureau of Reclamation. The Authority has added additional charges to water conveyance fees to repay the existing obligations for Units 3, 5 and 6. A long-term receivable is recognized for the contractors’ obligation to provide sufficient water conveyance fees to repay the Rewind Notes for Units 3, 5 and 6. The receivable is equal to the principal outstanding, less revenue previously collected for principal payments. Revenue collected for interest payments is recognized in the year the interest payments are due.

USBR Unit 3 Rewind Note (Private Placement):

In June 2020, the Authority entered into an agreement to receive up to \$6.8 million from the USBR to rewind Unit 6 of the C.W. “Bill” Jones Pumping Plant. The obligation was on a cost reimbursement basis and the Authority incurred \$6,288,520, including Reclamation costs. The remaining amount will be repaid in installments of \$332,868 per year on the last day of February from February 2025 to February 2047. Interest due is at the average U.S. Department of Treasury interest rate based on average market yields of obligations of comparable maturities at the beginning of the fiscal year when work began on the project, adjusted to the nearest 1/8 of 1 percent, which is 1.875%. The agreement requires an additional 0.5% interest rate per month to be paid if the obligation becomes delinquent more than 60 days.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued):

The Authority has added additional charges to water conveyance fee to repay the obligation. A long-term receivable is recognized for the contractors' obligation to provide sufficient water conveyance fees to repay the Unit 3 Rewind Note. The receivable is equal to the principal outstanding, less revenue previously collected from the contractors for principal payments. Revenue collected for interest payments is recognized in the year the interest payments are due.

USBR Unit 5 Rewind Note (Private Placement):

In June 2020, the Authority entered into an agreement to receive up to \$5.9 million from the USBR to rewind Unit 5 of the C.W. "Bill" Jones Pumping Plant. The obligation was on a cost reimbursement basis and the Authority incurred \$5,612,808 as of February 29, 2024. A preliminary repayment schedule was provided by the USBR showing the amount would be repaid in installments of \$248,028 per year on the last day of February from February 2022 to February 2044. A revised repayment schedule was presented to the Authority in October 2022, updating the annual installment amount to \$282,305 with a stated interest rate of 1.25%. The repayment schedule was further revised in March 2025 and the USBR agreed to apply all previous payments as a reduction in principal and create a new amortization schedule for the debt with annual installment payments of \$266,174 at 2.0% interest. The agreement requires an additional 0.5% interest rate per month to be paid if the obligation becomes delinquent more than 60 days. The Authority has added an additional component to the water rates to repay the obligation. A long-term receivable is recognized for the contractors' obligation to provide sufficient water conveyance fees to repay the Unit 5 Rewind Note. The receivable is equal to the principal outstanding, less revenue previously collected from the contractors for principal payments. Revenue collected for interest payments is recognized in the year the interest payments are due.

USBR Unit 6 Rewind Note (Private Placement):

In February 2018, the Authority entered into an agreement to receive up to \$5 million from the USBR to rewind Unit 6 of the C.W. "Bill" Jones Pumping Plant. The obligation was on a cost reimbursement basis and the Authority incurred \$5,154,120, including Reclamation costs. The Note was scheduled to be paid in annual installments of \$380,441 but was revised during 2025 and the remaining amount will be repaid in installments of \$255,239 per year on the last day of February from February 2020 to February 2039. Interest due is at the average U.S. Department of Treasury interest rate based on average market yields of obligations of comparable maturities at the beginning of the fiscal year when work began on the project, adjusted to the nearest 1/8 of 1 percent, which is 2.375%. The agreement requires an additional 0.5% interest rate per month to be paid if the obligation becomes delinquent more than 60 days. The Authority has added an additional component to the water rates in order to repay the obligation.

A long-term receivable is recognized for the contractors' obligation to provide sufficient water conveyance fees to repay the Unit 6 Rewind Note. The receivable is equal to the principal outstanding, less revenue previously collected from the contractors for principal payments. Revenue collected for interest payments is recognized in the year the interest payments are due.

Lease Liability:

On February 23, 2023, the Agency entered into a lease extension agreement with the California Association of Realtors to lease office space with payments of \$8,525 per month starting in 2023 with yearly CPI increase through February 28, 2026. The Authority recorded a lease asset and a lease liability for the present value of the lease payments over the lease term. For purposes of discounting future lease payments, the Authority used the prime plus 1% as of the start of the lease term of 8.75%. The lease asset is being

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued):

amortized over 4 years, which is the term of the current lease. As of February 29, 2024, the cost and accumulated amortization of the lease assets were \$269,061 and \$89,687, respectively.

Subscription Based Information Technology Arrangement (SBITA):

The Authority entered into a SBITA contract for accounting software in May 2020 that was extended during May 2025 through April 2030. The Authority implemented GASB Statement No. 96 during the year ended February 29, 2024, which resulted in the Authority recording a restatement to recognize a SBITA asset and liability as of March 1, 2022. The Authority is required to make quarterly payments ranging from \$30,968 to \$30,952 through February 2030. The SBITA term ends in May 2030. The subscription agreement was discounted using a rate of 3.25%. The discount rate was based on the prime rate at the March 1, 2022 GASB 96 implementation date. The subscription asset cost was \$962,607 and accumulated amortization was \$312,197 and \$208,131 as of February 29, 2024 and February 28, 2023, respectively.

The annual debt service requirements to maturity for the long-term liabilities were as follows:

February 29, 2024

Year Ended Last Day of February,	Revenue Bonds, Series 2021A		Total Debt Service
	Principal	Interest	
2025	\$ 250,000	\$ 200,158	\$ 450,158
2026	255,000	196,977	451,977
2027	255,000	193,763	448,763
2028	260,000	189,323	449,323
2029	265,000	183,600	448,600
2030-2034	1,430,000	820,966	2,250,966
2035-2039	1,660,000	588,480	2,248,480
2040-2044	1,950,000	299,840	2,249,840
2045	875,000	28,240	903,240
Total	<u>\$ 7,200,000</u>	<u>\$ 2,701,347</u>	<u>\$ 9,901,347</u>

Year Ended Last Day of February,	Refunding Revenue Bonds, Series 2021B		Total Debt Service
	Principal	Interest	
2025	\$ 1,325,000	\$ 645,236	\$ 1,970,236
2026	1,335,000	633,326	1,968,326
2027	1,350,000	618,079	1,968,079
2028	1,365,000	599,473	1,964,473
2029	1,390,000	577,696	1,967,696
2030-2034	7,340,000	2,456,849	9,796,849
2035-2039	8,275,000	1,486,697	9,761,697
2040-2043	5,730,000	274,512	6,004,512
Total	<u>\$ 28,110,000</u>	<u>\$ 7,291,868</u>	<u>\$ 35,401,868</u>

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued):

Year Ended Last Day of February,	USBR Rewind Note, Unit 3		Total Debt Service
	Principal	Interest	
2025	\$ 332,868	\$ -	\$ 332,868
2026	221,200	111,668	332,868
2027	225,347	107,521	332,868
2028	229,573	103,296	332,869
2029	233,877	98,991	332,868
2030-2034	1,236,831	427,510	1,664,341
2035-2039	1,357,214	307,127	1,664,341
2040-2044	1,489,315	175,026	1,664,341
2045-2047	962,295	36,311	998,606
Total	<u>\$ 6,288,520</u>	<u>\$ 1,367,450</u>	<u>\$ 7,655,970</u>

Last Day of February,	USBR Rewind Note, Unit 5		Total Debt Service
	Principal	Interest	
2025	\$ 168,796	\$ 97,378	\$ 266,174
2026	172,171	94,002	266,173
2027	175,615	90,559	266,174
2028	179,127	87,046	266,173
2029	182,710	83,464	266,174
2030-2034	969,846	361,023	1,330,869
2035-2039	1,070,788	260,080	1,330,868
2040-2044	1,182,237	148,632	1,330,869
2045-2047	767,614	30,907	798,521
Total	<u>\$ 4,868,904</u>	<u>\$ 1,253,091</u>	<u>\$ 6,121,995</u>

Year Ended Last Day of February,	USBR Rewind Note, Unit 6		Total Debt Service
	Principal	Interest	
2025	\$ 179,489	\$ 75,750	\$ 255,239
2026	183,752	71,487	255,239
2027	188,116	67,123	255,239
2028	192,584	62,655	255,239
2029	197,158	58,081	255,239
2030-2034	1,058,290	217,904	1,276,194
2035-2039	1,190,075	86,119	1,276,194
Total	<u>\$ 3,189,464</u>	<u>\$ 639,119</u>	<u>\$ 3,828,583</u>

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued):

Year Ended Last Day of February,	Lease Liability		Total Debt Service
	Principal	Interest	
2025	\$ 89,460	\$ 12,837	\$ 102,297
2026	97,610	4,688	102,298
Total	<u>\$ 187,070</u>	<u>\$ 17,525</u>	<u>\$ 204,595</u>

Year Ended Last Day of February,	Subscription Liability		Total Debt Service
	Principal	Interest	
2025	\$ 103,214	\$ 20,657	\$ 123,871
2026	106,556	17,253	123,809
2027	110,071	13,738	123,809
2028	113,702	10,107	123,809
2029	117,453	6,356	123,809
2030	121,327	2,481	123,808
Total	<u>\$ 672,323</u>	<u>\$ 70,592</u>	<u>\$ 742,915</u>

February 28, 2023

Year Ended Last Day of February,	Revenue Bonds, Series 2021A		Total Debt Service
	Principal	Interest	
2024	\$ -	\$ 100,867	\$ 100,867
2025	250,000	200,158	450,158
2026	255,000	196,977	451,977
2027	255,000	193,763	448,763
2028	260,000	189,323	449,323
2029-2033	1,395,000	856,246	2,251,246
2034-2038	1,605,000	640,720	2,245,720
2039-2043	1,890,000	361,280	2,251,280
2044-2045	1,290,000	62,880	1,352,880
Total	<u>\$ 7,200,000</u>	<u>\$ 2,802,214</u>	<u>\$ 10,002,214</u>

Year Ended Last Day of February,	Refunding Revenue Bonds, Series 2021B		Total Debt Service
	Principal	Interest	
2024	\$ -	\$ 325,202	\$ 325,202
2025	1,325,000	645,236	1,970,236
2026	1,335,000	633,326	1,968,326
2027	1,350,000	618,079	1,968,079
2028	1,365,000	599,473	1,964,473
2029-2033	7,195,000	2,609,865	9,804,865
2034-2038	8,060,000	1,710,585	9,770,585
2039-2043	7,480,000	475,304	7,955,304
Total	<u>\$ 28,110,000</u>	<u>\$ 7,617,070</u>	<u>\$ 35,727,070</u>

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued):

Year Ended Last Day of February,	USBR Rewind Note, Unit 3		Total Debt Service
	Principal	Interest	
2024	\$ -	\$ -	\$ -
2025	332,868	-	332,868
2026	221,200	111,668	332,868
2027	225,347	107,521	332,868
2028	229,573	103,296	332,869
2029-2033	1,214,067	450,274	1,664,341
2034-2038	1,332,235	332,106	1,664,341
2039-2043	1,461,904	202,437	1,664,341
2044-2047	1,271,326	60,148	1,331,474
Total	<u>\$ 6,288,520</u>	<u>\$ 1,367,450</u>	<u>\$ 7,655,970</u>

Year Ended Last Day of February,	USBR Rewind Note, Unit 5		Total Debt Service
	Principal	Interest	
2024	\$ 248,028	\$ -	\$ 248,028
2025	168,796	97,378	266,174
2026	172,172	94,002	266,174
2027	175,615	90,559	266,174
2028	179,127	87,046	266,173
2029-2033	950,829	380,039	1,330,868
2034-2038	1,049,792	281,076	1,330,868
2039-2043	1,159,056	171,813	1,330,869
2044-2047	1,013,517	51,179	1,064,696
Total	<u>\$ 5,116,932</u>	<u>\$ 1,253,092</u>	<u>\$ 6,370,024</u>

Year Ended Last Day of February,	USBR Rewind Note, Unit 6		Total Debt Service
	Principal	Interest	
2024	\$ 380,441	\$ -	\$ 380,441
2025	179,489	75,750	255,239
2026	183,752	71,487	255,239
2027	188,116	67,123	255,239
2028	192,584	62,655	255,239
2029-2033	1,033,739	242,455	1,276,194
2034-2038	1,162,467	113,728	1,276,195
2039	249,317	5,921	255,238
Total	<u>\$ 3,569,905</u>	<u>\$ 639,119</u>	<u>\$ 4,209,024</u>

Note that the Unit 3 amortization schedule provided by Reclamation above included \$3,305,814 of expenses incurred after February 28, 2023. The liability recorded by the Authority at February 28, 2023 does not include this amount.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued):

Year Ended Last Day of February,	Subscription Liability		Total Debt Service
	Principal	Interest	
2024	\$ 99,918	\$ 23,953	\$ 123,871
2025	103,214	20,657	123,871
2026	106,556	17,253	123,809
2027	110,071	13,738	123,809
2028	113,702	10,107	123,809
2029-2030	238,780	8,837	247,617
Total	<u>\$ 772,241</u>	<u>\$ 94,545</u>	<u>\$ 866,786</u>

NOTE 8 – RESTRICTED NET POSITION

Restricted for Activity Agreement Projects: The Authority collected amounts from agencies to perform specific projects under activity agreements. The amounts collected and not yet expended are reported as restricted net position.

Restricted for Emergency Reserve Fund: The Reclamation Transfer Agreement requires the Authority to maintain an emergency reserve fund to finance (1) unusual operations, maintenance and repair (OM&R) costs; (2) costs associated with addressing conditions which threaten or cause interruption of water service; (3) unforeseen or extraordinary OM&R costs; and (4) costs associated with addressing conditions which threaten the safety or integrity of Project works. As stated in the Authority's transfer agreement, the Authority is required to maintain a targeted minimum reserve fund amount equal to 15% of the most current three years average annual actual OM&R costs incurred for the Project Works. The balance of this fund at February 29, 2024 and February 28, 2023 was \$2,280,327 and \$2,137,002, respectively.

Restricted for Extraordinary Maintenance: The Authority collects amounts from its member agencies for certain extraordinary maintenance projects as part of the water rates based on a budget approved by the Board. Unexpended amounts are reported as restricted for those projects.

NOTE 9 – RETIREMENT BENEFITS:

The Authority provides retirement benefits for all of its full-time employees through two defined contribution pension plans organized under Internal Revenue Code (IRC) Section 401(a) and a voluntary IRC Section 457 Deferred Compensation Plan. The benefit terms and contribution rates of the plans are established by and may be amended by the Board of Directors.

IRC Section 401(a) Plans: The Authority provides two IRC Section 401(a) plans (the Plans): The 401a Executive Defined Contribution Plan (Plan 109325) and the 401a Defined Contribution Plan (Plan 109164). Plan 109325 requires the employee to contribute 5% of "base annual salary" to the Plan and the Authority matches 5%. Plan 109164 requires the Authority to contribute an amount equal to 8% of the employee's "base annual salary" to the Plan. "Base annual salary" is defined as gross base annual salary, which excludes overtime, merit pay awards, shift differential premiums, or any other special pay. All employer

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 9 – RETIREMENT BENEFITS (Continued):

and employee contributions and earnings on those contributions are vested immediately. Employees may contribute up to 25% of their total compensation with a maximum of \$30,000 per year of combined employer and employee contributions, subject to IRC contribution limits. For the years ended February 29, 2024 and February 28, 2023, the employer contributions to the Plans were \$1,116,861 and \$961,181 and the employee contributions were \$175,858 and \$174,899, respectively.

IRC Section 457 Plan: Employees are also eligible to participate in a voluntary IRC Section 457 Deferred Compensation Plan (the Plan) from date of employment. If an employee elects to participate, the Authority will match up to 5% of the employee's base gross annual salary, which excludes overtime, merit pay awards, shift differential premiums, or any other special pay. Employee contributions are based on W-2 earnings. All employer and employee contributions and earnings on those contributions are vested immediately. The funding limit is the lesser of \$7,500 per year, or 33% of includable compensation, which equates to 25% of total compensation. For the years ended February 28, 2024 and 2023, the employer contributions were \$371,410 and \$310,119 and the employee contributions were \$755,392 and \$674,810, respectively.

NOTE 10 – COMMITMENTS AND CONTINGENCIES:

Litigation: The Authority is involved in various litigation matters, including one matter where the Authority is a named defendant. See below for more detail regarding this matter. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material adverse effect on the Authority's financial statements.

State and Federal Allowances, Awards and Grants: The Authority has received state and federal funds for specific purposes that are subject to review and audit by the granting agencies. Although such audits could generate expense disallowances under such terms of the grants, it is believed that any required reimbursements will not be material.

Grassland Basin Drainage Management Activity Litigation: California Sportfishing Protection Alliance et al. v. Nickels et al. (formerly PCFFA et al. v. Nickels et al.) litigation filed by a coalition of fishermen's organizations and an individual in late 2011 remained pending in federal court throughout Fiscal Year 2026. The litigation alleged that the Authority and the United States Bureau of Reclamation (Reclamation) have violated the Clean Water Act by failing to obtain a National Pollution Elimination System Discharge (NPDES) permit for discharges of drainage water from the Grassland Bypass Project, conducted under the Authority's Grassland Basin Drainage Management Activity Agreement.

The case has a lengthy litigation history, proceeding from summary judgment proceedings in the U.S. District Court for the Eastern District of California, to the Ninth Circuit Court of Appeals, back to the district court, and again to the Ninth Circuit. On September 5, 2025, the Ninth Circuit Court of Appeals issued an opinion and entered judgment in favor of the United States and the Authority. Subsequently, plaintiffs filed a petition for rehearing en banc with the Ninth Circuit that the Ninth Circuit Court denied. Most recently, on February 17, 2027, plaintiffs filed a petition for certiorari with the United States Supreme Court; at the present time an unfavorable outcome is possible, but not probable, and were there such an unfavorable outcome, the amount of any liability cannot reasonably be determined.

Employment Litigation: The Authority understands that on February 25, 2026, a former Authority employee filed a complaint alleging various California Labor Code and common law employment violations in Merced County Superior Court. As of March 4, 2026, the Authority has not been served with

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued):

this lawsuit, but understands that in the complaint plaintiff seeks damages, unpaid overtime wages and meal/rest period premiums, waiting time penalties, pre-judgment and post-judgment interest, reasonable attorney fees and costs, and such other and further relief as the Court deems just and proper. At the present time, an unfavorable outcome is possible, but not probable, and were there such an unfavorable outcome, the amount of any liability cannot reasonably be determined.

B.F. Sisk Dam Raise and Reservoir Expansion Project Activity: The B.F. Sisk Dam is approximately 382 feet high and 3.5 miles in length and is located in a historically seismically active area. Studies and analysis indicate that a major earthquake could result in substantial consequences, though the possibility of dam failure is remote. The U.S. Bureau of Reclamation (Reclamation) and the California Department of Water Resources completed a corrective action study indicating a 12-foot raise in the embankment height of the North and South Valley sections would reduce the potential for dam failure due to earthquake induced cracking. In connected action to the B.F Sisk Safety of Dams (SOD) Modification project, the Authority has worked with Reclamation to evaluate an additional 10-foot raise across the entire Dam (the “B.F. Sisk Dam Raise and Reservoir Expansion Project” or “Reservoir Expansion Project”) above the safety purpose to expand the capacity of the San Luis Reservoir by approximately 130,000 acre-feet.

Since November 2019, the Authority has worked with Reclamation to analyze and pursue the Reservoir Expansion Project. This pursuit has included the engagement of consultants including CDM Smith, Inc. and the Hallmark Group, and the preparation of several key documents relating to the Project, including a Supplemental Environmental Impact Study/Environmental Impact Report (SEIS/EIR), feasibility study. The Final SEIS/EIR and the Feasibility Study were completed in December 2020, and the Secretary of Interior deemed the project feasible. Reclamation and the Authority signed a Record of Decision and Notice of Determination for the Project, respectively, on October 20, 2023.

In March of 2022, the Authority organized an activity agreement among members interested in funding the project, with an initial funding budget of \$1,000,000.

In January 2025, the Authority and Reclamation executed an Agreement for the Management of the Expanded San Luis Reservoir and Cost Share of Charges Associated with Raising of the B.F. Sisk Dam and Increased Storage Capacity of the Federally Administered San Luis Reservoir (Management and Cost Share Agreement), Contract No. 24-WC-20-6280. The Authority’s activity agreement was also amended in February 2025.

Subsequently, Reclamation and the Authority negotiated and in August 2025, executed, a Contributed Funds Agreement and Spend Plan, Exhibits A and B to the Management and Cost Share Agreement, respectively. As of March, 2026, the Authority continues to work with Reclamation and Activity Agreement members to pursue the Project.

Extraordinary Operation and Maintenance Projects: The Authority has recently completed and is in the process of pursuing various significant extraordinary operation and maintenance (EO&M) projects, which are described in the following Sections.

Jones Pumping Plant Rewind Project: The Jones Pumping Plant Unit Rewind Project (JPP Rewind Project) consists of the rehabilitation of the 22,500 HP motors on each of the six pumping units at the Jones Pumping Plant that have reached the end of their service life. The Project consisted of removing and replacing the 32-ton stator core, removing and replacing 228 stator coils, rehabilitating the 70-year-old stator frame, and

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued):

removing, refurbishing, and re-installing the 40 rotor field poles. Water deliveries were not reduced during the rehabilitation work of the Jones Pumping Plant.

Each unit motor was rehabilitated individually over the course of approximately 5 years. The Authority and Reclamation completed the necessary rehabilitation on the first unit (Unit 6) in February 2019. The rehabilitation of Unit 6 was financed by the Authority through a repayment contract, in the approximate amount of \$5.15 million, from Reclamation made to the Authority pursuant to the first Reclamation Repayment Contract, dated February 5, 2018 (the 2018 Reclamation Repayment Contract). The Authority collected the cost of the rehabilitation of the second unit (Unit 2), which was completed in June 2020, through OM&R rates. The rehabilitation work on the third unit (Unit 5) began in March 2020, and was completed in May 2021. The rehabilitation of Unit 5 was paid by the Authority using proceeds of a second loan, in the approximate amount of \$5.59 million, from Reclamation made to the Authority pursuant to the Reclamation Repayment Contract, dated June 29, 2020 (the 2020 Reclamation Repayment Contract). The proceeds from the 2020 Reclamation Repayment Contract provides funding for the rehabilitation work on two units, the third unit (Unit 5) and the sixth unit (Unit 3).

The rehabilitation of the fourth unit (Unit 1) began in November 2020 and was completed in April 2022. The fifth unit (Unit 4) rehabilitation began in June 2021. The fourth and fifth units were funded using proceeds from revenue bonds (Bonds) and payments received and to be received from FWA, as set forth in that certain Funding Agreement dated November 6, 2020, by and between the Authority and FWA (the FWA JPP Funding Agreement). Pursuant to the FWA JPP Funding Agreement, FWA paid \$1,755,108 to the Authority in November 2020 and is obligated to make four additional payments to the Authority on or before the dates the Authority makes progress payments to the contractor for the rehabilitation of Unit 1 and Unit 4, for a total contribution from FWA of \$4,939,866, subject to adjustment to reflect FWA's share of the actual cost of rehabilitation of the fourth and fifth units. Pursuant to the FWA JPP Funding Agreement, FWA also paid \$104,536, a proportionate share of the cost of issuing the Bonds.

The rehabilitation work on the sixth and final unit (Unit 3), began in February 2022 and was paid for using the proceeds of a loan from the 2020 Reclamation Repayment Contract.

On September 9, 2020, Reclamation confirmed to the Authority that the Project constitutes extraordinary maintenance work. As extraordinary maintenance work, the Authority is permitted to collect OM&R revenues to pay the principal of and interest on the Bonds pursuant to the Transfer Agreement and the Friant MOU.

As of October 21, 2025, the Authority has completed the five-year process of rewinding the six units of the Jones Pumping Plant. The Unit 1, 3, and 4 approved contract amounts were \$4,382,771, \$4,564,875, and \$4,428,956 and the remaining commitments, including unpaid retention, were \$1,464,430, \$2,830,222, and \$2,745,041. The following table summarizes the Jones Pumping Plant Rewind project at completion:

Unit Sequence	Unit No.	Begin Date	Completion Date	Cost	Funding Source
1st	6	Dec-17	Feb-19	\$5.15M	Financed through Reclamation
2nd	2	Aug-19	Jun-20	\$5.17M	Self-Funded
3rd	5	Mar-20	May-21	\$5.61M	Reclamation Loan
4th	1	Nov-20	Feb-22	\$4.38M	Financed by Public Bond
5th	4	Jul-21	Oct-22	\$4.56M	Financed by Public Bond
6th	3	Apr-22	Aug-23	\$6.29 M	Financed through Reclamation
			TOTAL	<u>\$31.16M</u>	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued):

Jones Pumping Excitation Cabinet and Control Panel Project:

On March 31, 2023, the Commissioner of the Bureau of Reclamation approved and authorized \$25,000,000 for planning, design, and subsequent implementation of the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment. This project to replace the existing rotating direct current excitation system with a static-type excitation system that includes automatic Volt-Amperes Reactive Power (VAR) control on each of the six (6) main pumping units allowing more accurate control of VARs during unit operation. Work will also include replacing the existing unit control boards with new walk-in control panels, installation of a new Programmable Logic Controller (PLC)-based control system, new protective relays, along with all the components contained within and on the cabinets. The new control panels will have a new annunciator, new control switches and relays and a new HMI (Human Machine Interface). The SCADA control boards will also be upgraded to include a new PLC for improved feedback on and control of the plant. Work will be completed by a contractor, and the Water Authority intends to hire a consultant to manage the construction contract. The Authority entered contract 23-WC-20-6181 with Reclamation on November 15, 2024 to fund and ultimately repay the cost of this project over a period of 27 years. The contract allows for an advance of funds to meet cash requirements for the project and requires quarterly progress reports to be submitted to Reclamation.

In 2018, the Water Authority contracted with Reclamation's Technical Services Center (TSC) to complete the design for the Project. The deliverables from TSC included the Project technical specifications, drawings, and final construction cost estimate. Upon receiving the 100% design package, the Water Authority prepared contract documents, solicited contractors, and awarded the contract in the amount of \$25.25M to Power Pros on August 18, 2025.

The funding of \$25 million through the Infrastructure Investment and Jobs Act (BIL) awarded in 2018 will be utilized to see this project through final construction, which is estimated to take three years with the additional amount of \$250,000 to be sourced from EO&M funds. The excitation system replacement and associated upgrades will be completed sequentially, progressing to the next unit immediately upon completion of the previous unit. The unit order of the excitation system replacement was determined based upon the system performance record analyzed prior to award of the construction contract and could be subject to change if the system performance warrants an order change. The age of the components in the cabinets have created the following conditions: wires/conductors are old and brittle and too short to relocate, screw heads are worn and difficult to tighten, and the ice cube relays are not rated for the job they are performing. The ceiling wiring troughs of the control panels also need to be redesigned to accommodate new wiring paths.

O'Neill Pumping Plant Transformer Replacement Project:

The O'Neill Pumping-Generating Plant (Plant) is a vital part of the Central Valley Project as it allows for the storage and delivery of both project and non-project water. The power transformers have been in service since 1968, and a 2019 condition assessment determined that the transformers were at the end of their useful life and recommended that they be rehabilitated. The design of the rehabilitation of all four (4) transformers was completed by TSC and solicited by the Authority in 2023. The scope of work includes retro-filling all four transformers with synthetic ester fluid, along with the replacement of gaskets, low side and neutral bushings, valves, liquid level gauges, thermowells gauges, temperature gauges, coatings, oil preservation system (conservator), fans and temperature controls, and a protective relay upgrade. An emergency hot oil recondition was performed in 2020 to ensure the transformers remained eligible for rehabilitation and proved successful in prolonging the life of the transformers. Because it is unknown how much time is

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued):

extended with the hot oil reconditioning, quarterly testing of the oil is required. A 2024 analysis of the quarterly test results by TSC determined that the transformers were still stable and should last another year while ongoing efforts are made to complete the project.

The project costs were estimated at \$7.7M and were funded from EO&M revenues. The full amount was collected during fiscal years 2021, 2022, 2023, 2024, and 2026.

On July 25, 2024, the Authority awarded a 5 year project management and engineering support services contract to DHR Hydro for \$139,200 and on June 25, 2025 the Authority entered a letter of agreement with TSC to advance funds to TSC and Reclamation for design and administrative work pertaining to this project in the amount of \$1,415,668, paid in installments from July 1, 2025 through March 1, 2029 as follows:

TSC	CGB-Region	CGB-Area Office	Total	Advancement Date
\$424,721	\$91,000	\$15,000	\$530,721	7/1/2025
\$313,141	\$52,800	\$15,000	\$380,941	3/1/2026
\$320,232	\$43,200	\$15,000	\$378,432	3/1/2027
\$152,101	\$43,200	\$15,000	\$210,301	3/1/2028
\$162,673	\$79,600	\$15,000	\$257,273	3/1/2029

The Authority awarded a contract for the rehabilitation work to Cal Electro Inc. (CEI) on May 8, 2023 for \$3.1M, subject to change orders. Due to technical problems encountered during the first transformer replacement and anticipated remobilization costs, CEI has issued three additional change orders totaling \$2.2M, bringing the contract total to \$5.36M. The sum of the expected costs of the DHR, BOR, and CEI contracts are still within the budgeted funding for this project at this date.

O'Neill Pumping/Generating Plant Pump Upgrades Project:

The O'Neill pump/generating units need complete rehabilitation with the completion of four sub-projects including a Unit Rewind, a Governor Upgrade, new Pump Bowl Design & Fabrication, and Pump Assembly and Penstock Rehabilitation. The projects will include a combination of repairs, replacements, and improvements. The Unit Rewind is a replacement of the existing windings and a refurbishment of the rotor field poles. The Governor System Upgrade is an improvement or modernization of the existing pump vane controls consisting of replacing all electrical and mechanical controls with new improved components. The Pump Bowl Design & Fabrication project is a full replacement of the existing pump bowl with newly fabricated bowls that incorporate a modification for improved and safer maintenance access. The Pump Assembly and Penstock Rehabilitation is a repair or rehabilitation of the existing pump assembly and penstock with a new coating and replacement components as needed.

The Authority applied for FY24 Aging Infrastructure Account (AIA) funding of \$67.3M for the total project, which was subsequently revised to \$85.8M, and on May 15, 2024, was awarded \$11.6M as a scalable award. The scalable feature of the award allows for future tranches to be awarded for this project to address the total request. The scalable amount includes the planning and design of the project and the completion of one unit. On July 17, 2024, the Authority awarded a contract to Pentair to design and construct the replacement pump bowls for the six pumps at the O'Neill facility. The contract includes design costs of \$667,650 and manufacturing costs of \$3M per bowl. On January 14, 2026 the Authority entered

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued):

into repayment agreement 26-WC-20-6390 governing the repayment of the first award but also allows for subsequent awards under this funding source to be governed by this same agreement. The agreement allows for advance funding for the project and requires quarterly status reporting.

Delta-Mendota Canal Subsidence Correction Project: The Delta-Mendota Canal (DMC) is a 116.5-mile-long canal that conveys water from the Delta region near Tracy, California to the Mendota Pool near Mendota, California. The DMC is one of the major components of the Delta Division of the U.S. Bureau of Reclamation's (Reclamation) Central Valley Project (CVP) and is considered critical infrastructure.

The DMC was originally designed to convey a variable flow rate, starting at 4,600 cubic feet per second (cfs) at the upstream end and reducing to 3,211 cfs at the downstream end. Since its construction, several factors (including land subsidence) have impacted the ability of the DMC to meet the needs of the communities and ecosystems which rely on it for their water supply. Parts of the DMC have experienced differential changes in land surface elevation, forcing the facility to be operated at a lower level to ensure that water does not overflow the canal banks and cause damage. The first phase of this multi-phased project has received approximately \$5 million in federal funding. This phase consists of manufacturing and installing two additional pumping units and appurtenances into the two additional pump bays of the Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant.

Appraisal level studies were completed in September 2021, and the Feasibility Study was completed and accepted by Reclamation Policy in late 2024. In order to complete the Feasibility Report, environmental compliance activities and associated reviews, the Authority and Reclamation entered into a Memorandum of Agreement and a Cooperative Agreement (CA) in September 2021. The CA is a 50/50 cost share agreement between Reclamation and the Authority in which both agencies will contribute \$2.8 million to the project over the next two years. This includes over \$1,000,000 provided within the Authority's FY21 and FY22 EO&M budgets. The Authority funded \$1,572,000 for this project during FY23. Completion of the environmental activities within the existing CA are ongoing. The Authority requested a no cost time extension to the agreement, which was executed on 12/18/2025 and extends the agreement through 02/28/2027.

The Authority has been working in partnership with Reclamation to restore the conveyance capacity of the DMC by raising the canal lining and embankments, as well as other structures such as bridges, overchutes, and pipe crossings. Most recently, Phase 1 has been developed and will be implemented first. Phase 1 consists of raising the lining and embankment from milepost 3.5 to milepost 7.2 and in certain areas along the upper DMC with significant sags in the liner and performing underwater lining repairs along the upper and lower DMC.

The Authority executed a Funding Agreement with DWR for the DMC Subsidence Correction Project in April 2022, with an initial funding amount of \$3,037,925. In May 2025, an amendment to the agreement was executed with a total funding amount of \$45,220,000. As of August 2025, DWR has reimbursed the Authority \$9,596,920 and retained \$1,066,366. The remaining \$34,556,755 is required to be liquidated by DWR by June 2027.

Reclamation has awarded \$279 million to the Project through the Infrastructure Investment and Jobs Act (IIJA), although a Repayment Contract has not yet been negotiated or executed. IIJA funds were awarded through three application periods, \$25M in FY23, \$50M in FY24, and \$204M in FY25. The FY26 application award is pending.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued):

Joint Powers Authority Contingent Liabilities: The State and Federal Contractors Water Agency (SFCWA) was formed by various water agencies in August of 2009 as a joint powers authority according to California law. The Authority, along with five other water agencies, was an initial party to the agreement. In 2018, a decision was made to wind down SFCWA activities, with the ultimate objective of terminating the entity and related agreements that formed the entity.

The SFCWA has received a status update on review of the pension and other postemployment benefits liabilities and is evaluating whether it holds sufficient assets to cover existing and projected liabilities through the time of termination.

California Assembly Bill (AB) 1912 requires member agencies of an agency established pursuant to a joint powers agreement that participates in, or contracts with, a public retirement system to mutually agree as to the apportionment of the agency's retirement obligation among themselves prior to filing a notice of termination. AB 1912 could result in the Authority being held responsible for a portion of the SFCWA's retirement obligation if SFCWA does not have sufficient assets to fund the obligation. As described in Note A, the Authority is a party to a number of joint powers agreements. Due to AB 1912, the Authority could be held responsible for funding a portion of any unfunded public retirement system pension obligation of a joint powers authority (JPA) at the time of termination if the JPA does not have sufficient assets to fully fund its public retirement system pension obligation.

Proposition 1 Integrated Regional Water Management Program Grant – Westside San Joaquin River Funding Region: In May 2020 and July 2020, the Authority was awarded two State of California Round 1 Proposition 1 Integrated Regional Water Management (IRWM) Implementation grants, totaling \$3,132,791 to assist in implementing projects in the San Joaquin River Funding Area, which is part of the Westside-San Joaquin Integrated Regional Water Management Plan, for which the Authority serves as the Regional Water Management Group. The Authority was required to demonstrate a minimum grant match of \$19,479,516 and the Local Project Sponsors are responsible for all project costs exceeding the grant limit. The Authority's share of the project costs is expected to be \$10,000.

The local match is expected to be satisfied with in-kind and consultant services of \$19,479,516, expected to be provided by the Local Project Sponsors through the Activity Agreement with the Authority. The Authority has already received its share of the project cost reimbursement, and the grant is expected to end March 31, 2026.

NOTE 11 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS:

The Authority is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) for general liability, property, workers' compensation and employer's liability, and health benefits insurance. The JPIA is a special district in the State of California and its formation and operation are subject to the provisions of the California Government Code. The purpose of the JPIA is to provide risk sharing pools to meet the needs of its member water agencies. Each member selects one representative to serve as a director on the JPIA Board of Directors. The relationship is such that the JPIA is not considered a component unit of the Authority for financial reporting purposes.

For general liability, auto liability and public officials' liability insurance, the Authority is fully responsible for claims up to \$25,000. Coverage between \$25,000 and \$5,000,000 is provided through the JPIA risk pool and coverage over \$5,000,000 to \$55,000,000 is provided through insurance purchased by the JPIA on behalf

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 11 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS (Continued):

of its members. The Authority also has cyber liability and crime coverage up to \$3,000,000 with deductibles of \$50,000 to \$100,000.

The Authority has coverage up to \$2,000,000 for workers' compensation and employer's liability through the JPIA risk pool and \$2,000,000 of excess coverage is purchased by the JPIA on behalf of its members to the \$4,000,000 statutory limits.

For the liability and workers' compensation programs, retrospective premium adjustments are determined for each policy year. The adjustment can result in an additional charge or a refund to the member entity. The adjustment is computed as the difference between premiums received from the member entity and direct and pooled claims losses and other costs, net of investment income, including unallocated claims expenses, excess insurance premiums, and administrative expenses.

The Authority has deductibles for the property program ranging from \$500 for vehicle coverage to \$50,000 or \$5 per kilowatt hour for turbine units and associated equipment. The JPIA has a pooled self-insured retention (SIR) level of \$10,000,000 for the fiscal years ending February 29, 2024 and February 28, 2023. The JPIA provides coverage above its SIR up to \$500,000,000 through purchased insurance.

In July 2012, the ACWA/JPIA Employee Benefits Program was established to provide medical and dental and vision coverage for members' employees and dependents. The preferred provider organization plans offered in the medical and dental coverage are self-insured. The JPIA carries reinsurance with Sun Life Assurance Company of Canada for coverage losses in excess of its self-insured retention of \$500,000 per beneficiary incurred during the policy period.

Settled claims have not exceeded any of the Authority's coverage amounts in any of the last three fiscal years and there were no significant reductions in the Authority's coverage during the fiscal years ended February 29, 2024 and February 28, 2023.

NOTE 12 - MEMORANDUM OF UNDERSTANDING WITH FRIANT WATER AUTHORITY

The Authority and the Friant Water Users Authority (FWUA) entered into a memorandum of understanding, effective March 1, 1998 (Original Friant MOU) with respect to operation, maintenance and replacement (OM&R) of the Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie and Pumping Plant, Kesterson Reservoir, Mendota Pool, O'Neil Pumping-Generating Plant, San Luis Drain and other facilities (Project Works) owned by the United States acting through Reclamation. The Original Friant MOU was amended and restated as of September 1, 2002 by the Authority and FWUA (Friant MOU). On June 30, 2004, the Friant Water Authority (FWA) succeeded to the rights and obligations of FWUA under the Friant MOU.

Settlement Water is provided to Settlement Contractors, as defined in the Friant MOU, under settlement and exchange agreements with Reclamation. Pursuant to Friant MOU, FWA is responsible for reimbursing the Authority's OM&R Costs (defined in the Friant MOU) related to the conveyance or delivery of Settlement Water to specified Settlement Contractors. FWA collects amounts necessary to reimburse the Authority for such OM&R from its contractors, which have entered into water repayment or other water contracts with Reclamation from the Friant Division of the Central Valley Project (Friant Division Contractors).

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 12 - MEMORANDUM OF UNDERSTANDING WITH FRIANT WATER AUTHORITY (Continued)

Under the Friant MOU, FWA acknowledges that the Friant Division Contractors have a critical interest in the OM&R of the Project Works allocable to Settlement Water delivered to the Settlement Contractors and have agreed to pay OM&R Costs incurred by the Authority under the Transfer Agreement associated with the delivery of settlement water to the Settlement Contractors in accordance with the Friant MOU. As further set forth in the Friant MOU, FWA collects amounts to pay such OM&R to the Authority from Friant Division Contractors as permitted under the Friant Transfer Agreement entered into by FWA and Reclamation effective March 1, 1998. FWA succeeded to the rights and obligations of FWUA under the Friant Transfer Agreement on June 30, 2004. FWA executed a renewed Friant Transfer Agreement with Reclamation effective October 5, 2020.

NOTE 13 – RESTATEMENT

The Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended February 29, 2024., which resulted in the Authority accruing a subscription agreement as subscription asset and liability as of March 1, 2022. The effect on total assets, liabilities, and the change in net position for the year ended February 28, 2023 were restated as follows:

	As Previously Reported	Change in Accounting Principle for GASB 96	As Restated
Total Assets as of February 28, 2023	\$ 123,284,115	\$ 754,476	\$ 124,038,591
Total Liabilities as of February 28, 2023	\$ 86,937,136	\$ 772,241	\$ 87,709,377
Net Position as of March 1, 2022	\$ 12,841,018	\$ (10,427)	\$ 12,830,591
Change in net position for the year ended February 28, 2023	\$ 23,683,358	\$ (7,338)	\$ 23,676,020

NOTE 14 – SUBSEQUENT EVENTS:

Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project: Reclamation approved allocations to the Authority of \$25 million for the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project in November 2024 from funding provided to Reclamation through the Infrastructure Investment and Jobs Act. Two advance payments have been received to date for the total amount of \$1.125 million.

In August 2025 the Authority executed a construction agreement in the amount of \$25,250,000 to begin refurbishing the excitation cabinet and control panels for Jones Pumping Plant. The \$250,000 needed in excess of the funding award is to be collected through water rates. The project is scheduled to be completed in FY29.

O'Neill Pumping-Generating Plant Power Transformers Rehabilitation Project: In May 2023, the Board of Directors approved a construction agreement for O'Neill Pumping-Generating Plant Power Transformer

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 14 – SUBSEQUENT EVENTS (Continued)

Rehabilitations with expenditure of up to \$3,155,800. Since 2023, three contract change orders have been issued bringing the total contract amount to \$5,358,818. The last contract change order was issued August 2025. The project is schedule to be completed in FY30.

O'Neill Pumping–Generating Plant (OPP) Unit Upgrades: The OPP Unit Upgrades includes the following four projects; 1. Pump Bowl Fabrication, 2. Governor Modernization, 3. Unit Rewinds, and 4. Pump and Penstock Rehabilitation. Reclamation approved allocations to the Authority for \$11.6M from the Infrastructure Investment and Jobs Act (IIJA) for the OPP Unit Upgrades in the USBR FY24 application period, with the FY26 award pending. A repayment agreement has been negotiated and was executed on 01/14/2026. One advance payment request has been submitted to Reclamation with distribution of funds pending. The Authority has advanced the Pump Bowl Fabrication and Governor Modernization Project and executed a two-phase agreement with the original manufacturer in the amount of \$21,466,457. The Governor and first pump bowl will be delivered in 2026. \$1.2M was expended in FY26, with \$8.3M budgeted for FY27.

Second Amended and Restated Memorandum of Understanding with Friant Water Authority: As noted above in Note 12, the Authority and FWA are parties to an MOU relating to the allocation, collection and payment of operation, maintenance and replacement (OM&R) costs for water delivered through certain Central Valley Project (CVP) facilities (First Amended MOU).

Following facilitated negotiations, in January 2024, FWA and the Authority reached agreement in principle and executed a Memorandum of Agreement that confirmed the general terms of proposed amendments to the First Amended MOU, settlement terms regarding the disputes, and amendments to other Authority and FWA governing documents. The Second Amended and Restated Memorandum of Understanding with Friant Water Authority became effective July 8, 2024.

Second Amended and Restated Joint Exercise of Powers Agreement: Article V.A.1. of the Second Amended MOU provides that the FWA is entitled to representation on the Board in that a FWA representative may vote on any action item funded in whole or in part, from any OM&R fund or Reserves to which Friant Division Contractors have or will have contributed. In order to allow for FWA participation in Board meetings as described in Article V.A.1 of the Second Amended MOU, the Authority amended the Amended and Restated JPA, which did not allow for such FWA participation.

The Authority Board of Directors adopted a resolution authorizing adoption of the Second Amended and Restated Joint Exercise of Powers Agreement on May 13, 2024 (Resolution No. 2024-529). Article 35 of the Amended and Restated JPA states that it may be amended upon written approval by a majority of all members of the Authority. The Authority has twenty-seven member agencies, thus, adoption of the Second Amended and Restated JPA was contingent upon the Authority receiving written approval from at least fourteen of its member agencies. The Authority received the required written approval, and the Second Amended and Restated JPA became effect on July 8, 2024. Following the Second Amended and Restated JPA becoming effective, the Authority complied with state filing requirements and shared a copy of the Second Amended and Restated JPA with member agencies and FWA.

In order to allow for FWA participation in Board meetings and for the development of the Planning Committee as described in Article V.A.1 and Article V.A.4 of the Second Amended MOU, the Board also adopted a Resolution authorizing amendment of the Authority's Bylaws, which initially did not allow for such actions, with such amendment taking effect concurrently with the Second Amended and Restated JPA becoming effective (Resolution No. 2024-530).

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 29, 2024 and February 28, 2023

NOTE 14 – SUBSEQUENT EVENTS (Continued):

On March 17, 2026, the Department of Interior announced an award package for critical water infrastructure projects of \$889 million provided by (PL 119-21) One Big Beautiful Bill. Included in the award was \$235 million earmarked for the DMC Subsidence Correction Project. The funding represents a non-reimbursable award that will support the project.

Advance by Westlands Water District: In February 2026, the Westlands Water District's Board of Directors approved an advance to the Authority for the DMC Subsidence Correction Project of \$4.1 million at 4.35% over 5 years, with delegated authority to increase the amount up to \$11 million, if necessary. The advance will be repaid with credits on Westlands Water District's O&M Reserve payments.

NOTE 15 – CHANGE IN ESTIMATE

During the year ended February 29, 2024, the Authority determined that estimated extraordinary operations and maintenance (EO&M) reserve revenue recognized during the year ended February 28, 2023 should be reduced by \$8,420,249. This change in estimate was recognized as additional EO&M reserve expense during the year ended February 29, 2024 as it would have resulted in negative EO&M revenue in 2024.

SUPPLEMENTARY INFORMATION

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SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

SUPPLEMENTARY INFORMATION
STATEMENT OF FIDUCIARY NET POSITION - SECTION 401A RETIREMENT PLAN 109164

February 29, 2024 and February 28, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Contributions receivable - employer	\$ 32,340	
Loan balance	581,781	\$ 517,384
Investments:		
Money market funds	150,820	121,130
Target date funds	2,903,652	2,496,261
Stock mutual funds	11,963,111	11,114,696
Bond funds	890,184	1,000,944
International stock funds	1,832,786	889,575
Total Investments	<u>17,740,553</u>	<u>15,622,606</u>
TOTAL ASSETS	<u>18,354,674</u>	<u>16,139,990</u>
TOTAL NET POSITION RESTRICTED FOR RETIREMENT BENEFITS	<u>\$ 18,354,674</u>	<u>\$ 16,139,990</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - SECTION 401A RETIREMENT PLAN 109164

For the Years Ended February 29, 2024 and February 28, 2023

ADDITIONS		
Contributions - employer	\$ 941,002	\$ 811,235
Contributions - employee		24,953
Contributions - rollovers into plan	51,964	
Net appreciation in fair value of investments	2,025,842	(803,487)
Loans issued	611,229	202,997
Loan interest	28,345	22,041
Other credits		72,050
TOTAL ADDITIONS	<u>3,658,382</u>	<u>329,789</u>
DEDUCTIONS		
Benefit payments	815,160	512,949
Loan repayments	611,229	272,531
Administrative expenses	17,309	16,368
TOTAL DEDUCTIONS	<u>1,443,698</u>	<u>801,848</u>
NET INCREASE (DECREASE) IN NET POSITION	2,214,684	(472,059)
Net position restricted for retirement benefits - beginning of year	<u>16,139,990</u>	<u>16,612,049</u>
NET POSITION RESTRICTED FOR RETIREMENT BENEFITS - END OF YEAR	<u>\$ 18,354,674</u>	<u>\$ 16,139,990</u>
Number of Participants in Retirement Plan:		
Active	95	86
Retiree	26	32

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

SUPPLEMENTARY INFORMATION
STATEMENT OF FIDUCIARY NET POSITION - SECTION 401A RETIREMENT PLAN 109325

February 29, 2024 and February 28, 2023

	2024	2023
ASSETS		
Contributions receivable - employer	\$ 12,085	
Investments:		
Money market funds	65,666	\$ 44,372
Target date funds	1,450,076	1,305,968
Stock mutual funds	3,122,538	2,623,988
Stable value	1,016,793	929,621
Bond funds	275,969	290,086
International stock funds	257,543	239,245
Real estate fund	9,846	8,777
Total Investments	6,198,431	5,442,057
TOTAL ASSETS	6,210,516	5,442,057
TOTAL NET POSITION RESTRICTED FOR RETIREMENT BENEFITS	\$ 6,210,516	\$ 5,442,057

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - SECTION 401A RETIREMENT PLAN 109325

For the Years Ended February 29, 2024 and February 28, 2023

ADDITIONS		
Contributions - employer	\$ 175,858	\$ 149,946
Contributions - employee	175,858	149,946
Increase/(decrease) in fair value of investments	758,467	(380,723)
Other credits		185
TOTAL ADDITIONS	1,110,183	(80,646)
DEDUCTIONS		
Benefit payments	337,190	96,581
Administrative expenses	4,534	4,573
TOTAL DEDUCTIONS	341,724	101,154
NET INCREASE (DECREASE) IN NET POSITION	768,459	(181,800)
Net position restricted for retirement benefits - beginning of year	5,442,057	5,623,857
NET POSITION RESTRICTED FOR RETIREMENT BENEFITS - END OF YEAR	\$ 6,210,516	\$ 5,442,057

Number of Participants in Retirement Plan:

Active	19	18
Retiree	11	11

COMPLIANCE REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
San Luis & Delta-Mendota Water Authority
Los Banos, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the San Luis & Delta-Mendota Water Authority (the Authority) as of and for the year ended February 29 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April ____ 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the auditing procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as Finding 2024-001, that we consider to be a significant deficiency.

To the Board of Directors
San Luis & Delta-Mendota Water Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

April ____, 2026

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended February 29, 2024

CURRENT YEAR FINDINGS

FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL OVER FINANCIAL REPORTING

Finding 2024-001: Significant Deficiency – Internal Controls over Financial Reporting and Year-End Closing Procedures

Condition: The design and implementation of internal controls is crucial to the effective operation of a government and for accurate financial reporting. Although improvement was noted, turnover in personnel, the shortage of qualified support staff and the complexity of the Authority’s accounting processes has resulted in a significant number of adjustments being identified during the audit process and has delayed completion of the audit. The large number of adjustments identified during the course of the audit indicates that the Authority does not have adequate internal controls in place to prevent or detect misstatements on a timely basis.

Although improvement was noted, we identified a number of adjustments and closing entries that appeared to be due to the practice of posting transactions in the operations and maintenance fund and subsequently “realigning” balances between funds. This practice makes it difficult to trace a transaction through the general ledger detail to the source document.

Criteria: Internal controls over financial reporting should be in place to ensure the Authority has the ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements. The Finance Department staff did not identify and record all year-end closing entries prior to the start of the audit.

Cause: The Authority has had turnover in the accounting staff and has experienced delays in getting needed information from other agencies.

Effect: A number of audit adjustments needed to be posted to properly report balances in the Authority’s financial statements. The volume of entries also increases the risk of error in preparing the financial statements.

Recommendation: Note that the year ended February 29, 2024 was completed prior to the February 28, 2023 audit being completed so the same recommendations have been included in the February 29, 2024 financial statements. We recommend implementing procedures and staff training necessary to record direct revenues and expenses in the fund generating those transactions at the date of the initial receipt or payment to avoid having to realign balances in preparation for the audit. We understand the Authority has made progress in posting transactions in the appropriate fund at the date of initial receipt or payment subsequent to year-end. However, it appears true fund accounting is not being done during the year, as entries are needed as part of the closing process to bring the funds into balance. The Authority needs to ensure that the funds are in balance prior to the start of the audit. The Authority needs to ensure that all balance sheet accounts are reviewed and reconciled to supporting schedules prior to the beginning of the audit. The Authority needs to ensure it has sufficient qualified staff so that the books can be closed timely and accurately.

Management’s Response: A number of corrective actions have been taken, including:

- Monthly finance department meetings have been implemented to ensure all deadlines are being met and allow for open communication between finance department staff.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES (Continued)

Year Ended February 29, 2024

- During meetings staff review upcoming deadlines, outstanding items, month-end close processes, and review of internal accounting processes.
- Staff is working with an outside consultant to generate reports within the Authority's accounting program and decrease the amount of offline and manual reporting.
- Implementation of a month-end closing process to encourage more real time reporting both internally and to the Board.
 - Finance staff was assigned the task of developing a duties list for items completed at their desk on a monthly, quarterly, or annual basis. From there, a step-by-step process was developed in order to complete each task. These processes will then be used to begin cross training within the department.
- Standard operating procedures are being implemented throughout the Authority to encourage seamless and efficient processes.
- Implementation of an accounting calendar with deadlines for the entire fiscal year. The dates have been added to an accounting planner to give upcoming reminders allowing staff to allocate their time accordingly.
- Accounts are being delegated to staff in order to ensure accounts are being reconciled on a monthly basis.

COMPLIANCE AND OTHER MATTERS

None.

STATUS OF PRIOR YEAR FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING

Finding 2023-001 – Significant Deficiency– Internal Controls over Financial Reporting and Year-End Closing Procedures

Condition: The design and implementation of internal controls is crucial to the effective operation of city government and for accurate financial reporting. Turnover in personnel, the shortage of qualified support staff and the complexity of the Authority's accounting process has resulted in a significant number of adjustments being identified during the audit process and has delayed completion of the audit. The large number of adjustments identified during the course of the audit indicates that the Authority does not have internal controls in place to prevent or detect misstatements on a timely basis.

We noted a number of adjustments and closing entries were due to the practice of "realigning" balances between funds. This practice makes it difficult to trace a transaction through the general ledger detail to the source document.

Current Status: Finding 2024-001 is a continuation of this Finding.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES (Continued)

Year Ended February 29, 2024

COMPLIANCE AND OTHER MATTERS

Finding 2023-002 – Significant Deficiency - Untimely Audit Submission in Accordance with OMB Uniform Guidance

Federal Grantor: U.S. Department of the Interior, Bureau of Reclamation

Compliance Requirement: Reporting

Condition: The Authority did not electronically submit its February 28, 2023 Single Audit reporting package (Single Audit Report, Data Collection Form, and a Corrective Action Plan) within the required time period.

Criteria: The Authority was required to submit its February 28, 2023 audited financial statements and single audit reporting package to the federal audit clearinghouse no later than November 30, 2023, 9 months after the fiscal year-end (2 Code of Federal Regulations 200.512(a)).

Current Status: The Authority submitted its single audit reporting package for the year ended February 28, 2023 and did not require a single audit during the year ended February 29, 2024. Consequently, this finding is considered resolved.

Finding 2023-003 – Significant Deficiency – Corrections needed to SEFA

Award No.: 15.574

Federal Grantor: U.S. Department of the Interior, Bureau of Reclamation.

Compliance Requirement: Other compliance requirements.

Condition: The schedule of Expenditures of Federal Awards (SEFA) was not complete, and expenditures reported on the SEFA were revised during the single audit.

Criteria: 2 CFR Part 200, Subpart F (Uniform Guidance) Section 200.502 states, “The auditee should prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee’s financial statements.” Internal controls over the SEFA should be in place to ensure accrual basis expenses incurred under the federal program are properly reported as expenses on the SEFA and are properly reported as revenue in the financial statements prior to the start of the single audit.

Current Status: The Authority submitted its single audit reporting package for the year ended February 28, 2023 and did not require a single audit during the year ended February 29, 2024. Consequently, this finding is considered resolved.

Finding 2023-004 – Significant Deficiency – Untimely Submission of Semi-annual Federal Financial Reports

Award No.: 15.574

Federal Grantor: U.S. Department of the Interior, Bureau of Reclamation.

Compliance Requirement: Reporting.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES (Continued)

Year Ended February 29, 2024

Condition: The semi-annual Federal Financial Reports (SF-425) for the first five reporting periods of October 1, 2021, to March 31, 2022, April 1, 2022, to September 30, 2022, October 1, 2022, to March 31, 2023, April 1, 2023, to September 30, 2023, and October 1, 2023, to March 31, 2024, were all submitted on June 19, 2024.

Current Status: The Authority submitted the untimely financial reports for the year ended February 28, 2023 and did not require a single audit during the year ended February 29, 2024. Consequently, this finding is considered resolved.

DRAFT



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GOVERNANCE LETTER

To the Board of Directors
San Luis & Delta-Mendota Water Authority
Los Banos, California

We have audited the financial statements of the San Luis & Delta-Mendota Water Authority (the Authority) for the year ended February 29, 2024. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 13, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. During the year ended February 29, 2024, the Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which resulted in the Authority reporting a SBITA asset and liability in the financial statements, as described in Notes 4 and 7 to the financial statements. The application of existing policies was not changed during the year. We noted no transaction entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were lives used to depreciate capital assets, water conveyance fees charged to members, the computation of receivables and unearned revenue, the computation of payables, especially project use energy, joint facility use fee payables and pump rewind project payables, qualifying expenses incurred under grants, and computation of the emergency reserve fund reported as restricted net position. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were the disclosures related to the Revenue Bonds, Series 2021A, Revenue Refunding Bonds, Series 2021B and the sources of repayment in Note 7, disclosure of the rewind project financing in Note 7, the emergency reserve fund disclosed in Note 8, retirement benefits reported in Note 9, commitments and contingencies in Note 10 and subsequent events in Note 14. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, the volume of adjustments and closing entries posted and compressed timeline were difficulties encountered in completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We posted 29 adjustments and closing entries during the audit. Entries were made to accrue receivables and payables, adjust unearned revenue and revenue, record a subscription-based information technology arrangement (SBITA) and a lease payable, account for debt-related transactions, adjust long-term liabilities and related current portions, record capital asset and depreciation activity, update restrictions of net position and reclassify certain accounts for financial statement presentation purposes.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that the effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, the uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements our financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the supplementary information listed in the table of contents of the financial statements related to the Authority's retirement plans, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

_____, 2026

SAN LUIS AND DELTA-MENDOTA WATER AUTHORITY
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES
YEAR ENDED FEBRUARY 29, 2024

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets	Total Liabilities	Equity	Change in Net Position
Engineering costs related to Unit 3 Rewind incurred in 2023 and recorded in 2024.				\$ (59,160)
Cost reimbursement grant revenue recognized in 2024 for expenses incurred in 2023.				498,770
Long-term subscription liabilities not accrued as required by GASB 96.	\$ (224,064)	\$ (186,542)	\$ (37,522)	
Net Unadjusted Audit Differences - This Year	(224,064)	(186,542)	(37,522)	439,610
Financial Statement Captions	\$ 122,111,366	\$ 92,441,821	\$ 29,837,087	\$ 6,669,524
Net Audit Differences as % of F/S Captions	-0.18%	-0.20%	-0.13%	6.59%

DRAFT



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MANAGEMENT LETTER

To the Board of Directors and Management
San Luis & Delta-Mendota Water Authority
Los Banos, California

In planning and performing our audit of the financial statements of the San Luis & Delta-Mendota Water Authority (the Authority) as of and for the year ended February 28, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of the following matters that have been included in this letter for your consideration:

Accounting Procedures

We recommend as a best practice that accounting procedures used to account for major transaction classes and complicated agreements with other agencies be documented for use in case of employee turnover. We understand many of these procedures have been documented and others are in progress. Transaction classes that the Authority should consider documenting how to process include the rate setting process, capital assets, unearned revenues, project use energy, joint facility use, DHCCP debt and member payment transactions and any other complicated transactions.

Other Recommendations

We recommend the Authority use the auditor trial balance and make account names consistent with how reported in the financial statements so the purpose of the account is apparent from the account name without obtaining and reviewing supporting documentation for the account.

* * * * *

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than the specified parties.

_____, 2026



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Planning Committee, Alternates
SLDMWA Finance & Administration Committee, Alternates
SLDMWA Board of Directors, Alternates

From: Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer

Date: May 11, 2026

RE: Recommendations Regarding Revised Cost Allocation and Revised Scope for Phase 1 of the DMC
Subsidence Correction Project

Background

The Planning Committee began holding meetings in September 2024 to address the allocation of costs for the Delta-Mendota Canal (DMC) Subsidence Correction Project (Project). In May 2025, the Planning Committee recommended approval of a cost allocation methodology for the initial phase of the Upper DMC portion of the DMC Subsidence Correction Project that relies on non-reimbursable grant funding, with the commitment that the Planning Committee will develop a cost allocation methodology for Phase 1 prior to contract award. Also in May 2025, the Finance & Administration Committee recommended pursuit of a phased approach for the Upper DMC portion of the DMC Subsidence Correction Project. The Board of Directors adopted both committees' recommendations.

In September 2025, following Planning Committee and Finance & Administration Committee recommendation, the Board of Directors adopted refinements to the scope for Phase 1 of the Upper DMC portion of the Project, as well as refinements to the cost allocation methodology.

In October 2025, the Planning Committee met and unanimously voted to adopt cost allocation recommendations for Phase 1, Tasks 1-4, of the Project. In November 2025, the Finance & Administration Committee unanimously recommended adoption of the same, and the Board adopted the recommended cost allocations.

Following adoption of cost allocations, the Water Authority formally solicited proposals to provide Construction Manager/General Contractor (CM/GC) Services for Phase 1, and in February 2026, the Board awarded a CMGC Agreement to Kiewit Corporation. The executed contract covers preconstruction services for Task 1 and Task 2 only, with Preconstruction Services for Tasks 3 and 4 to be added in the future by amendment at the Water Authority's discretion. Since execution, Water Authority staff has been working with Kiewit Corporation to complete preconstruction services and to develop a Guaranteed Maximum Price (GMP) for Tasks 1 and 2 for the construction phase of the Project.

On March 17, the Department of Interior announced an award of \$235 million in nonreimbursable funding to the Project from the One Big Beautiful Act. At the April 6, 2026 Planning Committee meeting, staff discussed implications of the funding award direction for revising the cost allocation for Phase 1 of the Project.



Issues for Decision

1. Whether the Planning Committee and Finance & Administration Committee should recommend, and the Board of Directors should adopt, a revised cost allocation for Phase 1 of the DMC Subsidence Correction Project.
2. Whether the Finance & Administration Committee should recommend, and the Board of Directors should adopt, a revised scope for Phase 1 of the DMC Subsidence Correction Project.

Recommendation

1. Staff recommends a revised cost allocation for Phase 1 of the DMC Subsidence Correction Project that utilizes nonreimbursable funds only.
2. Staff recommends a revised scope for Phase 1 of the DMC Subsidence Correction Project consistent with the following:
 - Task 1: No changes (Approximate 2 ft. freeboard raise between MP 3.5 (JPP) to MP 7.2 (DCI), based on 4,600 cfs design flow and no future anticipated subsidence)
 - Task 2: Revised (expanded sag area repairs on Upper DMC)
 - Task 3: Replaced (instead of panel repair program, address 3 critical bridges on Upper DMC)
 - Task 4: Replaced (instead of panel repair program, address 1-2 critical bridges on Lower DMC)

Analysis

1. Recommended Revisions to Cost Allocation

In keeping with the direction provided at the April 6, 2026 Planning Committee meeting, Water Authority staff recommends pursuing a revised cost allocation for Phase 1 of the Project that utilizes the \$265 million of available nonreimbursable funds.

Adopting this revised cost allocation would mean that no collection would be required for Phase 1 of the Project; instead, the focus of the Finance & Administration Committee and Board of Directors would shift to planning use of the \$265 million in the most efficient and effective manner.

2. Recommended Revisions to Phase 1 Scope

Water Authority staff recommends advancement of the following Phase 1 scope to address conveyance limitations and maximize the use of \$265 million in nonreimbursable funds:

- Task 1: Approximate 2 ft. freeboard raise between MP 3.5 (JPP) to MP 7.2 (DCI), based on 4,600 cfs design flow and no future anticipated subsidence.
- Task 2: Expanded sag areas and concrete panel repairs on Upper DMC
- Task 3: Address 3 critical bridges on Upper DMC.
- Task 4: Address 1-2 critical bridges on Lower DMC.



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Board of Directors, Alternates
SLDMWA Finance & Administration Committee, Alternates

From: Pablo Arroyave, Chief Operating Officer
Jaime McNeil, Engineering Manager

Date: May 11, 2026

RE: Ratification of Execution of Change Orders Associated With the Jones Pumping Plant Unit 5
Leak Investigation & Repair Project and Increase in Expenditure of up to \$264,898 from the FY
2026 EO&M Budget

Background

The scope of the Jones Pumping Plant (JPP) Leak Investigation & Repair Project (Project) includes a full disassembly of Unit 5 to investigate and remediate the cause of a leak that was discovered in the concrete surrounding the pump casing. The project includes a vibration analysis, a full inspection and rehabilitation of the pump casing, balancing of the impeller, and replacement of the impeller wear rings. The Project also included additional funding to supplement budget shortages identified in the FY25 Rehabilitate Coating on Pump Casings & Bifurcation Project as the projects are closely related in both scope and physical proximity and would be completed concurrently. Authorization of the extended outage required to complete the work was obtained only after ensuring the team would make every effort possible to keep the project on schedule to return Unit 5 to service as scheduled or sooner if possible.

Following a formal solicitation and after receiving authorization from the Board of Directors, a Construction Agreement was executed on February 5, 2026 with Hartman-Walsh Painting Company in the amount of \$1,037,350 for the JPP Pump Casings & Bifurcation Pipe Recoating Project. In an effort to front load the schedule as much as possible, a \$72,000 Change Order was executed on April 10th to implement double shifts during the blasting phase. Blasting of the project has been substantially completed to date, allowing a full inspection to quantify the amount of repair work required to prepare the surfaces for coatings. While the condition of the bifurcation piping was found to be in good general condition, the suction elbow portion of Unit 5 was found to have excessive pitting and surface damage. The surface requires a full coating of repair material to create a surface that the two-part epoxy coating paint will adhere to. Additional media blasting will also be required after the repair material is applied to ensure proper bonding between the repair material and the paint. Hartman-Walsh provided a Time and Materials estimate to complete this work with a not to exceed amount.

A Construction Agreement was also executed on February 10th, 2026 with Unico Mechanical (Unico) for the JPP Unit 5 Impeller Balancing in the amount of \$149,500 after an informal solicitation process was followed. Six qualified vendors were provided the solicitation directly, with one bid received from Unico. Once the impeller was delivered to Unico's shop, Change Order number 1 was executed on April 29 in the amount of \$28,073 to perform non-destructive testing to determine the integrity of the impeller which brought the total contract value to \$177,573. Once the non-destructive testing was completed, Unico proceeded with the balancing procedure and immediately found the outer diameter to be significantly out of round. An out of



round impeller could have detrimental impacts to the operation of the unit leading to uneven or excessive wear and vibrational issues. Unico provided a proposal to disassemble the impeller, shaft, and wear rings to inspect, take precision measurements, machine to required tolerances, and reassemble.

JPP pumping in July through September is forecast to be close to continuous five-unit operation. Both the Impeller Balancing and the Pump Casing Coating projects are considered to be parallel critical paths to the reassembly of Unit 5. Any delay of Unit 5 (spare unit) availability presents a higher risk of water loss for communities, farms, and businesses should there be any issue with the five remaining units. To avoid this risk, and to maintain the aggressive schedule to make Unit 5 available by late August, staff executed both emergency change orders. The Impeller Balancing Change Order was issued on May 1st and the Bifurcation and Pump Casing Change Order issued on May 6th.

Issues for Decision

- A. Whether the Finance & Administration Committee should recommend, and the Board of Directors should authorize, ratification of execution of change order for Jones Pumping Plant Unit 5 impeller balancing with Unico and increase in expenditure of up to \$123,058 from the FY 2026 EO&M Budget.
- B. Whether the Finance & Administration Committee should recommend, and the Board of Directors should authorize, ratification of execution of change order for Jones Pumping Plant Pump Casing and Bifurcation Pipe Recoating with Hartman Walsh Painting and increase in expenditure of up to \$141,840 from the FY 2026 EO&M Budget.

Recommendation

Staff recommends that the Water Authority Board of Directors ratify execution of the change orders and cumulative increase in expenditure of up to \$264,898 from the FY 2026 EO&M Budget.

Analysis

A. JPP Unit 5 Impeller Balancing Change Order

Unico's cost estimate for the impeller balancing work is \$123,058, which brings the total Unico contract to \$300,631. On April 27, 2026, staff and Unico discovered the condition of the Unit 5 impeller that posed a threat to Unit 5 if it were not corrected; the condition could not have been discovered earlier. Delaying the impeller work would cause the loss or impairment of water and water delivery services, as the JPP units support an essential public service and the Water Authority must minimize the risk of an extended outage. Specifically, delaying execution of the change order (and the start of the impeller work) would have caused delay in the availability of Unit 5 by a minimum of two weeks, and likely more, as it would have caused the impeller work to lose its place in Unico's queue.

Delaying execution of the change order would also have resulted in increased costs, as the impeller would have had to move two extra times (to and from Unico storage), and Unico would have had to accommodate storage of the impeller while waiting to be serviced. Furthermore, Unico was the only vendor to submit a bid following the solicitation process. As a result, Unico is the only vendor, and is best qualified to complete this work.



The Water Authority's Consolidated Procurement Policy allows execution of construction contracts that exceed the \$200,000 threshold without prior Board authorization, and without formal procurement action, in the case of emergency, to prevent or mitigate the loss or impairment of property or essential public services. (Section 1.2; Section 4.6.) Because with execution of the emergency Unico change order the Unico contract total now exceeds the \$200,000 threshold, Board ratification (approval) of execution of the change order is needed. (Section 1.2)

B. JPP Pump Casing and Bifurcation Pipe Recoating Change Order

Hartman-Walsh's cost estimate to apply a filler material and to provide an additional sweep blast to all surfaces in the pump casing and suction elbow is not to exceed \$141,840 based on Time & Materials, which brings the total Hartman-Walsh contract to \$1,251,190. On April 27, 2026, Hartman-Walsh and the Water Authority's independent third-party inspector discovered the condition of the Unit 5 suction elbow and pump casing and notified the Water Authority of the need for repairs. Sixty hours of repair time was estimated within the original contract; however, the extent of the damage was much greater than anticipated. This repair work is necessary to ensure a quality finish is achieved when coatings are applied. It was imperative for the Water Authority to immediately authorize Hartman-Walsh to proceed with the Change Order work as they had to procure the repair material that has a lead time and to plan their staff accordingly to prevent any further delays. Hartman-Walsh estimates this work will take six (6) days beginning on May 12th.

The Water Authority's Consolidated Procurement Policy allows the Water Authority to take immediate action required to prevent or mitigate the loss or impairment of property or essential public services. (Section 1.2; Section 4.6.) The increase in cost associated with execution of the emergency change order exceeds ten percent (10%) of the original contract amount with Hartman-Walsh. Consequently, Board ratification (approval) of execution of the change order is required. (Section 4.8.)

As noted above, delaying the work proposed in either of these Change Orders would have directly delayed the Unit 5 return to service date, leading to a higher risk of water loss for communities, farms, and businesses.

Budget Implications

The Fiscal Year 2026 EO&M budget included \$1,800,000 for the JPP Unit 5 Leak Investigation and Repair Project, which included \$500,000 for Impeller Balancing and \$650,000 to supplement the existing JPP Bifurcation & Pump Casing budget of \$948,000. Both Change Orders are within the budgeted amount.

Attachment

1. Unico Corporation Change Order
2. Hartman-Walsh Change Order



CHANGE ORDER

Change Order No.: 2

Date: 5/1/2026

Name of Project: **Jones Pumping Plant (JPP) Unit 5 Impeller Balancing**
Specification No.: **F26-JPP-016**
Owner: **San Luis & Delta-Mendota Water Authority**
Contractor: **Unico Mechanical Corp.**

Part: 1 Description of Change Order

During inspection of the impeller on the balancing machine, it was identified that the newly installed upper and lower wear rings were significantly non-concentric. If placed in service without correction, the non-concentric wear rings would take up the necessary clearance space required for the unit to run properly leading to impeller vibration and potential unit failure if not corrected. The scope of work requires disassembling the impeller from the shaft in order to place the impeller on a vertical turning lathe (VTL) which will allow for more precise total indicator readings (TIR) to be gathered. Based on the new TIR readings, the wear rings may need precision machining to restore concentricity and the clearance needed for the unit to function properly. Shaft coupling fit surfaces and bearing surfaces will also be examined to verify their concentricity. New coupling bolts will be machined to fit and used during reassembly of the shaft and impeller. (Services as described in the Unico proposal dated 4/28/2026).

As a result, it is deemed mission critical to restore the impeller to its original design conditions to continue with completing the project on schedule. The sudden and unexpected occurrence that was discovered poses a risk to JPP Unit 5 if it is not corrected and could not be reasonably discovered earlier. In addition, delaying work on the impeller would result in the loss / impairment of water / water delivery services. Consequently, this would impact water loss for communities, farms, and businesses should there be any issue with the 5 remaining units.

Part 2: Time & Materials

#	Item Description	Item Cost	Units	Total
1	Disassembly of Impeller and Shaft with As Found condition of Impeller shaft coupling	\$34,876	LS	\$34,876.00
2	Machining of Impeller Wear Rings	\$23,016	LS	\$23,016.00
3	Shaft TIR Inspection	\$8,716	LS	\$8,716.00
4	Machining of Coupling Bolts	\$15,166	LS	\$15,166.00
5	Assembly	\$33,316	LS	\$33,316.00
6	Support Crane Services	\$5,260	LS	\$5,260.00
7	Bonds	\$2,708	LS	\$2,708.00
TOTAL FOR PART 2 =				\$123,058.00

Cost Summary

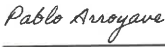
Original Contract Amount:	<u>\$149,500.00</u>
Total Prior Change Amount under Change Order 1:	<u>\$28,073.00</u>
Total Contract Amount including Change Order 1:	<u>\$177,573.00</u>
Total Amount of this Change under Change Order 2:	<u>\$123,058.00</u>
Total Contract Amount with All Changes	<u>\$300,631.00</u>

Schedule Summary

Original Estimate Completion Date:	<u>Monday, May 4, 2026</u>
New Estimated Completion Date with all Change Orders:	<u>Thursday, May 28, 2026</u>

Recommended By:  Date: May 4, 2026
(Project Manager), SLDMWA

Accepted By:  Date: May 5, 2026
Andrew Pangelinan (May 5, 2026 14:01:37 PDT)
Contractor Representative.

Approved By:  Date: May 5, 2026
(Manager/Director/COO), SLDMWA



CHANGE ORDER

Change Order No.: 2
RFI No. Email

Date: 5/6/2026
Date: 5/1/2026

Name of Project: **Jones Pumping Plant (JPP) Pump Casing and Bifurcation Pipe Recoating**
Specification No.: **F26-JPP-015**
Owner: **San Luis & Delta-Mendota Water Authority**
Contractor: **Hartman-Walsh Painting Company**

Part: 1 Description of Change Order

Severe pitting was observed in the pump casing following removal of the existing coating, revealing substantially more corrosion than originally anticipated. Applying a coating over unfilled pits greater than 1/4 inch in depth would create areas prone to premature failure, as the coating would be thin along the sharp edges of the pit craters. These edges would be the first to wear away, resulting in early coating breakdown and loss of protective integrity. This change order will reduce occurrence of "holidays" (holiday is an industry term for a discontinuity, pinhole, void, or crack) during the coating process resulting in a more reliable schedule on the back end of the project. Filling pits will reduce life cycle costs in operations and maintenance by reducing the need for patch coating in the pump casing and in the suction elbow within the first five years of operation. The scope of this change order includes applying filler material to all surfaces in the pump casing and suction elbow. After filler application, the area will be sweep blasted to create a textured surface for the topcoat finish to adhere to more securely.

As a result, it is deemed mission critical to restore the pump casing coating to its original design conditions to continue with completing the project on schedule and ensure the longevity of the coating. The sudden and unexpected occurrence that was discovered poses a risk to JPP Unit 5 if it is not corrected and could not be reasonably discovered until the existing coating was removed. In addition, delaying work on the impeller would result in the loss / impairment of water / water delivery services. Consequently, this would impact water loss for communities, farms, and businesses should there be any issue with the 5 remaining units.

This space is intentionally left blank.

Part 2: Time & Materials

#	Item Description	Quantity	UOM	Item Cost	Total
1	Additional Labor	480	HR	\$168.00	\$80,640.00
2	Steel Seam FT910 3/16" thickness over all surfaces	200	GAL	\$75.00	\$17,000.00
	Belzona 1111 Filler	2	CASE	\$5,750	11,500.00
3	Abrasive, media, solvents, sundries	1	LS	\$5,000	\$5,000.00
4	Diesel	1	LS	\$6,800	\$6,800.00
5	Additional Equipment rental	1	LS	\$19,000	\$19,000.00
6	Bond	1	LS	\$1,770	\$1,900.00
TOTAL FOR PART 2 =					\$141,840.00

Cost Summary

Original Contract Amount:

\$1,037,350.00

Total Prior Change under Change Order 1:

\$72,000.00

Total Contract Amount with Change Order 1

\$1,109,350.00

Total Amount of this Change:

\$141,840.00

Total Contract Amount with All Changes:

\$1,251,190.00

Schedule Summary

Original Estimate Completion Date:

May 30, 2026

New Estimated Completion Date with all Change Orders:

May 22, 2026 / May 15, 2026¹

Recommended By:



(Project Manager), SLDMWA

Date: May 6, 2026

Accepted By:



Contractor Representative.

Date: May 6, 2026

Approved By:



(Manager/Director/COO), SLDMWA

Date: May 6, 2026

¹ May 15th is the completion of the Unit 6 / Dual Unit outage. The Unit 5 single-unit outage was hoping to also be completed by May 15, but has been extended to May 22.



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Board of Directors, Alternates

From: Pablo Arroyave, Chief Operating Officer
Rebecca L. Harms, Deputy General Counsel

Date: May 14, 2026

RE: Actions Related to North to South Water Transfers

Background

In September 2023, the San Luis & Delta-Mendota Water Authority (“Water Authority”) Board of Directors adopted Resolution No. 2023-516, which authorized execution of a North to South Water Transfers Activity Agreement (“Activity Agreement”) for Water Authority members who desired to participate in the north to south water transfers beginning in 2025. Nine Water Authority members joined the Activity Agreement and are current “Activity Agreement Members”: Eagle Field Water District, Mercy Springs Water District, Pacheco Water District, Panoche Water District, Patterson Irrigation District, San Benito County Water District, San Luis Water District, Santa Clara Valley Water District, and Westlands Water District.

The Revised Long-term Water Transfers Environmental Impact Statement/Environmental Impact Report (“Revised Long-term Water Transfers EIR”) analyzed a range of potential single-year north to south water transfers pursuant to the National Environmental Policy Act (“NEPA”) and California Environmental Quality Act (“CEQA”) to evaluate the potential effects of these transfers over time using a ten-year timeframe (2015-2024).

Transfers do not occur in all years, and there were no north to south transfers in 2025. Potential transfers in 2026 and 2027 are within the range and of the same type as those analyzed in the Revised Long-term Water Transfers EIR.

Initial Study and Addendum to Revised Long-term Water Transfers EIR for 2026-2027 Transfers:

In 2025, the U.S. Bureau of Reclamation (“Reclamation”) and the Water Authority prepared a joint Draft Environmental Assessment (pursuant to NEPA) / Initial Study (pursuant to CEQA) (“EA/IS”) evaluating a range of potential single-year water transfers for 2026 and 2027 of up to 250,000 acre-feet total per year from sellers primarily upstream of the Delta to buyers that primarily receive water conveyed through the Delta made available through groundwater substitution and reservoir release actions (“Proposed Project”). The Draft EA/IS, and an Addendum pursuant to CEQA, were released for a 30-day comment period in April 2025. All comments received during the public comment period were addressed in the Final EA/IS. In addition, all comments and responses thereto are included in Appendix L of the Final EA/IS.

2026 Water Purchase and Sale Agreements:

On February 26, 2026, Reclamation announced initial 2026 allocations for Central Valley Project (“CVP”) water users. Agricultural users received an initial allocation of 15% of their CVP contractual supply and municipal and industrial users received an initial allocation of 65% for the 2026 water year. On March 24, 2026, Reclamation updated those allocations by 5%, to 20% and 70% respectively. In order to facilitate potential north to south transfers in 2026, Water Authority staff has been negotiating with potential sellers to purchase water made available for transfer through groundwater substitution.



Letter Agreement with Reclamation for 2026 Water Transfers:

To assist the Water Authority with effectuating the 2026 north to south water transfers, Reclamation expects that it will incur costs for certain activities, including, but not limited to, review of the water transfer proposal (including assessment of the proposal's conformance with environmental documents), preparation of the consent letter, administration of the water transfers, review of final reports, and close out of water transfers. Reclamation has requested that the Water Authority enter into a letter agreement to provide funding of up to \$100,000 to cover these costs.

Issues for Decision

Whether the Board of Directors should authorize actions relating to north to south water transfers:

1. Adopt a resolution approving the Initial Study and adopt the Addendum to the Revised Long-term Water Transfers EIR for 2026-2027 North to South Water Transfers;
2. Adopt a resolution authorizing execution of 2026 Water Purchase and Sale Agreements pursuant to the Addendum and related actions; and
3. Authorize execution of Letter Agreement 26-WC-20-6425 for reimbursement of costs incurred by Reclamation for 2026 north to south water transfers.

Recommendations

Staff recommends that the Water Authority Board of Directors adopt and/or approve the above described resolutions and actions. North to South Water Transfers Activity Agreement Members also support this recommendation.

Analysis

Initial Study and Addendum to Revised Long-term Water Transfers EIR for 2026-2027 Transfers:

With respect to CEQA, the Final EA/IS, attached hereto as **Exhibit 1.a.**, evaluates whether the changes reflected in the Proposed Project and the circumstances in which it is undertaken result in new significant impacts or substantially more severe effects than had been previously analyzed in the Revised Long-term Water Transfers EIR, attached hereto as **Exhibit 1.b.** (Pub. Resources Code, § 21166; CEQA Guidelines, §§ 15162-15164.)

Based on the Initial Study and in light of the entire record, the Water Authority determined that the Revised Long-term Water Transfers EIR retains its informational value and the Proposed Project would not have any new or substantially more significant direct, indirect, or cumulative impact on the existing environment than had been previously analyzed in the Revised Long-term Water Transfers EIR. This conclusion is supported by the following findings:

1. The project would result in beneficial impacts related to water supply, geology and soils, air quality, noise, and agricultural land use in the Buyer Service Area.
2. The project would result in less than significant impacts related to water quality in the Seller Service Area and Buyer Service Area and less than significant impacts related to greenhouse gas emissions, noise and vibration, agricultural land use, visual resources, recreation, and energy in the Seller Service Area.
3. The project would result in less than significant impacts after mitigation related to surface water supply, groundwater resources, air quality, biological resources, and geology and soils.



(Exhibit 1.b., Addendum p. 1.) Based upon these findings and the Initial Study's conclusions, the Water Authority developed an Addendum to the Revised Long-term Water Transfers EIR for 2026-2027 North to South Water Transfers, attached hereto as **Exhibit 1.c.**

Through adoption of the proposed resolution, the Board will be approving the Initial Study and adopting the Addendum in compliance with CEQA for the identified range of potential north to south transfers that may occur in 2026 or 2027.

With respect to NEPA, Reclamation approved the EA and adopted a Finding of No Significant Impact on March 16, 2026.

2026 Water Purchase and Sale Agreements:

Water Authority staff currently estimates that 2026 north to south single-year water transfers will involve transfer of up to approximately 32,000 acre-feet of water made available through groundwater substitution, at a price to be determined. Most terms have been agreed upon with the exception of the water purchase price.

Through adoption of the proposed resolution, the Board will (1) approve the template Water Purchase and Sale Agreement in substantial form, attached hereto as **Exhibit 2.a**, subject to a final water purchase pricing determination by the Activity Agreement Member(s) participating in the 2026 transfers, and (2) authorize execution of all other necessary agreements, including Water Transfer Approval Agreements with Reclamation and Conveyance Agreements with DWR.

Letter Agreement with Reclamation for 2026 Water Transfers:

To provide the requested funding to Reclamation, the Water Authority will need to enter into the "Letter Agreement 26-WC-20-6425 for Reimbursable Account for Assisting the San Luis & Delta-Mendota Water Authority and its Participating Members Effectuate Water Transfers in 2026" (**Exhibit 3**). The letter agreement with Reclamation requires an initial advance deposit of \$50,000 with subsequent billings as needed; the total not to exceed amount pursuant to the letter is \$100,000. All amounts owed pursuant to the letter agreement will be allocated to the Activity Agreement Member(s) participating in 2026 north to south water transfers. The Water Authority will collect payment from the participating member(s) and will make payment to Reclamation in accordance with the payment schedule included in the letter agreement.

Budget Implications

No direct budget impact due to the structure of the Activity Agreement whereby the cost for the Water Authority's coordination of water transfer activities pursuant to the Activity Agreement, and any additional financial obligations and liabilities associated with the coordination of transfer activities or individual transfers, will be paid for by only the Activity Agreement Members.

Attachments

- **Exhibit 1:** Resolution No. 2026-XX Approving the Initial Study and Adopting the Addendum to the Revised Long-term Water Transfers EIR for 2026-2027 North to South Water Transfers
 - **Exhibit 1.a.** Environmental Assessment / Initial Study (available online at <https://sldmwa.org/water-transfers/>)
 - **Exhibit 1.b.** Revised Long-term Water Transfers EIR (available online at <https://sldmwa.org/water-transfers/>)
 - **Exhibit 1.c.** Addendum (attached and available online at <https://sldmwa.org/water-transfers/>)
 - **Exhibit 1.d.** Draft Notice of Determination (attached)



- **Exhibit 2:** Resolution No. 2026-XX Authorizing Execution of 2026 Water Purchase and Sale Agreements Pursuant to the Addendum to the Revised Long-term Water Transfers EIR for 2026-2027 North to South Water Transfers and Related Actions
 - **Exhibit 2.a.** Template Water Purchase and Sale Agreement (attached)
- **Exhibit 3:** Letter Agreement 26-WC-20-6425 for Reimbursable Account for Assisting the San Luis & Delta-Mendota Water Authority and its Participating Members Effectuate Water Transfers in 2026

Exhibit 1

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2026-

**RESOLUTION APPROVING THE INITIAL STUDY AND ADOPTING THE
ADDENDUM TO THE REVISED LONG-TERM WATER TRANSFERS EIR FOR 2026-
2027 NORTH TO SOUTH WATER TRANSFERS AND ACTIONS RELATED
THERE TO**

WHEREAS, the 2019 Revised Long-term Water Transfers Environmental Impact Statement/Environmental Impact Report (“Revised Long-term Water Transfers EIR”) analyzed a range of potential single-year north to south water transfers pursuant to the National Environmental Policy Act (“NEPA”) and California Environmental Quality Act (“CEQA”) to evaluate the potential effects of these transfers over time using a ten-year timeframe (2015-2024); and

WHEREAS, transfers do not occur in all years, and there were no north to south transfers facilitated by the San Luis & Delta-Mendota Water Authority (“Water Authority”) in 2025; and

WHEREAS, in 2025, the U.S. Bureau of Reclamation (“Reclamation”) and the Water Authority prepared a joint Draft Environmental Assessment (pursuant to NEPA) / Initial Study (pursuant to CEQA) (“Initial Study”) evaluating a range of potential single-year water transfers for 2026 and 2027 of up to 250,000 acre-feet total per year from sellers primarily upstream of the Delta to buyers that primarily receive water conveyed through the Delta made available through groundwater substitution and reservoir release actions (“Proposed Project”); and

WHEREAS, potential north to south transfers that may be facilitated by the Water Authority in 2026 and 2027 are within the range and of the same type as those analyzed in the Revised Long-term Water Transfers EIR, which the Water Authority has determined, on the basis of substantial evidence in light of the entire record, retains its informational value; and

WHEREAS, with respect to CEQA, the Initial Study evaluates whether the changes reflected in the Proposed Project and the circumstances in which it is undertaken result in new significant impacts or substantially more severe effects than had been previously analyzed in the Revised Long-term Water Transfers EIR (Pub. Resources Code, § 21166; CEQA Guidelines, §§ 15162-15164); and

WHEREAS, based on the Initial Study and in light of the entire record, the Water Authority determined that the Proposed Project would not have any new or substantially more significant direct, indirect, or cumulative impact on the existing environment than had been previously analyzed in the Revised Long-term Water Transfers EIR, and

WHEREAS, the conclusion stated in the paragraph above is supported by the following findings:

1. The project would result in beneficial impacts related to water supply, geology and soils, air quality, noise, and agricultural land use in the Buyer Service Area.

2. The project would result in less than significant impacts related to water quality in the Seller Service Area and Buyer Service Area and less than significant impacts related to greenhouse gas emissions, noise and vibration, agricultural land use, visual resources, recreation, and energy in the Seller Service Area.
3. The project would result in less than significant impacts after mitigation related to surface water supply, groundwater resources, air quality, biological resources, and geology and soils.

WHEREAS, based upon these findings and the Initial Study's conclusions, the Water Authority, pursuant to CEQA, developed an Addendum to the Revised Long-term Water Transfers EIR for 2026-2027 North to South Water Transfers ("Addendum"); and

WHEREAS, the Draft Initial Study, and the Addendum, were released for a 30-day comment period in April 2025; and

WHEREAS, all comments received on the Draft Initial Study and Addendum during the public comment period were carefully considered by the Water Authority and addressed in the Final Initial Study, and all comments and responses thereto are included in Appendix L of the Final Initial Study.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby approves the Initial Study.

Section 3. The Board hereby finds, determines, orders, and resolves as follows:

Section 3.1. Pursuant to 14 California Code of Regulations Section 15164 (being referred to as "CEQA Guidelines"), lead agencies are required to prepare an addendum to a previously certified EIR if some changes or additions to the project are necessary, but none of the conditions requiring preparation of a subsequent or supplemental EIR are present. The Water Authority has reviewed and considered the Revised Long-term Water Transfers EIR and Addendum and finds that those documents taken together contain a complete and accurate reporting of the environmental impacts associated with the modified Project. The Water Authority further finds that the Addendum has been completed in compliance with CEQA and that the EIR and Addendum, taken together, reflect the Water Authority's independent judgment in reviewing that information prior to considering or acting upon this Resolution and prior to approval of the modified Project.

Section 3.2. The Water Authority hereby adopts and incorporates the conclusions of the Initial Study and Addendum, which set forth Findings of Fact in accordance with Section 21081 of the California Public Resources Code and Section 15091 of the CEQA Guidelines, including findings that, based on the whole record before the Water Authority, the Revised Long-term Water Transfers EIR retains its informational value and none of the conditions under CEQA Guidelines section 15162 or 15163 requiring subsequent or supplemental environmental review for the modified Project have occurred. Further, based

on substantial evidence in the record, including but not limited to the Revised Long-term Water Transfers EIR and Addendum, the Water Authority finds that the applicable mitigation measures identified in the Initial Study and Addendum have been incorporated into the Mitigation Monitoring and Reporting Program (“MMRP”) for the modified Project and would ensure that any potential environmental impacts would be reduced to less than significant levels.

Section 4. The Water Authority determines that the Addendum to the Revised Long-term Water Transfers EIR included in Exhibit 1.c. to this Resolution has been completed in accordance with CEQA.

Section 5. The Water Authority determines that the potential transfer activities described in the Revised Long-term Water Transfers EIR and modified as described in the Addendum, subject to the conditions, agreements, policies, or criteria established by the Board, may be implemented consistent with the terms of the Revised Long-term Water Transfers EIR and Addendum.

Section 6. The Water Authority shall be the custodian of the documents and materials that constitute the record of the proceeding, consisting of the documents and materials set forth in Public Resources Code section 21167.6(e), and the record shall be retained and available for review at the principal office of the Water Authority at 842 6th Street, Los Banos, California.

Section 7. A Notice of Determination substantially in the form of Exhibit 1.d. shall be filed with the County Clerks of the counties of Alameda; Butte; Colusa; El Dorado; Contra Costa; Fresno; Glenn; Kings; Merced; Nevada; Placer; Sacramento; San Benito; San Joaquin; Santa Clara; Shasta; Sierra; Solano; Stanislaus; Sutter; Tehama; Yolo; and Yuba within five (5) working days after the adoption of this Resolution approving modifications to the Project."

PASSED, APPROVED AND ADOPTED this 14th day of May, 2026, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

Cannon Michael, Chair

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

Attest:

Federico Barajas, Secretary

.....

I hereby certify that the foregoing Resolution No. 2026- [REDACTED] was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 14th day of May, 2026.

Federico Barajas, Secretary

Exhibit 1.a., the Environmental Assessment / Initial Study, and **Exhibit 1.b.**, the 2019 Revised Long-term Water Transfers EIR, are both available online at <https://sldmwa.org/water-transfers/>.

Exhibit 1.c.

ADDENDUM TO THE FINAL LONG-TERM WATER TRANSFERS EIR FOR EVALUATION OF 2026-2027 NORTH TO SOUTH WATER TRANSFERS

LEAD AGENCY: San Luis & Delta-Mendota Water Authority
842 6th St
Los Banos, CA, 93635

AVAILABILITY OF DOCUMENTS: The Initial Study for this Addendum to the 2019 Final Long-Term Water Transfers (LTWT) Environmental Impact Report (Final EIR) (SCH# 2011011010) is available for review at: <https://sldmwa.org/water-transfers/>.

Questions or comments regarding this Initial Study and Addendum may be addressed to:
San Luis & Delta-Mendota Water Authority
Attention: Pablo Arroyave
P.O. Box 2157
Los Banos, CA, 93635
E-mail: pablo.arroyave@sldmwa.org

Project Description: The San Luis & Delta-Mendota Water Authority (SLDMWA), its member agencies, Contra Costa Water District, and East Bay Municipal Utilities District (collectively referred to as the Buyers) may experience water shortages in 2026 and 2027 and are soliciting willing Sellers that may transfer surface water to them. The interested Buyers would negotiate with these interested Sellers to identify potential volumes of water that could be made available for transfer and the specifics of each transfer arrangement through single-year agreements for 2026 and 2027. Transfers of water would occur from Sellers primarily upstream of the Sacramento-San Joaquin Delta (Delta) to Buyers that primarily receive water conveyed through the Delta. The Proposed Project includes a range of potential single-year transfers of up to 250,000 acre-feet (AF) per year from Sellers to Buyers, made available from groundwater substitution and reservoir release actions.

Project Location: Proposed Project effects would occur within the Buyer Service Area and Seller Service Area and reservoirs used for reservoir release transfers. The transfers could originate from Sellers in Butte, Colusa, El Dorado, Glenn, Merced, Nevada, Placer, Sacramento, San Joaquin, Shasta, Sierra, Stanislaus, Sutter, Tehama, Yolo, and Yuba counties (**Figure 1**). The transfer Buyers could be in Alameda, Contra Costa, Fresno, Kings, Merced, San Benito, Santa Clara, and Stanislaus counties.

Findings: An Initial Study was prepared to evaluate whether the changes reflected in the Proposed Project and the circumstances in which it is undertaken result in new significant impacts or substantially more severe effects than have been previously analyzed. (Pub. Resources Code, § 21166; CEQA Guidelines, §§ 15162-15164.). Based on the Initial Study and in light of the entire record, SLDMWA has determined that the Final EIR retains its relevance and the Proposed Project would not have any new or substantially more severe significant direct, indirect, or cumulative impact on the existing environment. This conclusion is supported, without limitation, by the following findings:

- The project would result in beneficial impacts on water supply, geology and soils, air quality, noise, and agricultural land use in the Buyer Service Area.
- The project would result in less than significant impacts on water quality in the Seller Service Area and Buyer Service Area and less than significant impacts on greenhouse gas emissions, noise and vibration, agricultural land use, visual resources, recreation, and energy in the Seller Service Area.

- The project would result in less than significant impacts after mitigation to surface water supply, groundwater resources, air quality, biological resources, and geology and soils.

Mitigation Measures: The Initial Study identified the following mitigation measures:

Mitigation Measure WS-1: Streamflow Depletion Factor

The purpose of Mitigation Measure WS-1 is to address potential streamflow depletion effects to Central Valley Project (CVP) and State Water Project (SWP) water supply. Reclamation will apply a streamflow depletion factor to mitigate potential water supply impacts from the additional groundwater pumping due to groundwater substitution transfers. The streamflow depletion factor equates to a percentage of the total groundwater substitution transfer that will not physically be available for transfer to the Buyer (transferee) and is intended to offset the streamflow effects of the added groundwater pumping due to transfer.

As described in the impact analysis, the magnitude of the potential water supply impact depends on hydrologic conditions surrounding the transfer period (both before and after). The exact percentage of the streamflow depletion factor will be assessed and determined on a regular basis by Reclamation and California Department of Water Resources (DWR), in consultation with Buyers and Sellers, based on the best technical information available at that time. The percentage will be determined based on hydrologic conditions, groundwater and surface water modeling, monitoring information, and past transfer data. Application of the streamflow depletion factor will offset potential water supply effects and reduce them to a less than significant level. The streamflow depletion factor may not change every year but will be refined as new information becomes available. Analysis relied upon for this document was based on regional modeling; and more site-specific data, analysis, and groundwater modeling may result in different, local streamflow depletion factors. The streamflow depletion factor will be not less than 20 percent. However, this factor may be adjusted, either higher or lower, based on additional information on local conditions if new information indicates a substantial difference in local conditions that warrants a change.

Reclamation and DWR require the imposition of a streamflow depletion factor to ensure transfers do not violate the no injury rule (Water Code § 1702, 1706, and 1725), and other applicable laws, regulations and policies. This process to evaluate and determine the streamflow depletion factor will help verify that the factor reduces potential impacts to avoid injury to CVP or SWP water supplies and a substantial impact or injury.

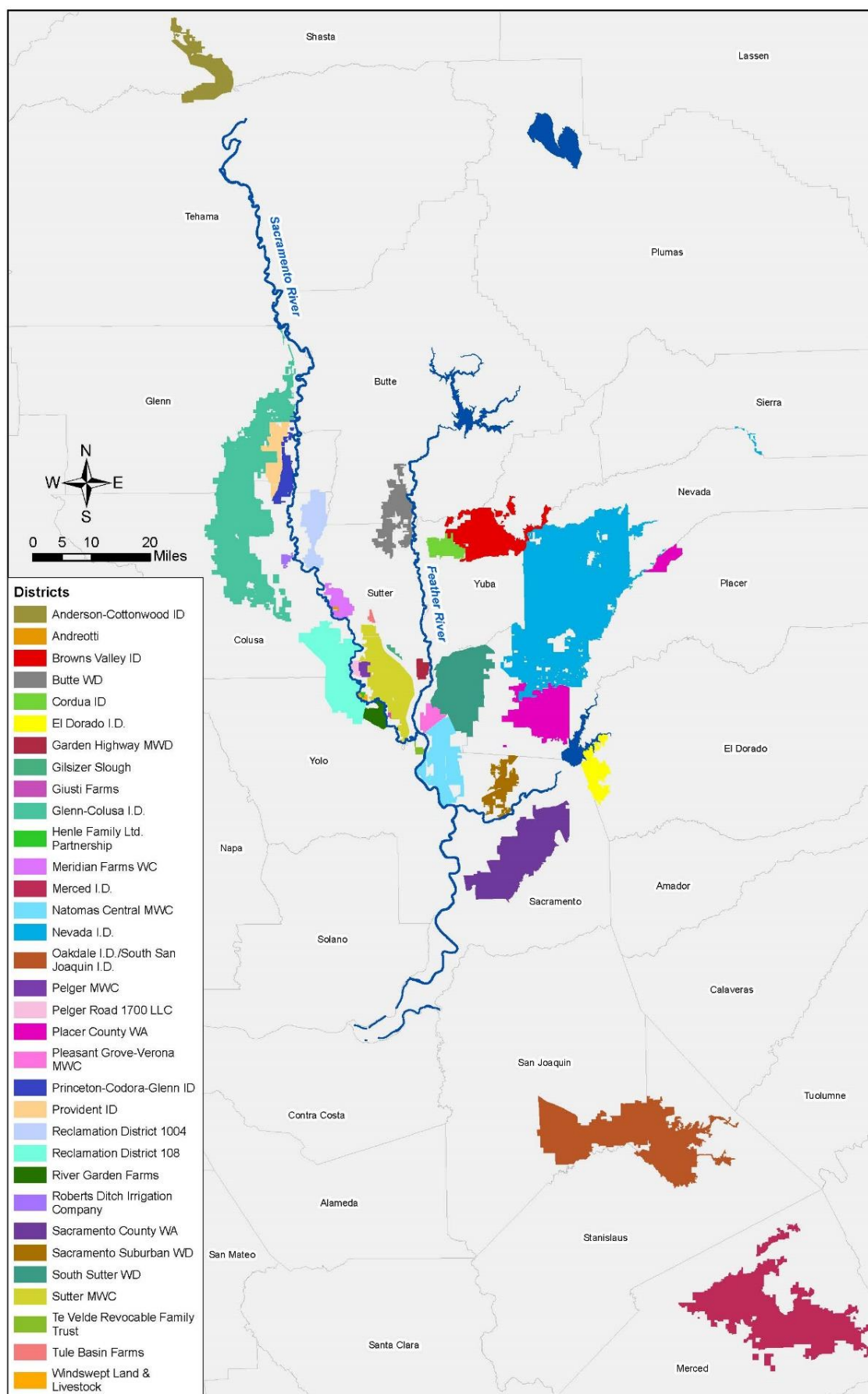


Figure 1. Potential Selling Entities

Mitigation Measure GW-1: Monitoring Program and Mitigation Plan

The objective of Mitigation Measure GW-1 is to avoid potentially significant adverse environmental effects from groundwater-level declines such as (1) impacts to other legal users of water; (2) land subsidence; (3) adverse effects to groundwater-dependent vegetation; or (4) migration of reduced quality groundwater. The measure accomplishes this by monitoring groundwater levels in the period during which groundwater is being pumped, in-lieu of diverting surface water, to cease groundwater pumping when the groundwater level reaches the established groundwater trigger. As described in the Mitigation Plan section below, the mitigation measure also requires prompt intervention, including the cessation of groundwater pumping, if groundwater level triggers are reached during transfer-related pumping or if, in the unlikely event, that a potential impact is detected to ensure it will be reduced to less than significant. Additionally, the mitigation measure requires preventative actions if monitoring shows that identified groundwater-level triggers are reached during transfer-related pumping. Potential Sellers are required to prepare a Monitoring Program and Mitigation Plan to address the required elements of the mitigation measure for review and approval by Reclamation prior to initiation of groundwater substitution pumping.

Sellers are required to submit monitoring reports to Reclamation and Reclamation will verify that participating Sellers implement the Monitoring Program and Mitigation Plan to avoid potentially significant adverse effects of transfer-related groundwater extraction. In addition, each entity making surface water available for transfer through groundwater substitution actions must confirm that the proposed groundwater pumping will be compatible with applicable state and local regulations and county groundwater management plans (GMPs), as well as GSPs. Most GSPs in the Seller Service Area have been reviewed and approved by DWR; and all of the GSAs are required to meet the sustainability objectives identified under SGMA, thus providing a regulatory backstop to prevent substantial adverse effects.

Well Review Process

Potential Sellers are required to prepare and submit a water transfer proposal to Reclamation a minimum of one month prior to the initiation of groundwater substitution pumping transfers. Potential Sellers are encouraged to electronically submit their water transfer proposal through DWR's online web application. Reclamation (in coordination with DWR) will review water transfer proposals and those groundwater substitution pumping transfers cannot start prior to Reclamation's approval. Water transfer proposals must include well data collected by potential Sellers consistent with the data requirements identified in the Water Transfers Information Checklist that is included in Reclamation and DWR's *Water Transfer White Paper*¹.

In the water transfer proposal, potential Sellers must also include subsidence information, which is available from DWR's InSAR data, best available subsidence information from their local DWR-approved GSP(s), or other available data relative to subsidence. Sellers must demonstrate that substantial land subsidence is not occurring within the area of a proposed participating transfer pumping well² in accordance with minimum thresholds identified in their local DWR approved GSP(s), subject to Reclamation's verification; and if it is occurring, the participating transfer pumping well would not be allowed to participate in groundwater substitution transfers, ensuring adverse effects of the Proposed Action would not occur in areas vulnerable to land subsidence.

¹ At the time of development of this EA/IS, the 2019 Water Transfers White Paper (Reclamation and DWR 2019) document governs the water transfers evaluated in this EA/IS. The Water Transfers White Paper is updated by Reclamation and DWR when necessary and the version of that governing document and the Water Transfers Information Checklist it includes shall be used by Sellers to develop their water transfer proposals. See Appendix E3 for the current Water Transfers Information Checklist (Reclamation and DWR 2019).

² A transfer pumping well is a production well used to pump groundwater as part of a groundwater substitution transfer under the Proposed Action.

Monitoring Program

Potential Sellers must complete and implement a monitoring program subject to Reclamation's approval (in coordination with DWR) that shall include, at a minimum, the following components:

Monitoring Well Network

The monitoring program, as determined by Reclamation, shall accurately characterize groundwater levels from the appropriate aquifers and their response in the area before, during, and after transfer-related substitution pumping takes place. Depending on local conditions, additional groundwater-level monitoring may be required near ecological resource areas such as areas with mapped groundwater dependent ecosystems. Sellers must identify, in the transfer proposal, suitable monitoring wells³ that meet the requirements below for review and approval by Reclamation (in coordination with DWR). If a suitable monitoring well(s) is not identified for a participating transfer pumping well, the well will not be allowed to participate in a water transfer until a suitable monitoring well(s) is identified, ensuring adverse effects of the Proposed Action are not occurring undetected.

The monitoring well network shall include the participating transfer pumping well and a suitable groundwater-level monitoring well(s) in the vicinity of the participating transfer pumping well(s). Suitable monitoring well(s) are required to: (1) be within a radius of between 500 feet and 2 miles from a Seller's groundwater substitution well; (2) be located within the same Bulletin 118⁴ subbasin as the groundwater substitution pumping well; and (3) have a screen depth(s) similar to the groundwater substitution pumping well(s). The suitable monitoring well may be established at a different radius if more well-specific data can be presented to Reclamation demonstrating a suitable monitoring well that is outside the radius established above. The request to use a different radius for the suitable monitoring well should be submitted with the water transfer proposal for review and approval by Reclamation (in coordination with DWR). If any SGMA representative monitoring sites (RMSs)⁵ meet the suitable monitoring well requirements presented above, then the RMS shall be included as the suitable monitoring well. At least one suitable monitoring well must be paired with a participating transfer pumping well. More than one participating transfer pumping well may be paired with a suitable monitoring well, provided the requirements above are met. Suitable monitoring wells with short historical records could be considered, but short records could limit the transfer because the measured historical low groundwater level (described below) may not reflect persistent drier conditions. In this situation, the lowest groundwater level for the short period of record would likely be higher than the historical low during a prior drought period. A groundwater level trigger (described below) based on the lowest groundwater level for a short period of record would be more restrictive than a trigger based on a historical low because the lowest groundwater level for the short period could be reached more quickly during transfer-related groundwater substitution pumping than the historically low groundwater level.

In addition to monitoring at the participating transfer pumping well and suitable monitoring well(s), Sellers must also identify all RMS wells within the Sellers' Service Area and within a two-mile radius of the service area boundary should be identified in their transfer proposal.

Groundwater Level Monitoring

³ A suitable monitoring well is used to monitor effects from groundwater substitution transfer pumping. A suitable monitoring well must meet the three requirements stated in the next paragraph.

⁴ Bulletin 118 is the State's official publication on the occurrence and nature of groundwater in California. DWR updated Bulletin 118 in 2020, the next update will be published in 2025.

⁵ A SGMA representative monitoring site (RMS) is a well identified in a GSP under SGMA for monitoring the sustainability indicator chronic lowering of groundwater levels. RMS wells include defined quantitative thresholds: minimum threshold and measurable objective.

Sellers will collect measurements of groundwater levels in the participating transfer pumping wells (those wells being used in-lieu of diverting surface water that is being made available for transfer) and the suitable monitoring well(s) in the monitoring network. Groundwater level measurements will be used to avoid both third-party impacts and inelastic (irreversible) subsidence based on the identified groundwater level triggers (described below). Measurements in the participating transfer pumping well(s) will be taken while the well is pumping in order to record the lowest levels reached. Measurements at the suitable monitoring well(s) will be static (non-pumping) groundwater levels. Groundwater-level monitoring will include measurements before, during, and after transfer-related substitution pumping. The Seller will measure groundwater levels as follows:

- Prior to transfer: Groundwater levels will be measured in all wells in the monitoring network, monthly from March in the year of the proposed transfer-related substitution pumping until the start of the transfer pumping. Monitoring will also be conducted on the day that the transfer pumping begins, prior to the pump being turned on.
- During transfer-related substitution pumping: Groundwater levels will be measured in all wells in the monitoring network, weekly throughout the pumping period unless the groundwater level threshold (described in the next subsection) is reached. Measurements will be required once every three days if a groundwater level threshold (described in the next subsection) is reached at the participating pumping well(s) or the suitable monitoring well(s).
- Post-transfer pumping: Groundwater levels will be measured in all wells in the monitoring well network, weekly for one month after the end of transfer-related pumping, after which groundwater levels will be measured monthly through March of the year following the end of the transfer pumping.

Groundwater Level Triggers and Thresholds

The primary criteria used to identify and avoid potentially significant impacts related to groundwater levels are the historical low groundwater levels for the participating transfer pumping wells and the suitable monitoring wells. Other criteria that may be used, if the RMS is selected as a suitable monitoring well and, therefore, the RMS meets the suitable monitoring well criteria presented above, are minimum thresholds for groundwater levels at RMSs set by GSAs and identified in the DWR approved GSPs. Sellers will manage groundwater levels to maintain them above the identified historical low groundwater level (trigger). Sellers will initiate the increased frequency of monitoring (discussed in a later subsection) if groundwater levels reach the threshold and will initiate the mitigation plan (discussed in a later subsection) if groundwater levels reach the trigger. Monitoring and operating to these groundwater level triggers and thresholds are the best available tools to avoid potential impacts to the environment as well as to third parties, and to avoid irreversible subsidence. The potential for irreversible subsidence would only occur when groundwater levels are below historic low levels (U.S. Geological Survey 2018); therefore, this measure would also avoid any potential irreversible (permanent) subsidence.

As part of a Seller's transfer proposal subject to Reclamation's (in coordination with DWR) review and approval, the Seller will need to identify a proposed groundwater level trigger for each pumping well and each suitable monitoring well (established through the historical low groundwater level for that well). The historical low groundwater level at a participating transfer pumping well will likely have occurred when the well was operating (e.g., pumping water level); and similarly, the historical low at a suitable monitoring well will likely have occurred when the associated participating transfer pumping well was operating. However, the identified trigger for a suitable monitoring well cannot be from a measurement made while the suitable monitoring well was operating. Any pumping taking place at the participating transfer pumping well at the time when the historical low groundwater level is identified must represent normal operations and not periods of heavy pumping for well development or testing.

Based on the groundwater level trigger, a groundwater level threshold for each pumping well and each suitable monitoring well is established at ten feet above the trigger. When groundwater monitoring at the frequency identified above (e.g., weekly during transfer pumping) indicates the groundwater level declined to or below the threshold, the frequency of groundwater-level monitoring shall increase to once every three days for that well (participating transfer pumping well or suitable monitoring well). The groundwater level threshold may be established at a different level if a more well specific threshold can be identified based on past groundwater level trends at the participating transfer pumping well or suitable monitoring well. The groundwater level trigger and threshold for each participating transfer pumping well and each suitable monitoring well is required in the water transfer proposal submitted to Reclamation (in coordination with DWR) for review and approval.

Groundwater level declines due to pumping occur initially at the pumping well and then propagate outward from that location. The magnitude of groundwater level decline caused by pumping also decreases with increasing distance from the pumping well. Therefore, groundwater level declines caused by transfer-related substitution pumping would be observed first at the pumping well and subsequently at the suitable monitoring well. The decline would be greatest at the participating transfer pumping well and lower at the suitable monitoring well. Therefore, it is likely that groundwater levels in the participating transfer pumping well would decline to the historical low groundwater level trigger or groundwater level threshold sooner than at the suitable monitoring well(s). The groundwater level measurements at the suitable monitoring well(s) would provide information surrounding the participating transfer pumping well to avoid potential significant or cumulative impacts.

Other Monitoring

Groundwater Quality. For municipal Sellers, the comprehensive water quality testing requirements of CCR Title 22, Chapter 15, Domestic Water Quality and Monitoring Regulations (SWRCB 2024) are considered sufficient for the water transfer monitoring program. Agricultural Sellers shall measure specific conductance in samples from each participating transfer pumping well. Samples shall be collected when the Seller first initiates pumping, monthly during the pumping period, and at the termination of transfer-related pumping. Sellers shall provide details such as sample location(s), sample well depth, sample well construction information, and distance from sample location(s) to the participating transfer pumping well.

Groundwater Pumping Measurements. All wells pumping groundwater to replace surface water made available for transfer shall be configured with a permanent instantaneous and totalizing flowmeter capable of accurately measuring well discharge rates and volumes. Flowmeters will be installed and calibrated in accordance with manufacturer's recommendations and the relevant documentation will be submitted by the Seller to Reclamation. Flowmeter readings will be recorded in a similar frequency as groundwater level monitoring, as follows:

- Prior to transfer: Readings will be recorded on the day that the transfer pumping begins, prior to the pump being turned on.
- During transfer-related substitution pumping: Flowmeter readings will be recorded weekly throughout the pumping period. If the measured groundwater levels meet or decline below the groundwater level threshold (described in the subsection above), flowmeter readings shall be recorded every three days.
- Post-transfer pumping: Flowmeter readings will be recorded immediately following cessation of transfer-related pumping.

Shallow Groundwater Level Monitoring for Groundwater Dependent Ecosystems (GDEs)⁶ supporting Shallow-Rooted and Deep-Rooted Vegetation. To avoid significant effects to GDEs and allow Sellers to modify actions before significant effects occur, Sellers will monitor groundwater level data to verify that significant adverse effects to GDEs with shallow-rooted or deep-rooted vegetation are avoided. This monitoring is only required in areas that have been identified as GDEs in the Nature Conservancy's Natural Communities Commonly Associated with Groundwater Dataset Version 2.0 (NCCAG 2.0) (The Nature Conservancy 2021) data set or by an approved GSP and either (1) contain shallow-rooted (i.e., groundwater dependent vegetation, such as riparian phreatophytes that have roots extending up to 30 feet deep) within a 0.5-mile radius of the participating transfer pumping well and areas where groundwater levels are less than 30 feet below ground surface prior to starting transfer-related pumping; or (2) contain deep-rooted vegetation (i.e., primarily valley oak trees that could have roots up to 80 feet deep) within a 0.5-mile radius of the participating transfer pumping well and areas where groundwater levels are less than 80 feet below ground surface prior to starting transfer-related pumping. This monitoring is not required in areas with no GDEs with shallow-rooted and/or deep-rooted vegetation within 0.5-mile of the participating transfer pumping well(s) or in areas where vegetation is located along waterways or irrigated fields that will continue to have water during the period of transfer.

In their transfer proposal, the Seller would be required to identify if monitoring for shallow-rooted and/or deep-rooted vegetation associated with a GDE is a requirement. Best available information such as the NCAAG 2.0, GDE Pulse 2.3 (<https://gde.codefornature.org/#/home>) or GSA⁷ collected data/information could be used to identify GDEs containing shallow and/or deep rooted vegetation near the participating transfer pumping well and to determine the health and maximum rooting depth of dominant vegetation in the GDE. The proposal would require the distance between participating transfer pumping well and the GDE, as well as the dominant vegetation type (e.g., shallow-rooted vegetation such as cottonwood, willows or deep-rooted vegetation such as valley oaks), and photographs from a pre-season vegetation assessment.

If a GDE comprised of shallow-rooted and/or deep-rooted vegetation is identified near the participating transfer pumping well, a groundwater level monitoring well with the following requirements would need to be identified and monitored: (1) monitoring well is within a 0.5-mile radius of the GDE containing shallow-rooted and/or deep-rooted vegetation; and (2) monitoring well would measure shallow groundwater level changes (typically less than 80 feet below ground surface). For each GDE monitoring well, a minimum groundwater threshold would be identified by the Seller using hydrologic data and expert opinion based on the ecological function and value of the GDE, and on the maximum rooting depth of its dominant vegetation type. If monitoring data at the monitoring well indicate that groundwater levels have dropped below the groundwater threshold within the GDE, the Seller must implement actions set forth in the mitigation plan. However, if a qualified plant ecologist/arborist determines that the GDE is in relatively healthy condition, and historical data show that groundwater levels in the area have typically fluctuated by more than this amount annually during the proposed transfer period, then the transfer may be allowed to proceed without any monitoring requirements. Prior to transfer pumping, the Seller must submit to Reclamation historical data showing groundwater fluctuations in the vicinity of the GDE.

If no monitoring wells with the requirements discussed in the previous paragraph exist, monitoring would be based on visual observations by a qualified plant ecologist/certified arborist of the health of these areas of shallow- or deep-rooted vegetation until it is feasible to obtain or

⁶ Groundwater dependent ecosystems (GDEs) are plant communities that solely or partially depend on the availability of groundwater to maintain their structure and function. Evaluation of impacts to GDEs from proposed action are discussed under Section 3.7, Biological Resources.

⁷ Groundwater sustainability agencies (GSAs) are local agencies required to form as a requirement of SGMA for high and medium priority basins and implement GSPs to avoid undesirable results and mitigate overdraft within groundwater basins (DWR 2024b).

install shallow groundwater monitoring. Monitoring of these areas would include a pre-pumping vegetation assessment of GDEs within a 0.5-mile radius of the pumping well followed by monthly assessments during transfers and assessment near the end of the pumping season but prior to fall/autumn leaf-drop. The assessment of post-pumping impacts on deep-rooted vegetation will be conducted by a qualified plant ecologist/arborist and will take into account the existing health conditions of the vegetation prior to pumping, species present, size-class of trees, and rainfall data from the previous WYs. Photographs from the assessment must be provided to Reclamation as part of the annual transfers reports. If the qualified plant ecologist/certified arborist determines, based on site-specific circumstances, that groundwater pumping has caused any loss of the shallow-rooted or deep-rooted vegetation the Seller must implement restoration actions set forth in the mitigation plan. Findings from the pre-pumping assessment, during transfers pumping assessment and post-pumping assessment will be reported to Reclamation in monthly transfers reports.

Coordination Plan

The monitoring program will include a plan to coordinate the collection and organization of monitoring data. This plan will describe how input from third party well owners will be incorporated into the monitoring program and will include a plan for communication with Reclamation as well as other decision makers and third parties.

Additionally, Reclamation and potential Seller(s) will coordinate closely with potentially affected third parties to collect and monitor groundwater data. If a third party expects that it may be affected by a proposed transfer, that party should contact Reclamation and the Seller with its concern. The burden of collecting groundwater data will be the Seller's responsibility with oversight by Reclamation. If warranted, additional groundwater-level monitoring to address the third party's concern may be incorporated into the monitoring and mitigation plans (which may include compensatory mitigation) required by Mitigation Measure GW-1. No significant adverse impacts to third parties are anticipated from implementation of the Proposed Action as mitigated because Mitigation Measure GW-1 is designed to avoid impacts related to groundwater pumping.

Evaluation and Reporting

The monitoring program will describe the method of reporting monitoring data.

- Potential Sellers are encouraged to prepare and submit a water transfers proposal by March 1 of transfers years for Reclamation (in coordination with DWR) review and approval.
- Sellers will provide monthly spreadsheets of data collected (such as groundwater levels at a participating transfer pumping well and suitable monitoring well, flowmeter readings at the participating well, and groundwater quality monitoring data at the participating transfer pumping well) and where applicable, photographs from the shallow-rooted or deep-rooted vegetation assessment, to Reclamation during transfers.
- If the groundwater level threshold is reached at the participating transfer pumping well(s) or suitable monitoring well(s), weekly reporting would be required for the well(s). If the groundwater level threshold is reached, then increased frequency of reporting will be required and summarized in the transfer proposal and subject to Reclamation (in coordination with DWR) review and approval.
- Post-transfer reporting will continue monthly through March of the year following the transfer.

Sellers will provide a final summary report to Reclamation evaluating the effects of the water transfer. The final report will identify transfer-related effects on groundwater and surface water (both during and after pumping), and the extent of effects, if any, on local groundwater users. It shall include hydrographs for each well in the monitoring network, showing pre-transfer

groundwater levels, groundwater levels at the end of the transfer period, and recovered groundwater levels in March of the year following the transfer. The final summary report shall also identify the extent of transfer-related effects, if any, to ecological resources such as fish, wildlife, and vegetation resources. The final summary report will be subject to Reclamation (in coordination with DWR) review and approval and will determine if the Seller (or one or more of the Seller's wells) would be allowed to participate in future transfers. Reclamation will consider the potential for adverse impacts to subsidence, third-party sellers or GDEs from future transfers pumping. Reclamation will coordinate with the Seller in order to obtain, review, and analyze any additional data to assess the removal of a well from a future transfer prior to making such a determination.

Mitigation Plan

Potential Sellers must complete and implement a mitigation plan to avoid groundwater-related adverse impacts and ensure prompt intervention to avoid unanticipated adverse effects. This plan must document the intended actions if the potential arises for unanticipated impacts to groundwater resources or groundwater-dependent vegetation. This plan must be submitted to Reclamation (in coordination with DWR) for review and approval as part of the water transfer proposal, prior to initiating groundwater substitution pumping.

Groundwater Resource Mitigation

If groundwater level triggers are reached at the participating transfer pumping well(s) or the associated suitable monitoring well (s) (established through the historical low groundwater levels), transfer-related pumping would stop from the participating transfer pumping well for which the trigger was reached. Transfer-related pumping could not continue from this well (in the same year or a future year) until groundwater levels recovered to above the groundwater level trigger. Any volume of water pumped at a participating transfer pumping well while a groundwater level is at or below a trigger, for that participating transfer pumping well or associated suitable monitoring well, would not be credited in the groundwater substitution transfer. If groundwater level thresholds (i.e., ten feet above the groundwater level trigger [identified historical low groundwater level]) are reached or exceeded at the participating transfer pumping well(s) or the associated suitable monitoring well(s), the monitoring frequency would increase in order to evaluate and predict the reduction in groundwater levels, and the transfer-related pumping would stop from the participating transfer pumping when the trigger is reached. Implementation of the mitigation plan thus avoids any potentially significant groundwater impacts. Other interventions that could be used in conjunction with stopping transfer-related pumping and that could assist in avoidance of potentially significant groundwater impacts could include:

- Sellers would be responsible for reimbursement to non-transferring third parties for significant increases in their groundwater pumping costs owing to the groundwater substitution pumping action, as compared with their costs absent the transfer
- Sellers would be responsible for reimbursement to non-transferring third parties for modifications to infrastructure that may be affected
- Other appropriate actions based on local conditions as proposed by the Sellers and subject to review/approval by Reclamation (in coordination with DWR).

GDE Shallow-Rooted and Deep-Rooted Vegetation Mitigation

If shallow groundwater-level monitoring indicates that groundwater levels at a GDE have dropped below the minimum threshold that was identified taking into account the maximum rooting depth of shallow-rooted or deep-rooted vegetation, the Seller must stop transfer-related pumping at the participating transfer pumping well and cannot resume pumping until groundwater levels have recovered to levels above the root zones. However, if historical data at the location indicate shallow groundwater levels typically declined during the transfer period and remained below the root zone then the transfer may be allowed to proceed.

In areas where visual monitoring is conducted to monitor health of shallow-rooted and deep-rooted vegetation, the Seller must stop transfer-related pumping at the participating transfer pumping well if the qualified plant ecologist/arborist, determines a loss or substantial risk of loss of vegetation.

If a loss of vegetation occurs, the Seller will perform restoration activities by replanting similar vegetation at a 1:1 ratio at the location where loss occurs (for every 1-inch diameter at breast height [dbh] lost, 1-inch dbh will be planted). For example, if 12-inch dbh of oak is lost, then the Seller would have to plant twelve 15-gallon oak saplings at around 1-inch dbh each. Therefore, the Seller would plant more trees than lost. The Seller will plant, irrigate, maintain, and monitor restoration of vegetation for three years to replace the loss(es). All plantings will be fitted with exclusion cages or other suitable protection from herbivores. Plantings will be irrigated for three years or until the survival criterion is met. If 75 percent of the plants survive at the end of the three-year monitoring period, the revegetation will be considered successful. If the survival criterion is not met at the end of the monitoring period, planting and monitoring will be repeated after mortality causes have been identified and corrected. Annual monitoring reports, prepared by a qualified plant ecologist/arborist, will document the status of the plantings and recommendations for remediation as necessary. The monitoring reports will be provided to the Seller and Reclamation by August 31 following each year of monitoring (generally beginning July 1 through June 30 of the following year) to allow time for additional planting activities, if necessary.

Transfer-related pumping could not continue at the subject well while vegetation restoration activities consistent with the requirements above are ongoing (i.e., three years or until the survival criterion is met). Transfer-related pumping at the subject well could not resume after restoration unless the Seller provides evidence that resuming pumping will not affect GDE vegetation (such as data from the installation of a new shallow groundwater-level monitoring well within a 0.5-mile radius of the vegetation that indicates stable shallow groundwater levels at less than the rooting depth of the dominant plant species that comprises the GDE).

Mitigation Measure AQ-1: Reduced Pumping

Selling agency would reduce pumping at diesel and propane wells to reduce emissions to below the thresholds. Agencies may also decide to replace old diesel wells with cleaner (i.e., higher emission tier) diesel pumps or electric wells to reduce emissions to below the thresholds. Any selling agency with potentially significant emissions, as determined by this EA/IS, will be required to submit information in the water transfer proposal, prior to making water available for transfer through groundwater substitution actions, that documents the wells that would be utilized to support those groundwater substitution actions to stay below the thresholds. The selling agency must also maintain recordkeeping logs that document the specific engine to be used for making water available for transfer through groundwater substitution actions, the power rating (hp), and applicable emission factors. Calculations for daily emissions will be completed for comparison to the significance thresholds determined for each selling agency. In the annual report, the selling agencies will be required to submit documentation specifying that the wells would only be pumped in accordance with the transfer proposals.

REFERENCES

Bureau of Reclamation and California Department of Water Resources (Reclamation and DWR). 2019. DRAFT Technical Information for Preparing Water Transfer Proposals (Water Transfer White Paper) Information for Parties Preparing Proposals for Water Transfers Requiring Department of Water Resources or Bureau of Reclamation Approval. December 2019. Available at: https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/State-Water-Project/Management/Water-Transfers/Files/Draft_2019WTWhitePaper-012324.pdf. [Accessed on August 21, 2024].

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Exhibit 1.d.

Notice of Determination**Appendix D****To:**

☒ Office of Planning and Research
 U.S. Mail: _____ Street Address: _____
 P.O. Box 3044 1400 Tenth St., Rm 113
 Sacramento, CA 95812-3044 Sacramento, CA 95814

☒ County Clerk
 County of: See attached list.
 Address: _____

From:

Public Agency: San Luis & Delta-Mendota Water Authority
 Address: 842 6th St Los Banos, CA 93635

Contact: Pablo Arroyave; 209-832-6200
 Phone: pablo.arroyave@sldmwa.org

Lead Agency (if different from above): _____

Address: _____

Contact: _____

Phone: _____

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2011011010

Project Title: Addendum to the 2019 Final LTWT EIR for 2026-2027 North to South Water Transfers

Project Applicant: San Luis & Delta-Mendota Water Authority

Project Location (include county): Multiple - see attached counties list.

Project Description:

The 2026-2027 North to South Water Transfers (NSWT) EA/IS and Addendum to the 2019 Final Long-Term Water Transfers (LTWT) EIR, evaluate a range of potential single-year water transfers of up to 250,000 acre-feet per year from Sellers primarily upstream of the Delta to Buyers that primarily receive water conveyed through the Delta. Transfer water would be made available from groundwater substitution and reservoir release actions.

This is to advise that the San Luis & Delta-Mendota Water Authority has approved the above
 (☒ Lead Agency or ☐ Responsible Agency)

described project on May 14, 2026 and has made the following determinations regarding the above
 (date)
 described project.

1. The project [☐ will ☒ will not] have a significant effect on the environment.
2. ☒ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
☐ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☒ were ☐ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [☒ was ☐ was not] adopted for this project.
5. A statement of Overriding Considerations [☐ was ☒ was not] adopted for this project.
6. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:

San Luis & Delta-Mendota Water Authority, 842 6th St Los Banos, CA 93635

Signature (Public Agency): _____ Title: _____

Date: _____ Date Received for filing at OPR: _____

County Clerks

Alameda County
1106 Madison Street
Oakland, CA 94607

Butte County
155 Nelson Ave
Oroville, CA 95965

Colusa County
546 Jay Street, Room 200
Colusa, CA 95932

Contra Costa County
555 Escobar Street
Martinez, CA 94553

El Dorado County
360 Fair Ln
Placerville, CA 95667

Fresno County
2220 Tulare Street, 1st Floor
Fresno, CA 93721

Glenn County
516 West Sycamore St, Suite 2
Willows, CA 95988

Kings County
1400 W. Lacey Blvd
Hanford, CA 93230

Merced County
2222 M Street
Merced, CA 95340

Nevada County
950 Maidu Avenue, Suite 210
Nevada City, CA 95959

Placer County
2954 Richardson Drive
Auburn, CA 95603

Sacramento County
3636 American River Dr, Suite 110
Sacramento, CA 95864

San Benito County
1601 Lana Way
Hollister, CA 95023

San Joaquin County
44 North San Joaquin Street, Room 260
Stockton, CA 95202

Santa Clara County
110 West Tasman Dr, 1st floor
San Jose, CA 95134

Shasta County
1450 Court St, Suite 108
Redding, CA 96001

Sierra County
100 Courthouse Sq, Room 11
Downieville, CA 95936

Solano County
675 Texas Street, Suite 6500
Fairfield, CA 94533

Stanislaus County
1021 I Street, Suite 101
Modesto, CA 95354

Sutter County
433 Second Street
Yuba City, CA 95991

Tehama County
633 Washington Street, Room 11
Red Bluff, CA 96080

Yolo County
625 Court Street, Room B01
Woodland, CA 95695

Yuba County
915 8th Street, Suite 107
Marysville, CA 95901

Exhibit 2

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2026-

**RESOLUTION AUTHORIZING EXECUTION OF 2026 WATER PURCHASE AND
SALE AGREEMENTS PURSUANT TO THE ADDENDUM AND ACTIONS RELATED
THERE TO**

WHEREAS, in September 2023, the San Luis & Delta-Mendota Water Authority (“Water Authority”) Board of Directors adopted Resolution No. 2023-516 which authorized execution of a North to South Water Transfers Activity Agreement (“Activity Agreement”) for Water Authority members who desired to participate in the north to south water transfers beginning in 2025;

WHEREAS, on March 24, 2026, Water Authority agricultural water service contractor members received an allocation of twenty (20) percent of their full Central Valley Project contractual supply for irrigation for the 2026 water year, and current projections show that subsequent increases in allocations, if any, will be made later in the season and are expected to be minimal; and

WHEREAS, in order to facilitate potential north to south transfers in 2026, Water Authority staff and interested Activity Agreement members have been negotiating with potential sellers to purchase water made available for transfer through groundwater substitution and has initiated actions with the Bureau of Reclamation (“Reclamation”); and

WHEREAS, Water Authority staff currently estimates that 2026 north to south water transfers will involve transfer of up to approximately 32,000 acre-feet of water made available through groundwater substitution, at a price to be determined; and

WHEREAS, the Water Authority Board of Directors has considered the form of the template one-year 2026 Water Purchase and Sale Agreement, which sets forth the terms and conditions to be entered into with the sellers;

WHEREAS, the Water Authority Board has previously authorized the Activity Agreement, establishing the terms under which the benefits and obligations of the 2026 Water Purchase and Sale Agreements will be shared by the Activity Agreement members; and

WHEREAS, pursuant to the National Environmental Policy Act (“NEPA”), Reclamation acting as Federal lead agency, and pursuant to the California Environmental Quality Act (“CEQA”), the Water Authority acting as State lead agency, prepared a joint Environmental Assessment/Initial Study evaluating a range of potential single-year water transfers for 2026 and 2027 of up to 250,000 acre-feet total per year from sellers primarily upstream of the Delta to buyers that primarily receive water conveyed through the Delta made available through groundwater substitution, including those to be implemented through the 2026 Water Purchase and Sale Agreements; and

WHEREAS, pursuant to CEQA, on May 14, 2026, the Water Authority approved the Initial Study and adopted an Addendum to the 2019 Revised Long-term Water Transfers EIR for 2026-2027 North to South Water Transfers; and

WHEREAS, pursuant to NEPA, on March 16, 2026, Reclamation approved the EA and adopted a Finding of No Significant Impact.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby approves the proposed template 2026 Water Purchase and Sale Agreement in substantially the form that has been presented to the Board and subject to final water purchase pricing determination by the Activity Agreement member(s) participating in 2026 north to south transfers and to such revisions, modifications, additions or deletions as the executing officer may approve prior to execution, including but not limited to final pricing, call date, and any option payment terms.

Section 3. The authorizations conferred by this Resolution, and the documents executed in reliance upon it, shall be contingent upon the occurrence of the following actions: (1) the effects of the transfer having been analyzed in the applicable NEPA and CEQA documents; and (2) the written consent of at least one Activity Agreement member to purchase the water made available through the 2026 Water Purchase and Sale Agreements on the finally negotiated terms.

Section 4. In the event the contingencies described in Section 3 fail to occur, the authorization conferred by this Resolution is revoked *ab initio*, and any documents executed by the Water Authority in reliance upon this Resolution shall have no binding force or effect.

Section 5. The Executive Director, Chief Operating Officer, or such Water Authority employee or consultant, as either of such officers designate, are further authorized and directed to take such additional steps, and to execute such additional documents, as may be required or reasonably necessary to the completion of the activities authorized by this Resolution.

PASSED, APPROVED AND ADOPTED this 14th day of May, 2026, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

Cannon Michael, Chair

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

Attest:

Federico Barajas, Secretary

.....

I hereby certify that the foregoing Resolution No. 2026- was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 14th day of May, 2026.

Federico Barajas, Secretary

Exhibit 2.a.

WATER PURCHASE AND SALE AGREEMENT
BY AND BETWEEN _____ AND THE SAN LUIS & DELTA MENDOTA
WATER AUTHORITY

This Agreement is entered into this ____ day of _____, 2026 by and between _____, hereinafter referred to as “**Seller**” or “_____,” and the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, hereinafter referred to as “**Buyer**” or “**Water Authority**.” _____ and the Water Authority may be referred to herein individually as a “**Party**” or jointly as “**Parties**.”

RECITALS

WHEREAS, _____ is a California irrigation district operating under and by virtue of Division 11 of the California Water Code and is empowered to sell and transfer water to Buyer as provided for in this Agreement; and

WHEREAS, Buyer is a California joint powers authority operating under and by virtue of Section 6500, et seq., of the California Government Code and is empowered to purchase water from Seller as provided for in this Agreement; and

WHEREAS, Buyer’s members are 27 public agencies representing approximately 1,100,000 acres of land within the western San Joaquin Valley, San Benito and Santa Clara Counties, 25 agencies of which obtain water from the United States Bureau of Reclamation (“**Reclamation**”) through the federal Central Valley Project (“**CVP**”) under water service or repayment, exchange/settlement, or refuge contracts; and

WHEREAS, Water Authority agricultural water service contractor members received an initial allocation of twenty (20) percent of their full contractual supply for irrigation for the 2026 water year, and current projections show that subsequent increases in allocations, if any, will be made later in the season and are expected to be minimal; and

WHEREAS, Seller holds a Sacramento River Settlement Contract with Reclamation (Contract No. _____), which governs Seller’s diversions of water from the Sacramento River and its tributaries for beneficial uses; and

WHEREAS, Seller is willing to make water available for sale and delivery to the Water Authority by certain forbearance action or by petition to the State Water Resources Control Board (“**SWRCB**”) under its water rights by increasing the quantity of groundwater pumped within Seller’s service area, thereby reducing the amount of surface water Seller diverts and uses for irrigation within its service area in 2026; and

WHEREAS, on behalf of Water Authority participating members (the “**Transfer Participants**”), Buyer intends by this Agreement to obtain a supplemental water supply for the Transfer Participants’ use for irrigation in 2026 to provide water required for reasonable and beneficial use given the anticipated reduction in deliveries of contract quantities from the CVP; and

Initials: _____

****Draft Template****

WHEREAS, Seller, Buyer, and Reclamation will execute a companion consent to transfer agreement (the “**Approval Agreement**”) for 2026 to set forth the terms and conditions under which Reclamation will facilitate Seller making water available to the Water Authority via Seller’s actions in 2026; and

WHEREAS, Seller, Buyer and the California Department of Water Resources (“**DWR**”) may execute a conveyance agreement (the “**DWR Conveyance Agreement**”) for 2026 to set forth the terms and conditions by which DWR will facilitate the conveyance of the Agreement-Water utilizing the Banks Pumping Plant and the California Aqueduct.

NOW, THEREFORE, Seller and Buyer, on the terms and conditions set forth herein, agree as follows:

AGREEMENT

1. DEFINITIONS: The following definitions shall govern this Agreement:

- a. “**Agreement-Water**” is the surface water transferred and made available to Buyer through this Agreement as a result of Seller’s actions through groundwater substitution in accordance with California Water Code Sections 380 et seq., 1745, et seq. and 22259.
- b. “**Point of Delivery**” means Seller’s primary point of diversion of surface water at the Seller’s point of diversion on the Sacramento River.
- c. “**Carriage Losses and Depletions**” mean water losses imposed on Agreement-Water by Reclamation or DWR. Carriage Losses and Depletions shall not, however, include the Assumed Depletion Loss defined in Paragraph 4.c.

2. TERM: This Agreement shall commence on the date set forth above and expire on December 31, 2026, unless terminated sooner by written agreement of the Parties pursuant to the provisions set forth herein; provided, however, that any obligations under this Agreement to be performed after December 31, 2026, shall survive the expiration of the term of this Agreement and shall be fully enforceable.

3. AGREEMENT TO SELL: Seller agrees to sell and make available at the Point of Delivery, and the Water Authority agrees to purchase, Agreement-Water during the term of this Agreement for the Transfer Participants’ reasonable and beneficial use, in the quantities described and subject to the terms and conditions of this Agreement.

- a. All Agreement-Water will be used within the boundaries of Buyer’s Transfer Participants.
- b. The Water Authority shall be solely responsible for determining the identities of its members who shall receive an allocation of the water acquired and the quantity allocated to each of them.

4. QUANTITY AND ADJUSTMENTS TO QUANTITY:

Initials: _____

- a. **Quantity.** Seller agrees to sell and make available at the Point of Delivery to Buyer up to 20,000 acre-feet of Agreement-Water through groundwater substitution, subject to Buyer's call on Agreement-Water pursuant to Paragraphs 6, and subject to the other terms and conditions of this Agreement.
- b. **Availability.** The quantity of Agreement-Water that Seller makes available for transfer through groundwater substitution during any month shall be as determined by Reclamation in accordance with the terms and conditions of the Approval Agreement. Following Seller's actions to make Agreement-Water available at the Point of Delivery, Reclamation shall determine and confirm the final amount of Agreement-Water made available during such month.
- c. **Groundwater Depletion.** Water pumped by Seller, if any, for use in place of the surface water made available to Buyer pursuant to this Agreement will be subject to an Assumed Depletion Loss of 20%, or an alternate amount of depletion losses as determined by Reclamation in accordance with the Final 2026-2027 North to South Water Transfers Environmental Assessment/Initial Study (EA/IS) or determined by the SWRCB Order approving Seller's petition(s) for transfers, if filed, for such Agreement-Water. Seller shall bear the cost of the Assumed Depletion Losses, and payment due to Seller is based on the net quantity of water made available to Buyer after Assumed Depletion Losses are applied. For purposes of this Agreement, "**Assumed Depletion Loss**" means the total reduction in stream flow assumed by Reclamation to result from additional groundwater pumping that may occur as a result of this Agreement. The Parties acknowledge that, as of the effective date of this Agreement, Seller does not concede that there are adequate data or analyses supporting the Assumed Depletion Loss. The Assumed Depletion Loss for this Agreement shall in no manner whatsoever constitute a precedent for any determination or allocation of depletion loss in connection with any future water transfer involving Seller, or in connection with any determinations by any regulatory agency regarding the classification of the water pumped by the Seller. Nothing in this Agreement constitutes an admission by Seller for purposes of future transfers that any regulatory requirements imposed on the transfer under this Agreement are required under applicable law.
- d. **Losses.** Buyer shall bear all other Carriage Losses and Depletions, including without limitation Delta carriage water loss and California Aqueduct/Delta-Mendota Canal conveyance losses imposed on Agreement-Water between Seller's Point of Delivery and Buyer's delivery to the Transfer Participants within Buyer's service area.
- e. **Operational/Regulatory Limitations on Buyer's Ability to Export/Litigation Termination.** If Buyer makes a final call for Agreement-Water made available by groundwater substitution, but due to regulatory or operational constraints, Reclamation is unable to store such water at Reclamation's facilities on the Sacramento River or to deliver such water to Buyer through Delta pumping facilities at the time such water is scheduled to be made available by Seller, or if Reclamation terminates the Approval Agreement, Buyer shall provide to Seller at least a 72-hour notification to reduce, suspend, or terminate groundwater pumping. The Parties shall promptly meet and confer regarding the details

Initials: _____

and specifics of any such regulatory and operational constraints, and cooperate in good faith to determine when Seller's groundwater pumping may resume making water available to Buyer. If the Parties cannot develop a mutually acceptable plan for the resumption of groundwater pumping and the diversion of all or a portion of the transfer water, Buyer shall still be obligated to pay for all of the water made available prior to the end of the 72-hour notification period, but not for any groundwater that has at that time not yet been pumped by Seller. Further, if Buyer and Seller mutually agree to terminate this Agreement under Paragraph 14.b or 16.b.i, Buyer may provide the same 72-hour notification and shall be obligated to pay for all of the water made available up to the end of the 72-hour notification period, but not for any groundwater that has not yet been pumped by Seller at the end of the 72-hour period.

- 5. PURCHASE PRICE:** Subject to Buyer's call on Agreement-Water under Paragraphs 6, Buyer agrees to purchase and pay for Agreement-Water at the Point of Delivery. The purchase price shall be \$__ per acre-foot for water made available by Seller and that Reclamation determines is transferrable.

Notwithstanding the foregoing, the price per acre-foot will not be lower than the price Buyer pays to any other Seller in the Sacramento Valley in 2026 for groundwater substitution transfers.

6. CALL DATE AND "TAKE OR PAY" OBLIGATION FOR WATER MADE AVAILABLE THROUGH GROUNDWATER SUBSTITUTION:

- a. **Call.** Seller will notify Buyer and Reclamation, in writing, of the quantity of Agreement-Water offered by June 8, 2026. On or before 5:00 p.m. on June 10, 2026, (the "Call Date"), Buyer shall notify Seller and Reclamation, in writing, of the quantity of offered Agreement-Water Buyer intends to purchase. Buyer shall provide further notice, on or before 5:00 p.m. on June 24, 2026 (the "Final Call Date") of the final amount of water Buyer agrees to purchase from Seller.
- b. **Option.** Concurrently with the notice given on the Call Date, Buyer shall tender to Seller an option payment of \$20 per acre-foot for the quantity of Agreement-Water Buyer has specified on such Call Date. All option payments will be applied to the total purchase price of water requested by Buyer on the Call Date; however, the option payment shall be non-refundable.
- c. **"Take or Pay" Obligation.** Buyer will have a "take or pay" obligation upon Buyer's notification to Seller of the quantity of Agreement-Water Buyer wishes to purchase on the Call Date, and Buyer may not elect to order or pay for less than the amount specified in the notice to Seller, except when and to the extent Buyer has provided 72 hours' notice pursuant to Paragraph 4.e. or the Parties have mutually agreed to terminate the Agreement.

Initials: _____

7. INVOICING AND PAYMENTS: The Buyer shall make payment(s) directly to the Seller as set forth in this Paragraph.

- a. Seller shall invoice Buyer on a monthly basis following the end of each calendar month for the Agreement-Water made available during such calendar month based on the \$___ per acre-foot rate. Buyer shall pay such invoices within forty-five (45) days of Buyer's receipt of the invoice and interest shall be paid at the annual interest rate of ten percent (10%) on any invoices that remain unpaid forty-five (45) days after receipt of the invoice. Payment shall be made to:

Name
Address
Email

- b. Notwithstanding Paragraph 7.a., Buyer will retain ten percent (10%) of invoice amounts pending Reclamation's final confirmation that the quantity of Agreement-Water was made available at the Point of Delivery. Based upon the final confirmation of Agreement-Water made available at Seller's Point of Delivery, Buyer is authorized to calculate the total payments due from Buyer to Seller, to withhold any overpayment, and to remit the balance of the 10% withheld. Interest shall not accrue as to amounts withheld pursuant to this subsection. Buyer shall remit the final 10%, adjusted as may be provided in this Paragraph, within thirty (30) days following Reclamation's final confirmation of Agreement-Water made available at the Point of Delivery.
 - c. Seller shall provide Buyer with detailed invoices supporting all reimbursable expenses incurred pursuant to Paragraph 16, and Buyer shall pay such invoices per Paragraph 7.a. Seller shall provide Buyer all invoices for reimbursable expenses pursuant to Paragraph 16 no later than ninety (90) days after the termination of this Agreement. Notwithstanding the foregoing, invoices specifically related to reimbursable expenses for preparation and completion of the final 2026 water transfer report required under the Approval Agreements, shall be provided no later than one-hundred and eighty (180) days after the termination of the Agreement.
 - d. Failure by Seller to make Agreement-Water available at the Point of Delivery as provided under this Agreement will reduce Buyer's obligation to make payment for Agreement-Water on a per-acre foot basis.
- 8. REFUNDS:** In the event Seller fails to provide the amount of Agreement-Water Buyer has purchased in accordance with Paragraphs 6, subject to Seller's right to terminate for shortages as stated in Paragraph 10, Seller will promptly refund to Buyer any payments made for purchased water not provided at the Point of Delivery by Seller. Any refunds shall include interest at the Local Agency Investment Fund rate for the period the money was held.
- 9. WATER QUALITY:** The Seller makes no warranty or representations as to the quality or fitness for use of the Agreement-Water. Buyer, at its own expense, shall be responsible for all necessary measures for the testing, treatment, and other steps required for the intended uses of the Agreement-Water by the Buyer.

Initials: _____

- 10. SHORTAGE PROVISION/TERMINATION:** If the Seller's surface water supplies are reduced below 100% of its contract quantities or if an Assumed Depletion Loss greater than 20% is imposed, or if Seller is unable to make available the full quantity of Agreement-Water listed in Paragraph 4.a due to unforeseen circumstances or for reasons beyond Seller's control, Seller, at its sole discretion, may terminate this Agreement or, may suspend, reduce, or cease groundwater pumping. Prior to termination or, as applicable, as quickly as possible following any action to suspend, reduce or cease groundwater pumping, Seller and Buyer shall confer to determine if, as an alternative to termination, the amount or price of Agreement-Water to be made available by Seller under this Agreement can be adjusted.
- 11. WATER SCHEDULING:** Buyer, in coordination with Seller and Reclamation, will develop a schedule for delivery of Agreement-Water called upon by Buyer, made available by Seller at the Point of Delivery in accordance with the Approval Agreement, and to assure, to the extent possible, that Agreement-Water made available by Seller can be pumped at the C.W. "Bill" Jones Pumping Plant and/or the Harvey O. Banks Pumping Plant.
- 12. DIVERSION COSTS:** All fees, permitting, construction, reconstruction, and maintenance costs for facilities necessary or used to divert Agreement-Water once it is delivered at the Point of Delivery by Seller shall be borne solely by Buyer. Buyer is solely responsible for all costs associated with treatment, diversion head-works, pumping facilities, etc., to divert, convey, transport, treat, and deliver Agreement-Water to the Buyer's Transfer Participants.
- 13. ENVIRONMENTAL REVIEW:** Reclamation and Buyer have completed the 2026-2027 North to South Water Transfers Environmental Assessment/Initial Study ("EA/IS") for the range of potential, single-year north to south transfers that may occur in 2026 and 2027. The Buyer is scheduled to approve the IS on May 14, 2026, and Reclamation approved the EA and adopted a Finding of No Significant Impact on March 16, 2026. Buyer and Seller intend to rely on the EA/IS in compliance with CEQA and NEPA for the purposes of performing under this Agreement.
- 14. TERMINATION:** In the event of termination of this Agreement or Reclamation's termination of the Approval Agreement, the Parties shall thereafter be under no further obligation or responsibility hereunder, and will release the other party from further obligations under this Agreement, except for their respective shares of costs incurred prior to the effective date of termination, which includes administration expenses under Paragraph 16.a. and may include certain litigation costs under paragraph 16.b. and Buyer's take or pay obligation under Paragraph 6.d., unless limited by Paragraph 16.b.i. The Parties to this Agreement shall have the right of termination as set forth in Paragraph 10, and this Paragraph:
- a. If regulatory approval(s) and any additional required environmental review actions (e.g. CEQA and/or NEPA compliance actions) are not satisfied by June 25, 2026, either Party may, by written notice to the other Party, terminate this Agreement unless both Parties agree to extend the date for such approval(s) and/or environmental review.

Initials: _____

- b. If, in the reasonable judgment of either Seller or Buyer, the costs of any litigation challenging this Agreement, any restrictions, fees, charges or costs imposed in the approvals of any regulatory agency, mitigation measures imposed by any agency pursuant to CEQA or NEPA, or any relief afforded to third parties in any action brought in state or federal court involving this Agreement, are too burdensome in relation to the benefits to be received under this Agreement, then that Party so determining may terminate this Agreement. If Buyer so elects to terminate the Agreement, Buyer shall still be obligated to pay for all of the Agreement-Water made available prior to such termination, for administrative expenses under Paragraph 16.a. and litigation expenses under 16.b., and for Buyer's take or pay obligation under Paragraphs 6.d.; provided, if Seller terminates in accordance with Paragraph 16.b.i., Buyer shall not be obligated for Buyer's take or pay obligation under Paragraph 6.d. for all Agreement-Water that has not yet been made available as of the date of such termination.

15. CONDITIONS PRECEDENT/APPROVALS:

- a. Except as provided in Paragraph 16 with respect to reimbursement of costs, the Parties' performance under this Agreement is contingent on the Parties obtaining any and all necessary approvals from any third-party agency for delivery of Agreement-Water.
- b. It is a condition precedent to Seller's obligations to make available Agreement-Water, and to Buyer's obligation to pay for Agreement-Water under this Agreement, that Reclamation, Seller, and Buyer execute a three-party Approval Agreement substantially in the form attached as Exhibit "A," by the terms of which Reclamation accepts Agreement-Water as water available to Reclamation for subsequent appropriation/delivery under its state water rights permits for the CVP and agrees to the terms and conditions for its delivery of such water to Buyer. If such Approval Agreement is not executed, or if the required approval of any other third party agency for delivery of Agreement-Water is not provided by June 25, 2026, Buyer shall have no further obligations under this Agreement, except to pay its respective share of administrative costs incurred prior to the effective date of termination per Paragraph 16.a., and for any litigation expenses assigned to Buyer under Paragraph 16.b.
- c. Seller is responsible for obtaining necessary approvals from Reclamation, DWR, and if necessary, the SWRCB, to transfer the Agreement-Water at the Point of Delivery. Buyer is responsible for obtaining all authorizations from Reclamation and DWR for conveyance of the Agreement-Water to Buyer's place of use.

16. ADMINISTRATIVE AND LITIGATION EXPENSES:

- a. **Administrative Expenses.** Buyer will reimburse Seller's Reimbursable Administrative Expenses ("RAE") defined as Seller's reasonable out-of-pocket expenses, including but not limited to actual legal and engineering consultants' fees and expenses incurred by Seller in preparing, negotiating, submitting and coordinating the review of the water transfer proposal(s) and related document from Reclamation, DWR and other agencies/ counties as applicable, actual legal and engineering

Initials: _____

consultants' fees and expenses in negotiating and developing a Water Purchase Agreement (WPA), and any water transfer application or petition fees charged by agencies/counties.

The total limit of the Seller's RAE eligible for reimbursement by the Buyer is \$75,000 for transfer proposals equal to or greater than 1000 acre-feet. In the event the Seller petitions the SWRCB for the transfer, expenses eligible for reimbursement by the Buyer will be increased by the actual petition application fee expense paid to the SWRCB and the Department of Fish and Wildlife.

In lieu of each Seller entering into separate Letter Agreements with Reclamation, the Buyer has entered into a Letter Agreement with Reclamation for all costs associated with Reclamation's review and approval of all proposals. Reclamation's review cost was previously included as Seller's reimbursable administrative cost.

Buyer shall not be required to reimburse Seller for time spent by its directors, officers or employees relating to this transfer. Seller shall be entitled to this reimbursement starting on the date of January 23, 2026 for costs incurred for the 2026 water transfer, regardless of whether Agreement-Water is transferred or if the Agreement is terminated under Paragraphs 10 or 14. If Seller fails to provide any Agreement-Water due to its own action or inaction, Seller will not be entitled to reimbursement and any reimbursements made by the Buyer will be fully refunded by the Seller to the Buyer; provided, if Seller terminates the Agreement because of a reduction in water supply under Paragraph 10, Seller shall be entitled to reimbursement despite the termination. Invoicing of administrative expenses shall be pursuant to the procedures set forth in Paragraph 6.a.

b. Litigation, Attorneys' Fees and Third-Party Challenges.

- i. Subject to Paragraph 16.b.ii. and 16.b.iii., in the event of litigation or an administrative challenge related to this Agreement, Seller and Buyer will promptly meet and confer to perform a risk assessment of the litigation/challenge and cooperate in good faith to determine whether to terminate the Agreement due to the litigation/challenge. Either Party may elect to terminate the Agreement due to any such litigation/challenge. If Buyer so elects to terminate the Agreement due to any such litigation/challenge, Buyer shall still be obligated to pay for all of the Agreement-Water made available at the Point of Delivery prior to such termination; for Seller's administrative expenses in accordance with Paragraph 16.a.; for any litigation expenses in having the proceeding dismissed or otherwise resolved; and for Buyer's take or pay obligation under Paragraphs 6.d. If Seller so elects to terminate the Agreement, Buyer shall still be obligated to pay for all of the Agreement-Water made available at the Point of Delivery prior to such termination; for Seller's administrative expenses in accordance with Paragraph 16.a.; and for any litigation expenses in having the proceeding dismissed or otherwise resolved; but Buyer shall not be obligated to pay for the Buyer's take or pay obligation under Paragraphs 6.d. for all Agreement-Water that has not yet been made available as of

Initials: _____

the date of such termination. Regardless of whether the agreement is terminated, and except as set forth in subsections 16.b.ii. and 16.b.iii., below, if litigation is pending, Buyer shall have primary responsibility for defending against such litigation on behalf of both Buyer and Seller, either as a defendant, respondent, real party in interest or intervenor; and Seller shall participate in defending against such litigation to the extent it deems necessary or appropriate, in Seller's sole discretion. Buyer shall bear its own costs of litigation and shall pay any monetary award, the costs of any remedial actions, and any award of challenger's attorneys' fees associated therewith, whether levied against Buyer or Seller. Buyer shall also reimburse one-hundred percent (100%) of Seller's actual out-of-pocket expenses Seller incurs for defending this Agreement and against any related litigation under this Paragraph 16.b.i.

- ii. As to claims solely challenging Seller's conduct in Seller's service area, Seller shall have primary responsibility for defending such claims on behalf of both Seller and Buyer, and Buyer shall participate in defending against such claims to the extent it deems necessary or appropriate, in Buyer's sole discretion. Buyer shall bear its own fees and costs of defending against such claims. Except as provided in Paragraph 16.a. regarding general cost reimbursement, Seller shall bear its own fees and costs of defending against such claims. Seller shall pay all monetary awards associated with claims challenging Seller's conduct in Seller's service area.
- iii. To the extent litigation includes multiple claims, the Parties agree to meet and confer in good faith to determine whether or not the action includes claims described under Paragraphs 16.b.i. and 16.b.ii. The Parties agree that any claim identified as subject to Paragraph 16b.ii. shall be defended as provided in Paragraph 16.b.ii. and the balance of such claims shall be defended as provided in Paragraph 16.b.i.

17. WATER RIGHTS: The Agreement-Water transferred under this Agreement is a portion of the surface water available to Seller, and diverted in accordance with Seller's Sacramento River Settlement Contract. Consistent with the provisions of California Water Code Sections 109, 475, 1011, 1244, and 11961, the water transfer performed under this Agreement shall not confer any appropriative, public trust or other right to water on any person or entity. Nothing in this Agreement shall act as forfeiture, diminution, or impairment of any rights of Seller to its full diversion of water after the expiration of the Agreement, and this Agreement shall in no way prejudice any of Seller's rights thereto. The Parties agree that the water transferred under this Agreement is considered a beneficial use of water under California law.

18. BUYER'S PAYMENT OF RECLAMATION'S COSTS, RATES, AND CHARGES: Buyer shall be responsible for payment of all costs incurred by Reclamation, and imposed upon Seller, for Reclamation's review, approval, implementation, and administration of this Agreement and the Approval Agreement, as set forth in a separate Letter Agreement between Buyer and Reclamation. Seller will be responsible for the payment directly to Reclamation of contract rates for any Agreement-Water made available from CVP water ("**Project Water**") under the terms of the Approval Agreement and the Letter Agreement. Buyer shall be

Initials: _____

responsible for payment of any and all incremental costs, rates, charges and assessments that Reclamation imposes upon the delivery of the Sellers' Base Supply water delivered as Project Water to Buyer under the terms of the Approval Agreement and the Letter Agreement.

19. BUYER'S PAYMENT OF DWR'S COSTS, RATES, AND CHARGES: Buyer shall be responsible for payment of all costs incurred by DWR, and imposed upon Seller, for DWR's review, approval, implementation, and administration of this Agreement and any DWR Conveyance Agreement. Buyer shall be responsible for any and all costs, rates, charges and assessments that DWR imposes upon Seller for conveyance of Agreement-Water under the terms of any DWR Conveyance Agreement.

20. COOPERATION: To the extent reasonably required, each Party to this Agreement shall, in good faith, assist the other in obtaining all such necessary approvals and preparation of required environmental documents. The Parties agree to cooperate and assist each other in good faith in meeting such requirements of regulatory agencies as may be applicable to performance of any terms of the Agreement.

21. WAIVER OF RIGHTS: Any waiver, at any time, by a Party of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

22. ASSIGNMENT: This Agreement is entered into in reliance on water supplies available to Seller, the credit of Buyer, and the need of Buyer's Transfer Participants for water, and therefore any assignment of this Agreement in whole or in part without the prior written consent of the other Party hereto is prohibited.

23. NOTICES: All notices that are required, either expressly or by implication, to be given by any Party to the other under this Agreement shall be signed on behalf of the Seller and Buyer by such officers as they may, from time, authorize in writing to so act.

- a. Any notices to Parties required by this Agreement shall be delivered or mailed, United States first-class postage prepaid, by fax or by electronic mail at the following addresses, fax numbers, or electronic mail addresses:

SELLER NAME

_____, General Manager

Address

Phone:

Fax:

Email:

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

Pablo Arroyave, Chief Operating Officer
San Luis & Delta Mendota Water Authority
15990 Kelso Road

Initials: _____

****Draft Template****

Byron, CA 94514

Phone: (209) 832-6200

Fax: (209) 833-1034

Email: pablo.arroyave@sldmwa.org and copy Frances Mizuno
mizunoconsulting@gmail.com

- b. Notice shall be deemed given (a) two calendar days following mailing via regular or certified mail, return receipt requested, (b) one business day after deposit with any one-day delivery service assuring "next day" delivery, (c) upon actual receipt of notice, or (d) upon transmission, if by facsimile or electronic mail, whichever is earlier. The Parties shall promptly give written notice to each other of any change of address, and mailing or shipment to the addresses stated herein shall be deemed sufficient unless written notification of a change of address has been received.

24. APPROVALS: Where the terms of this Agreement provide for action to be based upon a judgment, approval, review, or determination of either Party, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

25. ARBITRATION: In the event of a dispute between the Parties as to any right, alleged right, obligation or alleged obligation under this Agreement, the Parties shall make a good faith effort to resolve the dispute. In the event that a resolution of the dispute cannot be reached despite these efforts, either Party may declare an impasse and its intent to submit the matter to arbitration. Any such arbitration shall be held and conducted before one arbitrator who shall be selected by mutual agreement of the Parties. If agreement is not reached on the selection of an arbitrator within fifteen (15) days after a Party has notified the other Party of its election to submit to arbitration, then such arbitrator shall be appointed by the presiding judge of the Superior Court of Merced County upon application of either Party hereto. The award or decision of the arbitrator shall be final and judgment may be entered thereon. The provisions of Title 9 of Part 3 of the California Code of Civil Procedure, including §1283.05, and successor statutes, permitting expanded discovery proceedings shall be applicable to all disputes which are arbitrated pursuant to this paragraph.

26. OTHER AGREEMENTS: Nothing contained herein restricts the Seller from providing water services and sales to others as authorized by law which do not unreasonably interfere with Seller's obligations hereunder.

27. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the Seller and Buyer and supersedes any oral agreement, statement, or promise between them relating to the specific subject matter of this Agreement that is not covered in the Approval Agreement. Any amendment, including oral modifications, must be reduced to writing and signed by both Parties to be effective.

28. COUNTERPARTS: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall not be effective until the execution and delivery between

Initials: _____

****Draft Template****

each of the Parties of at least one set of counterparts. The Parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original. Any one of such completely executed counterparts shall be sufficient proof of this Agreement.

29. GENERAL INTERPRETATION: The terms of this Agreement have been negotiated by the Parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such instrument or any portion thereof to be drafted, or in favor of the Party receiving a particular benefit under the Agreement. No rule of strict construction will be applied against any person.

30. AGREEMENT NOT PRECEDENT: The Parties acknowledge and agree that nothing in this Agreement shall be considered precedent for any agreements for purchase and sale of water between the Parties in any future year.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first above written.

BUYER: SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____ Date: _____
 Federico Barajas, Executive Director

SELLER:

By: _____ Date: _____
_____, President/General Manager

Initials:

Exhibit 3



United States Department of the Interior

BUREAU OF RECLAMATION
2800 Cottage Way
Sacramento, CA 95825-1898



IN REPLY REFER TO:

CGB-440

2.2.4.23

DRAFT

VIA ELECTRONIC MAIL AND U.S. MAIL

Mr. Pablo Arroyave
Chief Operation Officer
San Luis and Delta-Mendota Water Authority
P.O. Box 2157
Los Banos, CA 93635

Subject: Letter Agreement Number 26-WC-20-6425 - Reimbursable Account for Assisting with San Luis and Delta-Mendota Water Authority and its Participating Members Effectuate Water Transfers in 2026

Dear Mr. Arroyave:

The Bureau of Reclamation (Reclamation) recognizes that San Luis and Delta-Mendota Water Authority (SLDMWA) represents various members located South of the Delta who are interested in participating in a water transfer program with those located North of the Delta. In efforts to mitigate water shortages due to recent water allocations for 2026, SLDMWA and their participating members are soliciting willing sellers for the transfer of their surface water. Several CVP contractors using surface water from the Sacramento River have expressed interest in transferring up to 32,000 acre-feet of water, made available through groundwater substitution to the participating members. During this process, SLDMWA would negotiate with the sellers, on behalf of the participating members, to identify potential transfers and define the specifics of each transfer arrangement.

The purpose of this letter is to obtain agreement from SLDMWA to pay, in advance, the costs incurred by Reclamation, which may include, but are not limited to, review of the water transfer proposal; review of the 2026-2027 North to South Water Transfers Environmental Assessment/Initial Study, prepared for this action to assure the proposed water transfer(s) conform to the types of transfer(s) proposed in stated documents; preparation of the consent letter, if Reclamation determines it can consent to the proposed transfer(s); administration of the water transfer(s); review of final reports; and close out of the water transfer(s).

By counter signing this Letter Agreement, SLDMWA agrees to the following conditions:

1. SLDMWA shall submit to Reclamation an initial advance deposit of \$50,000 to be deposited into an account established for this action. Reclamation agrees the total cost to complete this process will not exceed \$100,000 absent further written approval from SLDMWA. If any mitigation is required for compliance with the National Environmental

INTERIOR REGION 10 • CALIFORNIA-GREAT BASIN

CALIFORNIA*, NEVADA*, OREGON*

* PARTIAL

Policy Act (NEPA) for this action, all costs associated with such mitigation will be the responsibility of SLDMWA.

2. Upon written request, Reclamation will provide SLDMWA with a quarterly statement of account balance and a summary of expenses incurred by Reclamation in connection with this action. If the account balance reaches \$10,000 or less, an additional deposit of \$10,000 will be required, and SLDMWA shall pay such additional deposit to Reclamation within ten (10) days of notification by Reclamation. In the event Reclamation foresees expenditures in excess of the account balance, Reclamation will notify SLDMWA of the need for additional deposits in excess of the foregoing amount and will provide SLDMWA with a detailed itemization of the anticipated expenditures, and SLDMWA shall pay the amount requested to Reclamation within ten (10) days of the request.
3. At SLDMWA's request, Reclamation will provide a detailed record of actual costs incurred by Reclamation within sixty (60) days of such request.
4. This Agreement is effective as of the date signed by the SLDMWA and will remain in effect until the transfer(s) are closed out or this Agreement is terminated by either party upon thirty (30) days written notice to the other party, provided that SLDMWA shall submit additional funds, if needed, to pay Reclamation's cost up to date of termination. Any excess funds in the account will be refunded to the SLDMWA within sixty (60) days after termination of this Agreement.

Please have the appropriate individual sign and return this Agreement, along with documentation which authorizes the individual to sign on behalf of SLDMWA, to the Bureau of Reclamation, Attn: Anitalee Bronner, CGB-440, 2800 Cottage Way, Sacramento, CA 95825.

Once Reclamation receives the signed agreement, a down payment (DP) invoice will be forwarded to you via email from our Accounting Services Office email bor-sha-cgb-rm1@usbr.gov. You may remit payment via the following methods: Pay.gov (www.pay.gov/public/form/start/596136970), Electronic Funds Transfer (EFT), or Automated Clearing House (ACH) Electronic Transfer Payments.

If there are any questions, please contact Ms. Anitalee Bronner, Repayment Specialist, Water Rights and Contracting Branch via email at abronner@usbr.gov.

Sincerely,

Scott Springer
Regional Resources Manager, Acting

In Duplicate

San Luis and Delta-Mendota Water Authority

Date

Title

cc: Ms. Frances Mizuno

bc: CGB-150 (MDekar), -200 (MLyttge), -400 (SSpringer), -440 (DWhite), -3600 (JHeintz)
CVO-400 (RField), NC-446 (JBerens), SCC-102 (REmerson), SCC-400 (DHyatt)



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Board of Directors, Alternates
From: Federico Barajas, Executive Director
Date: May 14, 2026
RE: Report on Strategic Plan Implementation

Background

The San Luis & Delta-Mendota Water Authority Board of Directors first adopted a Strategic Plan in July 2019. Subsequently, the Board adopted a 2023 Strategic Plan in October 2023. Staff then created an implementation plan with details relating to the adopted goals and objectives. This memorandum provides an end of Fiscal Year 2026 update on Strategic Plan implementation progress. No Board action is required.

Strategic Plan Goals and Objectives

- 1 GOAL: Sustainable Water Resources.
 - 1.1 OBJECTIVE: South-of-Delta water supply reliability is maximized.
 - 1.2 OBJECTIVE: Pursue water infrastructure projects that benefit south-of-Delta water supplies.
 - 1.3 OBJECTIVE: The Water Authority engages in regulatory, legislative, legal, and administrative venues to optimize water supply.
 - 1.4 OBJECTIVE: The Water Authority's scientific studies and communication are considered credible in relevant legislative, scientific, regulatory, and public arenas.
 - 1.5 OBJECTIVE: The Water Authority is engaged in collaborative efforts to assist disadvantaged communities within its service area to have adequate and safe drinking water.
 - 1.6 OBJECTIVE: The effectiveness and value of the Water Authority's regulatory, legislative, legal, and administrative activities and strategies are periodically evaluated, and appropriate changes are made.
 - 1.7 OBJECTIVE: Activity Agreements are periodically revisited, and the Water Authority's role relative to specific Activity Agreements is modified or ended as appropriate.
- 2 GOAL: Financial Management is Planned Over the Longest Reasonable Time Frame.
 - 2.1 OBJECTIVE: Long-term financial plans identify all significant long-term costs and funding.
 - 2.2 OBJECTIVE: Water Authority members affirm that financial reporting is clear, adequate, and understandable.
 - 2.3 OBJECTIVE: Grants and other favorable public and private funding help fund water infrastructure projects that benefit south-of-Delta water supplies.
 - 2.4 OBJECTIVE: Audits, accounting true-ups, and related financial reports are completed promptly.
 - 2.5 OBJECTIVE: The cost allocation for the Legislative and CVP Operational Affairs (Leg/Ops) fund has been reevaluated, and changes considered.
- 3 GOAL: Reliable and Cost-Effective Operations, Maintenance, and Replacement.
 - 3.1 OBJECTIVE: EO&M and RO&M activities are planned and proactively implemented on schedule for the lowest cost and with the least disruption to regular operations.
 - 3.2 OBJECTIVE: Preventive maintenance is undertaken with the longest reasonable planning horizon for long-term cost-effectiveness and reliability.



- 3.3 OBJECTIVE: The Water Authority is prepared to mitigate and recover from unplanned events and maintain cybersecurity.
- 3.4 OBJECTIVE: Technology is used to lower costs and improve the quality of EO&M and RO&M projects and activities.
- 3.5 OBJECTIVE: Communication with the Board, member agencies, and Reclamation on OM&R issues and activities is timely, complete, and clear.
- 3.6 OBJECTIVE: The Water Authority's office spaces are optimized for location and long-term cost-effectiveness.
- 4 GOAL: Effective Communication and Engagement with Members and Key Stakeholders.
 - 4.1 OBJECTIVE: General public understanding and support for issues the Water Authority supports is increasing.
 - 4.2 OBJECTIVE: The Water Authority supports collaborative programs to educate the broader public in California about critical issues important to the Water Authority.
 - 4.3 OBJECTIVE: Understanding and support for the Water Authority and its objectives from key identified stakeholders is increasing.
 - 4.4 OBJECTIVE: The Authority's logo and branding design is updated.
- 5 GOAL: A High-Performing Staff and Board.
 - 5.1 OBJECTIVE: Key positions are identified, and there is at all times more than one person prepared to carry out each identified key role as an interim successor in a reasonably proficient manner.
 - 5.2 OBJECTIVE: A succession and knowledge retention plan is in place for each key position.
 - 5.3 OBJECTIVE: Trained and experienced staff are in place and have the resources to meet the rapidly growing demands of the EO&M program and other critical functions.
 - 5.4 OBJECTIVE: Staff are motivated, trained, and working together effectively to meet the goals and priorities of the Water Authority.
 - 5.5 OBJECTIVE: Staff culture is being actively developed and nurtured.
 - 5.6 OBJECTIVE: The Board's culture, Board and management team roles and relationships, and sense of being a team are actively being developed and nurtured.

Implementation Plan

Update Regarding Fiscal Year 2026 Priority Implementation Actions

Following Board adoption of the 2023 Strategic Plan, staff broke down the various objectives into a few implementation actions, including internal deadlines, staff leads, and information regarding recurrence. Annually, staff identifies priority implementation actions for that year. For Fiscal Year 2026 (FY 2026), five implementation items were identified as “Core” actions, and twenty-two actions were identified as “High Priority” actions.

An update regarding progress toward these actions was provided to the Board in November 2025. **Attachment 1** to this memorandum provides a final update on FY 2026 action implementation progress.

Identification of Fiscal Year 2027 Priority Implementation Actions

For FY 2027, staff has identified eight “core” priority items, to be maintained across years, and twenty-four high priority items to be targeted specifically during the fiscal year:

Core Priority Actions

- 1.1.1: Operate Central Valley Project facilities efficiently, reliably, and cost effectively.



- 1.3.5: Proactively participate in state and federal legislative affairs, consistent with annually adopted Fiscal Year Objectives and Strategic Plan Objectives.
- 2.2.5: Continue providing timely financial updates regarding Activity budgets and cost allocation.
- 3.1.1: Develop and manage an annual OM&R calendar that includes Plant Annual Maintenance activities, approved EO&M projects, Plant Outages/Clearances, and forecasted pumping information, including coordination with Reclamation and member agencies.
- 3.1.2: Continue to develop and manage annual OM&R budgets to ensure facilities remain reliable at a reasonable cost.
- 3.3.4: Continue to invest in Cybersecurity training for information technology (IT) and operational technology (OT) staff.
- 4.1.2: Implement relevant sections of the communications plan developed in 4.1.1.
- 5.4.4: Review and update Employee Handbook.

High Priority Actions

- 1.1.2: Contract allocations: Pursue more effective forecasting tools and advocate for earlier and adequate contract allocations.
- 1.2.3: Develop and foster partnerships with federal and state government regarding infrastructure projects.
- 1.4.1: Implement and update Science Plan.
- 1.4.2: Improve science communication by coordinating the implementation of the Science Plan implementation with Communications Plan.
- 1.5.2: Identify member agencies for DAC stewardship program and establish workgroup.
- 1.7.2: If appropriate, develop and initiate transition plan for 1.7.1 [future management of Grassland Basin Drainage Management Activity Agreement].
- 2.4.1: Ensure adequate staffing levels to keep processes on schedule.
- 2.4.3: Ensure sufficient accounting and internal audit controls are in place and documented to support current and reconciled financial records.
- 2.4.4: Contemporaneously monitor and track project expenses and progress. Collaboration between Accounting and Engineering is necessary to define workflow and roles.
- 3.1.3: Plan EO&M and RO&M activities in a way to minimize impacts on water supply.
- 3.2.1: Develop and manage an effective PM program for all Water Authority-managed facilities to ensure reliability.
- 3.2.3: Develop, prioritize, and manage annual maintenance activities at each Water Authority-managed facility to ensure reliability of plant(s) and structures.
- 3.3.1: Establish and convene a Cybersecurity Team.
- 3.3.3: Establish a Cybersecurity, Disaster Recovery, and Business Operations Continuity Plan (including a Cybersecurity Incidence Response Program) that includes training.
- 3.4.1: Select, install, and implement a document management system.
- 3.4.5: Standardize office software to eliminate recurring issues and reduce IT support calls.
- 3.4.6: Implement a standardized platform for virtual meetings.
- 3.5.1: Evaluate and establish standardized protocol for communicating and documenting OM&R issues, including outages and resolution.



- 4.1.1: Update communications plan with internal and external components to educate key stakeholders and the public about the Water Authority’s interests and policy positions, and key information about California water supply.
- 5.1.1: Evaluate organizational structure and implement appropriate changes.
- 5.1.3: Increase apprenticeship and internship opportunities to improve recruitment pipeline.
- 5.3.1: Evaluate organizational structure and implement appropriate changes to address EO&M needs.
- 5.3.2: Assess staffing and consulting needs relative to large EO&M projects.

Staff will provide an update on Strategic Plan implementation progress in advance of Board consideration of the FY 2028 budget.

Attachment

Strategic Plan Implementation Progress Document

Attachment 1 – Update on FY26 Strategic Plan Implementation

Goal 1: SUSTAINABLE WATER RESOURCES.		
Objective 1.1 South-of-Delta water supply reliability is maximized.		
IN PROGRESS	1.1.1 CORE: Operate Central Valley Project facilities efficiently, reliably, and cost-effectively.	Major milestone accomplished with completion of Action 5. New ROD signed by Reclamation on 12-04-25.
COMPLETE	1.1.4 HIGH: Establish and implement 2025 Drought Plan Pilot Project.	Established 2026 Pilot Project.
Objective 1.2 Pursue water infrastructure projects that benefit south-of-Delta water supplies.		
ONGOING	1.2.1 HIGH: Proactively pursue storage and conveyance projects.	Obtained CALTRANS' letter significantly reducing Highway 152 costs associated with B.F. Sisk Dam Raise project. Initiating DMC Subsidence Correction Project Phase 1 with additional \$235 Million non-reimbursable funding from OBBB.
ONGOING	1.2.4 HIGH: Pursue federal, state, regional, local, and private funding opportunities.	Numerous successful opportunities pursued, including awards for the Delta-Mendota Canal, San Luis Canal, B.F. Sisk Dam Raise and Reservoir Expansion and member agency projects.
Objective 1.3 The Water Authority engages in regulatory, legislative, legal, and administrative venues to optimize the water supply.		
IN PROGRESS	1.3.5 CORE: Proactively participate in state and federal legislative affairs, consistent with annually adopted Fiscal Year Objectives and Strategic Plan Objectives.	Substantial progress at state and federal levels on policy related matters; state legislature success rate was approximately 70% on adopted positions; federal legislative session still ongoing.
Objective 1.4 The Water Authority's scientific studies and communication are considered credible in relevant legislative, scientific, regulatory, and public arenas.		
IN PROGRESS	1.4.2 HIGH: Improve science communication by coordinating Science Plan implementation with Communications Plan.	Coordination meetings established with external stakeholders; implementing Communications workgroup, which will include specific Science Program communications.
Objective 1.5 The Water Authority is engaged in collaborative efforts to assist disadvantaged communities within its service area to have adequate and safe drinking water.		
IN PROGRESS	1.5.3 HIGH: Develop, in coordination with DAC Stewardship Workgroup established in 1.5.2, a master plan for improving water security for frontline communities in the region.	In progress; pursuing federal appropriation to fund development of Master Plan.
Objective 1.7 Activity Agreements are periodically revisited, and the Water Authority's role relative to specific Activity Agreements is modified or ended as appropriate.		

COMPLETE	1.7.1 HIGH: Evaluate future management of Grassland Basin Drainage Management Activity Agreement.	Plan for activities under Grassland Basin Drainage Management Activity Agreement to be transitioned to Grassland Basin Authority drafted.
IN PROGRESS	1.7.4 HIGH: If appropriate, develop and initiate transition plan for 1.7.3 [DM Subbasin SGMA Services Activity Agreements].	Activity Agreements terminated; fiscal and administrative services transitioned to Delta-Mendota Subbasin JPA for FY27.
Goal 2. FINANCIAL MANAGEMENT IS PLANNED OVER THE LONGEST REASONABLE TIME FRAME.		
Objective 2.1 Long-term financial plans identify all significant long-term costs and funding.		
COMPLETE	2.1.2 HIGH: Ensure extraordinary operation, maintenance, and replacement (EO&M) / capital improvement project (CIP) plan reflects accurate project costs that are compliant with Reclamation's Directives and Standards (D&S).	10 Year plan has been updated with cost estimates provided through a consulting agreement.
Objective 2.2 Water Authority members affirm that financial reporting is clear, adequate, and understandable.		
IN PROGRESS	2.2.2 HIGH: Produce monthly reporting that can be easily accessed on the Water Authority website.	Gravity Budgeting Software reporting is still being developed but progress will be dependent on roll out of website functionality.
ONGOING	2.2.3 HIGH: Implement a structure to produce monthly board packages with sufficient detail to address changes and variances.	Gravity budget to Actual Reporting will be fully developed after budget book configuration is completed. External to Gravity, a template model for the Treasurers Report was developed and is in production.
ONGOING	2.2.5 CORE: Continue providing timely financial updates regarding Activity budgets and cost allocation.	Activity Budgets have been loaded into NetSuite from Gravity as an interim step in timely budget to actual reporting. Managers needing access to AA budget to Actual information can access it for FY27 through NetSuite.
Objective 2.4 Audits, accounting true-ups, and related financial reports are completed promptly.		
COMPLETE	2.4.2 HIGH: Transition "Cash Basis" manual accounting process to NetSuite and create processes and procedures to address water accounting within NetSuite.	"Cash Basis" migration to NetSuite for WY24 was completed. Enhanced report development continues with the use of NetSuite Analytics.
Goal 3. RELIABLE AND COST-EFFECTIVE OPERATIONS, MAINTENANCE, AND REPLACEMENT.		
Objective 3.1 EO&M and RO&M activities are planned and proactively implemented on schedule for the lowest cost and with the least disruption to regular operations.		
IN PROGRESS	3.1.1 CORE: Develop and manage an annual OM&R calendar that includes Plant Annual Maintenance activities, approved EO&M projects, Plant Outages/Clearances, and forecasted	Calendar in place; working to finalize design, format, and content (external vs. internal). Verifying and updating outage dates, special projects, completion dates and data entries. Working with SLDMWA

	pumping information, including coordination with Reclamation and member agencies.	Operations and CVO on approved outage requests from USBR for FY27. Goal is to have the calendar format and management process completed by 4/30/26.
ONGOING	3.1.2 CORE: Continue to develop and manage annual OM&R budgets to ensure facilities remain reliable at a reasonable cost.	The FY28 Budget Formulation Process is ramping up in Gravity. The O&M Technical Committee meetings have been scheduled.
IN PROGRESS	3.1.5 HIGH: Identify opportunities to streamline procurement and contracting process.	Contract Specialist position was moved to the Engineering Department to streamline the EO&M Project contract development, review, approval and administration processes. Development and implementation of a paperless Purchase Order invoicing and closeout procedures is in progress with an anticipated implementation date in early May 2026.
Objective 3.2 Preventive maintenance (PM) is undertaken with the longest reasonable planning horizon for long-term cost-effectiveness and reliability.		
IN PROGRESS	3.2.1 HIGH: Develop and manage an effective PM program for all Water Authority-managed facilities to ensure reliability.	PM program development in progress with an anticipated completion date of fall 2026.
IN PROGRESS	3.2.3 HIGH: Develop, prioritize, and manage annual maintenance activities at each Water Authority-managed facility to ensure reliability of plant(s) and structures.	Annual Maintenance Plan is being developed in conjunction with 3.2.1 PM Program. Anticipated completion is Fall 2026.
Objective 3.3 The Water Authority is prepared to mitigate and recover from unplanned events and maintain cybersecurity.		
COMPLETE	3.3.1 HIGH: Establish and convene a Cybersecurity Team.	Cybersecurity Team established and convened.
Objective 3.4 Technology is used to lower costs and improve the quality of EO&M and RO&M projects and activities.		
IN PROGRESS	3.4.1 HIGH: Select, install, and implement a document management system.	Vendor and solution selected; development and rollout underway. Legal, HR and Policy projected to go live across the organization May 11, 2026.
IN PROGRESS	3.4.2 HIGH: Streamline budgeting process by integrating software tools.	Gravity Budget Book development is still underway with additional data elements identified to properly classify Activity Agreement Expenses to align with budgeted sections.
IN PROGRESS	3.4.5 HIGH: Standardize office software to eliminate recurring issues and reduce IT support calls.	Office 365 has been rolled out to approximately 60% of WA in conjunction with Document Management System as they are both built on the same Microsoft platform. Initial basic Training of 365 and

		Document Management completed last week of FY26.
Objective 3.6 The Water Authority's office spaces are optimized for location and long-term cost-effectiveness.		
ONGOING	3.6.1 HIGH: Identify viable options for Los Banos Administrative Office considering staffing needs and levels.	3-Year Lease was renewed on February 28, 2026.
Goal 4. EFFECTIVE COMMUNICATION AND ENGAGEMENT WITH MEMBER AND KEY STAKEHOLDERS.		
Objective 4.4 The Water Authority's logo and branding design is updated.		
IN PROGRESS	4.4.3 HIGH: Update website and other materials consistent with new logo/branding, through implementing relevant sections of the communications plan developed in 4.1.1.	Website and communications consultant contracted; site migration in progress; anticipate launch of new website in the June timeframe. Collateral material is all updated with brand guideline in place.
Goal 5. A HIGH-PERFORMING STAFF AND BOARD.		
Objective 5.1 Key positions are identified, and there is at all times more than one person prepared to carry out each identified key role as an interim successor in a reasonably proficient manner.		
ONGOING	5.1.2 HIGH: Identify key positions with specialized knowledge that are more challenging to recruit.	Working with Chief Operating Officer and recruiting agencies to recruit key positions based on other local available employment opportunities.
Objective 5.2 A succession and knowledge retention plan is in place for each key position.		
ONGOING	5.2.1 HIGH: Develop and maintain a succession plan for each key position.	Working with management to develop succession plans for each department.

TERMINOLOGY

COMPLETE:	Action item completed for fiscal year.
IN PROGRESS:	Action item with clear completion has been initiated but not yet completed.
ONGOING:	Action item with no clear completion (multi-year effort) has been initiated.
NOT YET INITIATED:	Work on action item not yet begun in earnest.



Meeting Agenda

Date & Time: 5/11/2026 | 10:00 AM

Location: SLDMWA Boardroom

Notice of Water Resources Committee Regular Meeting / Joint Water Resources Committee Regular Meeting-Special Board Workshop

842 6th Street, Los Banos
(List of Member/Alternate Telephonic Locations Attached)

Public Participation Information

Join Zoom Webinar -

<https://us02web.zoom.us/j/88573860826?pwd=jlKOMMxnXR0GEFsNu4LmLGGFhicLF.1>

NOTE: Any member of the public may address the Water Resources Committee/Board concerning any item on the agenda before or during consideration of that item.

Because the notice provides for a regular meeting of the Water Resources Committee ("WRC") and a joint regular WRC Meeting/Special Board workshop, Board Directors/Alternates may discuss items listed on the agenda; however, only WRC Members/Alternates may correct or add to the agenda or vote on action items.

NOTE FURTHER: Meeting materials have been made available to the public on the San Luis & Delta-Mendota Water Authority's website, <https://www.sldmwa.org>, and at the Los Banos Administrative Office, 842 6th Street, Los Banos, CA 93635.

Agenda

Item	Topic	Lead

1.	Call to Order/Roll Call	
2.	Water Resources Committee to Consider Additions or Corrections to the Agenda for the Water Resources Committee Meeting only, as Authorized by Government Code Section 54950 <i>et seq.</i>	
3.	Opportunity for Public Comment – Any member of the public may address the Water Resources Committee/Board concerning any matter not on the agenda, but within the Committee or Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Water Resources Committee may waive this limitation.	

ACTION ITEMS

4.	Approval of April 6, 2026 Meeting Minutes	

5. **Recommendation to Board of Directors to Adopt Staff Recommendation for Positions on Legislation** Petersen
 - A. H.R. 8259 (Bentz), Reclamation Project Consultation Improvement Act of 2026
 - B. A.B. 2214 (Jackson), Government finance: deposits
 - C. A.B. 2215 (Calderon), Water rights: permits: State Water Project
 - D. A.B. 2216 (Aguiar-Curry), Sacramento-San Joaquin Delta Conservancy
 - E. A.B. 2447 (Bauer-Kahan), Water: Nitrogen Pollution Reduction Act
 - F. A.B. 2739 (Soria), Water: affordability and system stabilization
 - G. S.B. 1001 (Archuleta), Local agency, public utility, or mutual water company: personnel access: Person Identity Verification-Interoperable

6. **Recommendation to Board of Directors to Adopt Resolution Providing Support for ACWA Vision for Our Water Future** Barajas

REPORT ITEMS

7. Update on Status of Golden Mussels Arroyave, Petersen, Meyer
8. Executive Director's Report Barajas
(May include reports on activities within the Water Resources Committee's jurisdiction re: 1) CVP/SWP water operations; 2) California infrastructure projects; 3) regulation of the CVP/SWP; 4) existing or possible new State and Federal policies; 5) Water Authority activities)
9. Update on Water Policy/Resources Activities Petersen
(May include reports on federal, state, and local agency regulatory, legislative, and administrative water policy/resources activities)
10. Update on Water Operations and Forecasts Arroyave
11. Committee Member Reports
12. Closed Session Akroyd

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of Litigation Pursuant to paragraph (4) of Subdivision (d) of Gov. Code Section 54956.9 – 2 potential cases

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Gov. Code Section 54956.9 – 2 potential cases

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Existing Litigation Pursuant to paragraph (1) of Subdivision (d) of Gov. Code Section 54956.9

- A. California Sportfishing Protection Alliance (CSPA), et al. v. Nickels, et al., U.S. District Court, E.D. Cal., Case No. 2:11-cv-02980; 9th Cir. Case No. 23-15599; U.S. Supreme Court Case No. 25-989 (GBP Citizen Suit)

- B. CSPA, et al. v. State Water Resources Control Board (SWRCB), et al., Sac. Co. Superior Court, Case No. 34-2021-80003761 (2021 TUCP Order)
- C. CSPA, et al. v. SWRCB, et al., Sac. Co. Superior Court, Case No. 34-2021-80003763 (2021 Temp. Mgmt. Plan)
- D. SWRCB, Administrative Hearings Office, Petitions for Change of California Department of Water Resources (DWR) Water Right Permits, Delta Conveyance Project (DWR Change Petition)
- E. Tehama-Colusa Canal Authority, et al. v. DWR, et al., Sacramento Co. Superior Court, Case No. 24WM000183 (SWP 2024 EIR Challenge)
- F. San Francisco Baykeeper, et al. v. U.S. Bureau of Reclamation, et al. U.S. District Court, E.D. Cal., Case No. 2:26-cv-00671 (2025 CVP Operations)
- G. Bettencourt v. SLDMWA, et al., Merced Co. Superior Court, Case No. 26CV-01422 (employment complaint)

- 13.** Return to Open Session
- 14.** Report from Closed Session, if any, Required by Government Code Section 54957.1
- 15.** Reports Pursuant to Government Code Section 54954.2(a)(3)
- 16.** ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes, or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

SLDMWA WATER RESOURCES COMMITTEE REGULAR MEETING TELEPHONIC LOCATIONS**May 11, 2026**

15671 W. Oakland Ave
Five Points, CA 93624

5957 E. Greenhill Street
Nampa, Idaho 83687



Meeting Minutes

Date & Time: 4/6/2026 | 10:00 AM
Location: SLDMWA Boardroom
842 6th Street, Los

San Luis & Delta-Mendota Water Authority Water Resources Committee Regular Meeting and Joint Water Resources Committee Regular Meeting – Special Board Workshop Minutes

Attendance

Committee Members Present

Ex-Officio: Cannon Michael
William Bourdeau
Division 1: Anthea Hansen, Member
Division 2: Lon Martin, Alternate
Division 3: Chris White, Member
Division 4: Dana Jacobson, Alternate
Division 5: Manny Amorelli, Alternate

Board of Directors Present

Division 1: Anthea Hansen, Director
Division 2: Justin Diener, Director
William Bourdeau, Director
Lon Martin, Alternate
Division 3: Chris White, Alternate
Jarrett Martin, Director
Cannon Michael, Chair/Director
Division 4: Dana Jacobson, Director

Brett Miller, Alternate
Division 5: Manny Amorelli
FWA Representative: Absent

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Scott Petersen, Water Policy Director
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel
Ray Tarka, Director of Finance
Eddie Reyes, Information Systems Technician
Stewart Davis, IT Officer

Others Present

Chase Hurley, Pacheco Water District

Agenda

Item	Topic	Lead
1.	Call to Order/Roll Call – The meeting was called to order by Chair William Bourdeau at approximately 10:00 a.m. and roll was called.	
2	Additions or Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq. - No additions or corrections.	
3.	Opportunity for Public Comment - No public comment.	
4.	Water Resources Committee to Consider Approval of the March 2, 2026 Meeting Minutes – Chair William Bourdeau deemed the March 2, 2026 Meeting Minutes approved as submitted.	

5. **Recommendation to the Board of Directors to Adopt Staff Recommendation on Positions on Legislation** Petersen

- A. **A.B. 1754 (Pacheco), State general obligation bonds: requirements** (Favor)
- B. **A.B. 1772 (Papan), Fish and wildlife: aquatic invasive species: golden mussels** (Watch & Amend)
- C. **A.B. 2013 (Bennett), Fire risk areas: water suppliers: emergency preparedness plan** (not favored unless amended)
- D. **A.B. 2026 (Aguiar-Curry), Water diversion: groundwater recharge: permit** (Watch & Amend)
- E. **A.B. 2032 (Ransom), Fish and wildlife: restricted species permits** (Support & Amend)
- F. **A.B. 2218 (Kalra), Water policy: California Native American Tribes** (Oppose Unless Amended)
- G. **A.B. 2630 (Bennett), Water diversion and use: adoption of regulations** (Oppose)
- H. **A.B. 2728 (Soria), Open and Transparent Water Data Act** (Support)
- I. **A.C.A. 11 (Macedo), California Water Resiliency Act** (Support)
- J. **S.B. 872 (McNerney), Climate Change: funding priorities** (Watch & Amend)

Water Policy Director Scott Petersen reviewed the staff recommendation for position adoption on the ten listed pieces of legislation. Petersen answered questions throughout the presentation.

M/S - Motion by Member Chris White, seconded by Member Anthea Hansen, the Committee recommended adoption of the staff recommendations for positions on A.B. 1754, A.B. 1772, A.B. 2013, A.B. 2026, A.B. 2032, A.B. 2218, A.B. 2630, A.B. 2728, A.C.A. 11, and S. B. 872. Vote: Ayes – Michael, Bourdeau, Hansen, Lon Martin, White, Jacobson, Amorelli; Nays – 0; Abstentions – 0.

6. **Recommendation to Board of Directors to Authorize Execution of Agreement with MM Water Resources for Technical Support Services** Petersen

- Water Policy Director Scott Petersen reported on the need to contract with MM Water Resources to support completion and advancement of key Water Authority and CVP contractor efforts to advance exploration of lines of evidence that could lead to operational improvements.

M/S - Motion by Member Chris White, seconded by Alternate Manny Amorelli, the Committee recommended execution of agreement with MM Water Resources for Technical Support Services. Vote: Ayes – Michael, Bourdeau, Hansen, Lon Martin, White, Jacobson, Amorelli; Nays – 0; Abstentions – 0.

7. **Status Update Regarding DMC Subsidence Correction Project** - Chief Operating Officer Pablo Arroyave reported the Authority was awarded \$235 million of non-reimbursable funding for the DMC Subsidence Correction Project from authorities in the One Big Beautiful Bill Act, which will be discussed in detail during the Planning Committee meeting later today. Arroyave reported that Kiewit is working to develop Guaranteed Maximum Price (GMP) for Task 1 and Task 2 for the construction phase of the project. Arroyave reported that the Task 1 GMP will go to the Finance & Administration Committee and the Board for approval in May and will be followed by a Notice to Proceed with construction. Barajas, Arroyave
8. **Update on Status of Golden Mussels** – Chief Operating Officer Pablo Arroyave reported that staff is implementing mitigation measures that were recommended in the assessment completed by the consultant, including bio boxes, installation of hot water taps, development of control plan, and coordination of field testing. Arroyave also reported that coordination meetings continue. Staff answered questions throughout the presentation. Arroyave, Petersen, Meyer
9. **Executive Director's Report** Barajas
- a. **Trinity Consultation Process** – Executive Director Federico Barajas reported that staff may have an opportunity to review administrative draft documents as cooperating agency.
 - b. **North to South Transfers** – Chief Operating Officer Pablo Arroyave reported that staff is actively working with Reclamation and Activity Agreement Members on potential 2026 North to South Transfers. Arroyave reported that any transfers would be limited consistent with the environmental coverage that Reclamation has in place, which covers the short term 2026-2027 calendar year.
 - c. **Fiscal Year 2027 Budget Books** – Executive Director Federico Barajas reported that the hard copies of the budget books are available for Board and Committee Members that requested them.
 - d. **Social Luncheon** – Executive Director Federico Barajas reported that there will be a social luncheon for Dan Keppen following the Board meeting Thursday.
 - e. **Operations** – Chief Operating Officer Pablo Arroyave provided a brief update regarding Unit 5 impeller and recoating work at Jones Pumping Plant.
10. **Update on Water Policy/Resources Activities** – Water Policy Director Scott Petersen provided an update regarding Executive Order 14181 implementation, State Water Resources Control Board activity, HRL discussions, and the San Joaquin River Restoration Program. Petersen continued his update regarding the Water Blueprint for the San Joaquin Petersen

Valley and the San Joaquin Valley Collaborative Action Program. Petersen answered questions throughout the presentation.

11. **Update on Water Operations and Forecasts** – Arroyave reported that both Unit 5 & Unit 6 will be out from Mid-April until mid-May. Arroyave reported that in mid-May, Unit 6 will be available again. Arroyave introduced consultant Ron Milligan, who provided information regarding CVP supply, reservoir storage, allocations, snowpack, and operations. Milligan and Arroyave answered questions throughout the presentation. Arroyave, Milligan
12. **Committee Member Reports** – Chair William Bourdeau reported on his participation in the Valley Veterans Water Forum.
13. **Agenda Items 13-15: Closed Session** – Chair William Bourdeau adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:25 a.m. Upon return to open session at approximately 11:55 a.m., Chair William Bourdeau reported that no reportable actions were taken in closed session. Akroyd
14. **Agenda Item 16: Reports Pursuant to Government Code Section 54954.2(a)(3)** – No reports.
15. **Agenda Item 17: Adjournment** – The meeting was adjourned at approximately 11:56 a.m.



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Water Resources Committee Members and Alternates

From: Scott Petersen, Water Policy Director

Date: May 11, 2026

RE: Update on Water Policy/Resources Activities

Background

This memorandum is provided to briefly summarize the current status of various agency processes regarding water policy activities, including but not limited to the (1) Implementation of Long-Term Operations of the Central Valley Project and State Water Project, including environmental compliance; (2) State Water Resources Control Board action; (3) Central Valley Regional Water Board Action, (4) San Joaquin River Restoration Program; (5) Delta conveyance; (6) Reclamation action; (7) Delta Stewardship Council action; (8) San Joaquin Valley Water Blueprint, and (9) San Joaquin Valley Water Collaborative Action Plan.

Policy Items

Implementation of Executive Order 14181

On January 2024, President Trump issued Executive Order 14181¹, directing analysis of potential changes to the operations in the 2024 Record of Decision ("ROD") for consideration by the Administration. On December 4, 2025, Reclamation executed a Record of Decision on the Long-Term Operations of the Central Valley Project and State Water Project, as a first step towards implementing EO 14181.

Implementation of 2024 Record of Decision on Long-Term Operations of the Central Valley Project and State Water Project

On December 4, 2025, Reclamation executed a Record of Decision² on the Long-Term Operations of the Central Valley Project and State Water Project, as a first step towards implementing EO 14181, updating operations associated with the Record of Decision executed by Reclamation and the Biological Opinions issued by the Fish and Wildlife Service and NOAA Fisheries in December 2024. This new operation is described as "Action 5".

Specifically, the Action 5 ROD updates the operations of the Projects by:

- (1) **Removing the Delta Smelt Summer and Fall Habitat Action (Fall X2)**, in response to findings by the U.S. Fish and Wildlife Service that the action is not anticipated to have observable effects on delta smelt survival,

¹ <https://www.govinfo.gov/content/pkg/FR-2025-01-31/pdf/2025-02174.pdf>

² https://www.usbr.gov/mp/nepa/nepa_project_details.php?Project_ID=54661



- (2) **Removing the early implementation measure of the Delta export reduction of the Healthy Rivers and Landscapes (“HRL”) program**, in response to uncertainties associated with the timing of potential adoption and implementation of the HRL Program by California’s State Water Resources Control Board,
- (3) **Updating the Delta operating criteria** to expand the opportunities for Old and Middle River (“OMR”) management at no more negative than -5,000 cubic feet per second (cfs), and a stormflex action of -6,500 cfs, including the use of predictive tools for real-time assessment of environmental conditions.

Modeling of these proposed operational changes has estimated between 250 – 400 TAF improvement in combined CVP and SWP export capacity under Action 5 operations, with the SWP benefits being uncertain based on how the SWP operates under the Incidental Take Permit required for compliance with the California Endangered Species Act.

There is additional analysis being performed to assess the efficacy of additional potential operational changes that could improve water supply and maintain species protections, as well as alternative methods to address environmental effects on species listed under the federal Endangered Species Act (“ESA”) and advance species recovery efforts.

Note: There are also Endangered Species Act consultations on the Trinity River and Klamath River that may have overlap/interactions with the operations of the CVP/SWP.

State Water Resources Control Board (State Water Board) Activity

Bay Delta Water Quality Control Plan Update

Background

The State Water Board is currently considering updates to its 2006 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (“Bay Delta Plan”) in two phases (Plan amendments). The first Plan amendment is focused on San Joaquin River flows and southern Delta salinity (“Phase I” or “San Joaquin River Flows and Southern Delta Salinity Plan Amendment”). The second Plan amendment is focused on the Sacramento River and its tributaries, Delta eastside tributaries (including the Calaveras, Cosumnes, and Mokelumne rivers), Delta outflows, and interior Delta flows (“Phase II” or “Sacramento/Delta Plan Amendment”).

During the December 12, 2018 Water Board Meeting, the Department of Water Resources (“DWR”) and Department of Fish and Wildlife presented proposed “Voluntary Settlement Agreements” (“VSAs”) on behalf of Reclamation, DWR, and the public water agencies they serve to resolve conflicts over proposed amendments to the Bay-Delta Plan update.³ The State Water Board did not adopt the proposed VSAs in lieu of the proposed Phase 1 amendments, but as explained below, directed staff to consider the proposals as part of a future Delta-wide proposal.

³ Available at <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Blogs/Voluntary-Settlement-Agreement-Meeting-Materials-Dec-12-2018-DWR-CDFW-CNRA.pdf>.



Phase 1 Status – San Joaquin River and its Tributaries

The State Water Board adopted a resolution⁴ to adopt amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and adopt the Final Substitute Environmental Document during its December 12, 2018 public meeting.

On July 18, 2022, the State Water Resources Control Board issued a Notice of Preparation (NOP)⁵ and California Environmental Quality Act (CEQA) Scoping Meeting for the Proposed Regulation to Implement Lower San Joaquin River Flows (LSJR) and Southern Delta Salinity Objectives in the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta Plan).

In response to the release of the NOP, the Water Authority and member agencies provided scoping comments⁶ and the State Water Board is working through a long-term process to address Phase 1 elements of the Water Quality Control Plan Update.

A long delay in Phase 1 action occurred as legal activity was undertaken.

Recently, on September 19, 2025, the State Water Resources Control Board (Board) released a [Notice of Opportunity for Public Comment and Workshop on the Draft Scientific Basis Report Supplement for the Tuolumne River Voluntary Agreement](#) Proposal (Draft TVA Scientific Basis Report), to which the Water Authority provided comments⁷.

Next Steps

- Final draft Staff Report for Tuolumne River VA
- Board workshop and consideration of Tuolumne River VA
- Final draft EIR and regulation implementing Lower SJR flows and South Delta Salinity
- Board consideration of regulation implementing Lower SJR flows and South Delta Salinity

Phase 2 Status – Sacramento River and its Tributaries and Bay-Delta

In the State Water Board's resolution adopting the Phase 1 amendments, the Water Board directed staff to assist the Natural Resources Agency in completing a Delta watershed-wide agreement, including potential flow and non-flow measures for the Tuolumne River, and associated analyses no later than March 1, 2019. Staff were directed to incorporate the Delta watershed-wide agreement as an alternative for a future, comprehensive Bay-Delta Plan update that addresses the reasonable protection of beneficial uses across the Delta watershed.

Revised Draft Sacramento/Delta Updates to the Water Quality Control Plan

Background

In July, the Board released a draft Bay Delta Plan (July 2025 revised draft), which included proposed changes to the draft Bay Delta Plan released in October 2024 (2024 draft), based on public input and comments

⁴ Available at https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2018/rs2018_0059.pdf.

⁵ Available at https://www.waterboards.ca.gov/public_notices/notices/20220715-implementation-nop-and-scoping-dwr-baydelta.pdf

⁶ Request from Authority staff

⁷ Request from Authority staff



received throughout the planning process, including comments on several options for possible changes to the plan identified in the 2024 draft. Specifically, the 2024 draft identified the possible inclusion of flow, cold water habitat and related provisions that were based on the proposed Plan amendments and alternatives identified in the 2023 draft Staff Report in support of updates to the Bay Delta Plan, as well as options for these provisions. The 2024 draft also identified the possible inclusion of Voluntary Agreements (VAs) to provide flows and non-flow habitat proposed by state and federal agencies and water users referred to as the Healthy Rivers and Landscapes proposal, as well as options associated with inclusions of VAs. The regulatory provisions would apply to all water right holders if the Board did not move forward with VAs, or in the event the Board moved forward with VAs would apply to water rights not participating in approved VAs. The 2025 revised draft proposes to move forward with the inclusion of VAs in the Bay Delta Plan for water rights included in approved VAs (VA pathway) and the regulatory provisions for water rights not included as part of approved VAs (regulatory pathway). The 2025 revised draft also includes proposals for addressing other options identified in the 2024 draft. The 2025 revised draft also proposes the designation of Tribal Tradition and Culture (CUL) beneficial use as part of the current Bay Delta Plan update.

Current Activity

On September 16, 2025, the State Water Resources Control Board (State Water Board or Board) rescinded the August 22, 2025 Second Revised Notice of Opportunity for Public Comment and Hearing on Revised Draft Sacramento/Delta Updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Watershed (Bay-Delta Plan or Plan). The Rescinded Notice is available on the [Board's website](#). Accordingly, the hearing previously scheduled for September 24-25, 2025, and the associated public comment period are cancelled and will be rescheduled to a future date.

Instead, the Board has released a revised Bay-Delta Plan, with workshops that occurred on January 28-30, and written comments due on February 2. Water Authority staff coordinated written comments⁸ with member agencies and other interested parties.

Additionally, the State Water Board has received term sheets for additional voluntary agreements from Nevada Irrigation District (NID) and South Sutter Water District (SSWD) specific to the Bear River, Yuba River, and Auburn Ravine that are available to the public.

Water Rights

Water Accounting, Tracking, and Reporting System (CalWATRS) Launch

The State Water Resources Control Board has launched the California Water Accounting, Tracking, and Reporting System (CalWATRS). A link to the new system and additional information is posted on the [CalWATRS webpage](#).

If you have questions or would like the CalWATRS team to attend an event in your area, please email CalWATRS-help@waterboards.ca.gov.

⁸ Request from Water Authority staff.



San Joaquin River Restoration Program

Restoration Allocation

On April 20, Reclamation issued an update to the 2026 Restoration Allocation and Default Flow Schedule⁹. Consistent with the Restoration Flows Guidelines and based upon the best available forecast information, the Restoration Allocation covering the period March 1, 2026 through February 28, 2027 **is set at 282,547 acre-feet at Gravelly Ford and is a Normal-Dry year type.**

The Restoration Administrator recommended a flow schedule¹⁰ on May 4, which Reclamation is reviewing at the time this memo was drafted. This Restoration Allocation will be posted on the Program website in the coming days: <http://RestoreSJR.net>.

For Information about Restoration Flows, please visit <https://restoresjr.net/flows/>.

For the Restoration Administrator recommendations, please visit <https://restoresjr.net/flows/flow-scheduling/>.

Delta Conveyance Project

Delta Plan Certificate of Consistency

California officials proposed upholding the state's approval of the Delta Conveyance Project in a draft decision on April 20, rejecting most of the legal challenges brought by opponents while ordering a redo on two environmental issues that could complicate the project's path forward.

The Delta Stewardship Council voted 6-1 on April 23 to deny most of the appeals of the Delta Conveyance Project's Certification of Consistency with the Delta Plan. The [Delta Protection Commission's appeal](#) was among those denied.

The lone dissenting vote was by Councilmember Diane Burgis, a Contra Costa County supervisor who is also chair of the Delta Protection Commission. In her work on the Commission, Burgis has recused herself from all votes and discussions about the project.

On two appeals, the Council sent the project back to the Department of Water Resources to address 1) the improvement of habitat conditions for the nonnative invasive golden mussel, and 2) potential conflicts involving the Delta Conveyance Project's Twin Cities Complex and Sac Sewer's Harvest Water.

[Read the Council's decision here](#). Read press releases about the decision from the [Governor's Office](#), the [Department of Water Resources](#), and [Restore the Delta](#).

⁹ Request from Water Authority staff.

¹⁰ Attached



U.S. Bureau of Reclamation

Reclamation Manual

Documents out for Comment

Draft Documents

- [LND 09-01 Land Records](#) (comments due 05/01/26)
- [CMP 11-01 Title Transfer for Reclamation Project Facilities](#) (comments due 05/09/26)
 - [CMP 11-01 Redlined Version](#)

San Joaquin Valley Water Blueprint

The Water Blueprint represents water users, districts, farmers, and municipalities across the Central Valley. Their problem statement is crystal-clear; California faces a major water supply shortfall that could affect one million acres, costing \$7.2 billion in farm revenue and 85,000 jobs statewide. Engaging various stakeholders inside and outside the Central Valley, the team advocates for a combination of infrastructure investments and policy changes to capture excess flows during wet years and replenish aquifers.

Blueprint's strategic priorities for 2022-2025: Advocacy, Groundwater Quality and Disadvantaged Communities, Land Use Changes & Environmental Planning, Outreach & Communications, SGMA Implementation, Water Supply Goals, Governance, Operations & Finance.

Mission Statement: "Unifying the San Joaquin Valley's voice to advance an accessible, reliable solution for a balanced water future for all."

Board Expansion and Executive Committee Formation

The leadership group discussed potential updates to board structure, including filling an open director seat, exploring board expansion, and evaluating whether to formalize an executive committee. The group discussed proposed candidates for the vacant director position. The group proposed forming a small ad hoc committee to develop draft bylaw language addressing both board expansion and executive committee formation. These materials will be brought back to leadership and ultimately to the full board for review.

Strategic Planning

The leadership group discussed the need to launch a strategic planning process following completion of the United Water Plan, noting that the current plan runs through 2025 or early 2026. The conversation highlighted the importance of defining the scope of future organizational activities—including legislative advocacy, policy, and communications—and engaging the board early to help shape direction for the latter half of 2026.

CSU Water Webinar Series – CA Legislature and Water Policy

The Executive Director of CSU-WATER, a CSU system affinity group that serves to foster future leaders in California through water education, research engagement and networking for the nearly 500,000 students in the CSU system as well as inclusion of those in the CC & UC systems. The Blueprint was invited to contribute to the CSU-WATER Webinar Series on the CA Legislature and Water Policy, topics covered in the webinar series: Making Waves, Water Policies & Workforce Needs, Current water policy issues & workforce needs and Future Water Management and Policies; Leadership Needs, Future water management and climate resilience.



SB72 Implementation

Senate Bill 72 (Caballero) directs DWR to consult with the Water Commission on the establishment of an advisory committee to inform the development of the 2028 update to the Water Plan. The 2028 update will usher in a new emphasis on setting and meeting quantifiable water supply goals. This builds on California's Water Supply Strategy (2022), which outlined necessary actions for the state to adapt to a hotter, drier future where the changing climate leaves less water to meet California's needs. Blueprint as an interested party in the State's water supply strategy, has been provided with the opportunity to present and provide public comment.

Unified Water Plan

The Water Blueprint's unified water plan is moving forward with chapters 1, 2, 3, 4 & 5 for review. The plan quantifies the San Joaquin Valley's massive water supply gap at 2.5-3 million acre-feet by 2040, incorporating SGMA compliance needs, climate change impacts, and environmental flow requirements. The full administrative draft expected by this summer.

Unified Water Plan Chapters 5 Released for Review

Stantec presented detailed progress on potential water supply projects (Chapter 5). Chapter 5 catalogs over 800 projects from GSPs across 16 sub-basins, with groundwater recharge projects comprising nearly half of all proposed projects. Unit costs range from \$50-\$300 per acre-foot for various recharge methods.

- Major Supply-Demand Gap Identified Requiring Immediate Action: Technical analysis reveals the valley faces a future water shortage of 2.5-3 million acre-feet by 2040, driven by SGMA compliance requirements (1.4-2 million acre-feet), environmental restoration needs, climate change impacts, and groundwater replenishment requirements. This massive gap demonstrates the critical need for comprehensive water infrastructure investments and management changes.
- Recharge Projects Dominate Solutions: The latest research points out that nearly 50% of all GSP projects are groundwater recharge projects, including on-farm recharge, injection wells, in-lieu recharge, and constructed basins, with injection wells being the most cost-effective option.

Water Blueprint SJV & CWI – Unified Water Plan

The purpose of the Unified Valley Plan for the San Joaquin Valley is to identify and present possible solutions for long-term water needs in the San Joaquin Valley by bringing together existing water plans, strategies, and knowledge from across the San Joaquin Valley into one coordinated, valley-wide planning framework.

Bureau of Reclamation Report to Congress:

- Chapter 1 Introduction
- Chapter 2 Overview of the water resource needs and opportunities in the San Joaquin Valley.
- Chapter 3 Overview of flood risks and management in the San Joaquin Valley and opportunities for improving flood management.
- Chapter 4 Illustration of an environmental vision for the San Joaquin Valley and estimates of the water supplies needed to implement that vision.
- Chapter 5 Evaluation of a range of potential solutions.
- Chapter 6 Recommendations for a path forward and a roadmap for implementation. Includes policy recommendations.



San Joaquin Valley Water Collaborative Action Program (SJV CAP)

Background

The CAP Plenary Group adopted work groups to implement the CAP Term Sheet¹¹, adopted on November 22, 2022. During Phase II, Work Groups are continuing to meet and discuss priorities and drafting various documents for their respective areas: Safe Drinking Water; Sustainable Water Supplies; Ecosystem Health; Land Use, Demand Reduction and Land Repurposing; Implementation.

The Bureau of Reclamation is currently funding the CAP. This funding supports its management and facilitation of the overall CAP process and the development of a prioritization tool. The tool is envisioned to be used by CAP participants, federal and state agencies, other stakeholders, and the public to evaluate policy recommendations, programmatic changes, and projects to achieve sustainable water management in the San Joaquin Valley.

The Steering Committee created a subgroup and will review several prioritization tools developed by other organizations and use those examples to craft a work plan and initial set of criteria for consideration.

CAP Workgroups for 6-Month CAP Priority Actions

ILRP and CV-Salts

1. Review changes to the ILRP and CV-SALTS updates and recommend improvements to the SWRCB and the Regional Water Quality Control Boards.
2. Better coordination between GSAs and the Nitrate Program to maximize water quality testing for multiple purposes.
3. Consider a pilot area to evaluate the potential for information sharing and integration.
4. The regulations should consider identifying targets for nitrates and other COCs so progress can be evaluated.
5. CAP could look to privately solicit information on fees across different programs to look at the potential for fee harmonization.

Land Transition

1. Support CDFW implementation of Regional Conservation Investment Strategies to support mitigation projects.
2. Use the experience and results of MLRP Round 1 and 2 to provide feedback on MLRP Round 3 guidelines to the Department of Conservation to ensure effective implementation of the program, including the provision of meaningful community benefits.
3. Develop guidelines to address workforce challenges associated with land transition, especially related to rural communities.

¹¹ Request from Authority staff



4. Advocate for infrastructure funding and regulatory changes to accelerate large-scale solar projects, as one avenue to help support the transition of agricultural land and reduce water demand in a manner that protects communities over the long term.
5. In collaboration with the S2J2 Catalyst Project, for ecosystem restoration, create a near-term and long-term vision and set of objectives for ecosystem restoration, and advocate for funding by the state and federal governments
6. Develop best practices for data centers and water use, which could inform the approval of data centers by state and local governments

SGMA Implementation

1. Complete Kaweah economic analysis and recommend improvements for SGMA implementation to the Governor, Legislature, and Department of Water Resources
2. Complete assessment of some other subbasins in the S2J2 geographic area and revise investment recommendations to S2J2 and advocate high-impact investments for funding through Prop 4.
3. Define key attributes for the successful implementation of GSPs for DWR to support in their guidelines for Prop 4 funding.
4. Track DWR subsidence best management practices and recommend improvements for implementation to DWR.

Water Supply

1. Support funding of projects and operational changes during high flow events that meet environmental regulations in the Delta and improve Delta deliveries south of the Delta to provide benefits to the San Joaquin Valley
2. Advocate for regulatory improvements to the Legislature and state agencies (i.e., DWR, SWRCB) to accelerate groundwater recharge permitting that provides flood control and protects water quality and downstream users.
3. Support actions by DWR and other agencies to implement DWR Watershed studies to advance the CAP outcomes.

Other Six-Month Priorities

1. Prioritization Tool
2. Long-term Habitat Plan
3. Water for Wildlife Refuges
4. San Joaquin River Restoration Program
5. "Cutting Green Tape"



ATTACHMENTS

Restoration Administrator Flow Recommendation

To: Don Portz, Chad Moore, Regina Bricka
CC: Rain Emerson, Rufino Gonzalez, Gary Bobker, Steve Ottemoeller, Ian Buck-Macleod, TAC, FWC
Date: May 4, 2026
From: Tom Johnson, Restoration Administrator
Subject: Revised Flow Recommendation for 2026 Restoration Flows

The following is a revised Restoration Flow Recommendation (Recommendation) by the Restoration Administrator (RA) for the 2026 Restoration Year Flows pursuant to the Restoration Flow Guidelines (RFG) Ver. 2.1, as amended, and Exhibit B of the Settlement. This Recommendation is issued in response to the Allocation dated April 20, 2026.

Background

The SJRRP has issued an Updated 2026 Restoration Allocation (Allocation) dated April 20, 2026, which designates 2026 as a **Normal-Dry** Water Year Type with an Unimpaired Inflow hybrid forecast of 1,444 thousand acre-feet (TAF) and provides an allocation of Restoration Flows of 282.547 TAF as measured at Gravelly Ford (GRF) based on the blended 50% exceedance forecast. The Allocation also specified certain contractual and operational constraints on Restoration Flow releases for 2026.

From October 2025 to present, the Upper San Joaquin watershed has experienced near average precipitation. However, the distribution of the precipitation and runoff (both observed and expected) has been atypical due to two primary factors: 1) most of the precipitation so far this year has fallen during warm storms with high freezing elevations, and 2) March 2026 was among the driest and warmest on record. The result is that while precipitation is near-normal, runoff has been above normal and snowpack has been below normal.

In addition to hydrology, several operational constraints in Reach 3 have required flow adjustments. A heavy concentration of water hyacinth needed to be moved from the lower end of Reach 3 to allow flows to pass Sack Dam at the recommended levels, and additional construction operations will need to be accommodated in mid-May. Finally, in consultation with Implementing Agency biologists, it was determined to hold flows through Reach 4A at specific levels to balance adult spring-run Chinook Salmon attraction flows with the ability to observe and capture returning adults.

I have consulted with the TAC and the FMWG on this Recommendation, and this Recommendation reflects the best use of the Allocation of Restoration Flows for the aquatic resources at this time.

Recommendation for the 2026 Restoration Year

At this time, I am recommending a flow schedule for the 2026 Restoration Year as shown in Table 1, and as follows:

1. Steady flows in early May for adult attraction and capture, then ramp flows down to support construction activities at Sack Dam.
2. Starting in June, maintain flows below Sack Dam.
3. No exchanges or buffer flows are called upon at this time.
4. 11.0314 TAF Gross, 10.479 TAF Net URF's were released on March 19th. **An additional 10,000 AF Net URF's are released with this Recommendation.**
5. No Restoration Flow recapture other than de-minimus amounts are planned in the Restoration Area. All Restoration Flow releases are to flow through the entirety of the Restoration Area.

If there are operational or other constraints that preclude Restoration Flows traveling the entire length of the Restoration Area, the Restoration Recommendation will be adjusted to reduce Restoration Flow releases to the level of the controlling operational constraint.

Table 1. Summary of Restoration Flow Recommendations for May 5, 2026, through February 28, 2027.

<i>Restoration Flow Period</i>	<i>Date Range</i>	<i>Objective</i>	<i>Friant Release (est., varies due to Holding Contracts)</i>	<i>Restoration Flows at Gravelly Ford</i>	<i>Total Flow at Gravelly Ford¹</i>	<i>Target Restoration Flow at Sack Dam (est.)</i>
2026 Spring Flex. Flow Period	May 5 – May 14, 2026	Reduce flow to facilitate adult capture at ESB	Reduce from current as necessary	Approx. 340 cfs	Approx. 345 cfs	250 cfs
	May 15 – May 28, 2026	Ramp Down and hold	Reduce as necessary	As occurs	As occurs	Between 200 and 230 cfs from May 15 th onwards
	<i>Ramping down for improved adult capture efficiency and construction requirements.</i>					
Summer Connectivity	May 29 – June 10, 2026	Summer connectivity	As necessary, est. 465 cfs	250 cfs	255 cfs	145 cfs
	June 11 – September 30, 2026	Summer connectivity	As necessary, est. 375 cfs	160 cfs	165 cfs	70 cfs
	<i>Reduce flows to achieve 250 cfs of Restoration Flows at GRF by May 29. Further reduce flows to achieve 160 cfs of Restoration Flows at GRF by June 11.</i>					
Base Flow	October 1 – October 31, 2026	Reconnect Reach 4 & 5, spring run spawning and egg incubation	As necessary, est. 400 cfs	190 cfs	195 cfs	100 cfs
	November 1 – November 30, 2026	Connected river, spring run egg incubation,	As necessary, est. 420 cfs	230 cfs	235 cfs	135 cfs
Fall Pulse	December 1 – December 31, 2026	Connected river, juvenile rearing	As necessary, est. 440 cfs	320 cfs	325 cfs	220 cfs

<i>Restoration Flow Period</i>	<i>Date Range</i>	<i>Objective</i>	<i>Friant Release (est., varies due to Holding Contracts)</i>	<i>Restoration Flows at Gravelly Ford</i>	<i>Total Flow at Gravelly Ford¹</i>	<i>Target Restoration Flow at Sack Dam (est.)</i>
Base Flows	January 1 – February 28, 2027	Connected river, juvenile rearing	As necessary, est. 400 – 410 cfs	250 cfs	255 cfs	160 cfs

¹*Total Flow includes the minimum Holding Contract flows of 5 cfs required at Gravelly Ford*

Additional Elements of this Recommendation

This Recommendation anticipates the release of approximately 215 to 220 TAF of Restoration Flows to the river.

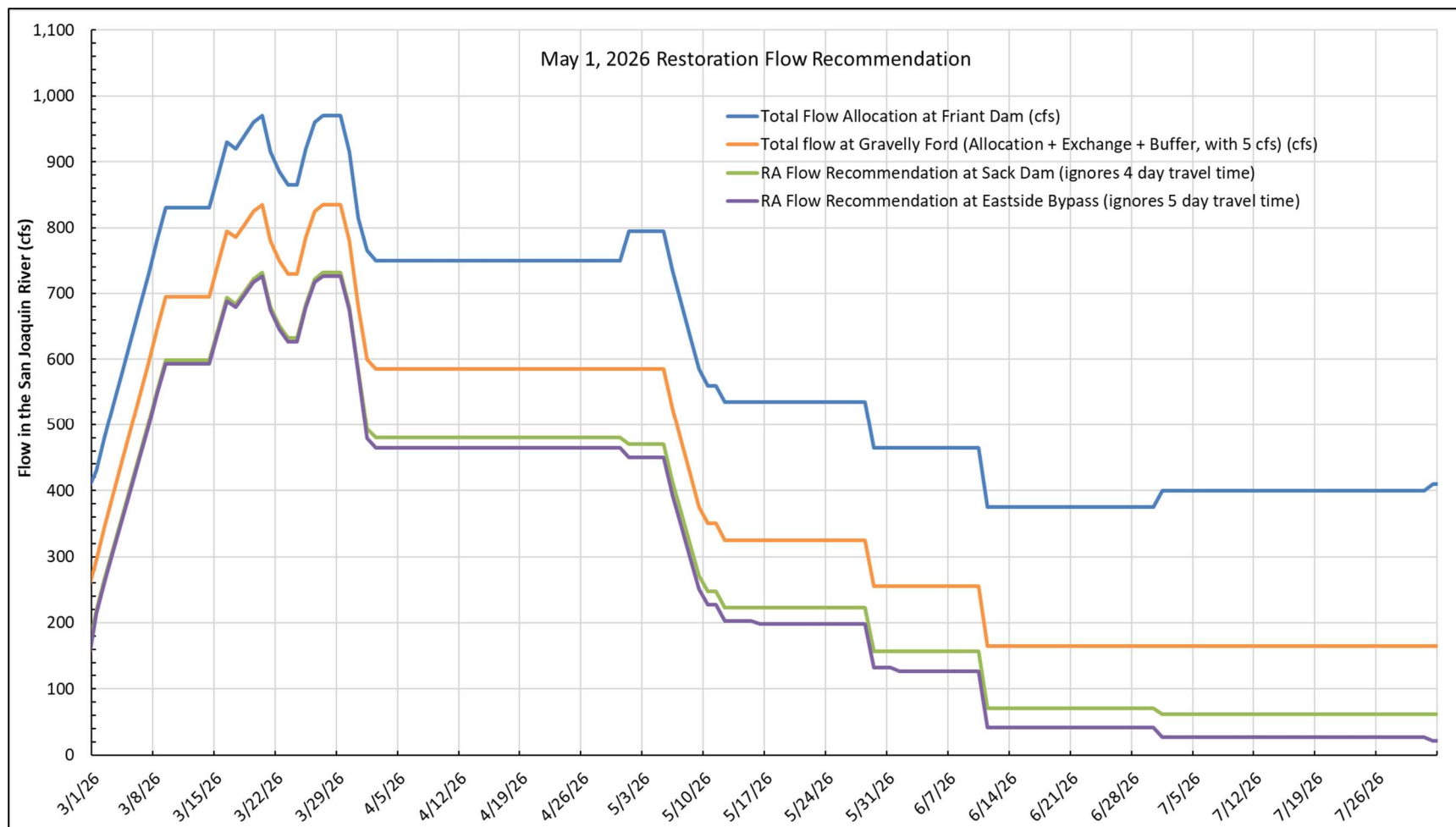
Depending on changing hydrologic conditions, I will adjust or revise this recommendation as necessary.

Additional Consultation

I will continue to coordinate with the TAC, Program Office, and Implementing Agencies to monitor hydrologic conditions, fish population conditions, uncontrolled season releases, operational conditions, and other factors, and will update the Restoration Flow Recommendation as conditions change.

Table 1. Estimate of Released Restoration Flows

Summary Volumes				
GRAVELLY FORD FLOWS AVAILABLE VERSUS RA RECOMMENDATION				
		Available	Used	Balance
Total GRF River Flow Target without 5 cfs (March 1, 2025 - Feb 28, 2026):		282.547 TAF	214.185 TAF	68.362 TAF
Restoration Allocation Flow		282.547 TAF	214.185 TAF	68.362 TAF
Exchange Flow		0.000 TAF	0.000 TAF	0.000 TAF
Buffer Flows		0.000 TAF	0.000 TAF	0.000 TAF
	URF's Disposed of as of		3/25/2026	11.031
Use Buffer Flows? no			Net Alloc Remainder	57.331 TAF



The Mussel Threat Is Already Here – April 2026 Blog Post – Water Blueprint CA

WbpAdmin

You may recall a line of bravado from any number of action movies, “That ain’t a threat, it’s a promise.” Sorry to say this part out loud but, the invasive *Limnoperna fortunei*, also known as the golden mussel, is no longer a hypothetical threat – it’s here in the San Joaquin Valley. More importantly, these mussels can clog pipes, damage pumps, and threaten the reliability of California’s water delivery systems.



Nick Shockey / California Department of Water Resources

First detected in North America in 2024, golden mussels have rapidly spread throughout California’s interconnected water system. Like COVID, the golden mussel comes from a large country in East Asia.

The first new world detection was in South America in the 1990s. They showed up in North America in 2024 and are thought to have been introduced by ship ballast. According to the [California Department of Fish & Wildlife](#) (CDF&W), golden mussels have been found from Martinez in the East Bay to San Diego.

California has faced other invasive mussel species. However, unlike the quagga and zebra mussels (not to be confused with the extinct quagga zebra that roamed the plains of South Africa) the golden mussel can survive in a much broader range of water chemistry. Golden mussels can tolerate far lower levels of calcium and more salinity than the quagga or zebra species. This, plus its prolific breeding, has hastened its spread throughout the Valley.

While fish, birds, mammals and even other invertebrates can function as predators to the golden mussel in its native habitat, such predation isn't happening in California. The golden mussel spawns several times a year producing thousands of plankton-sized veligers, and has migrated from the Delta down the Delta-Mendota Canal and California Aqueduct. They have now spread to the lower reaches of the Friant-Kern Canal through the Cross Valley Canal in Kern County.

The golden mussel has byssal threads that allow them to attach to surfaces and can survive unsubmerged as long as a minimal humidity is present. As a bivalve they filter water altering nutrient content causing harm for other species in their adopted habitat through nutrient reduction and algal blooms. The byssal threads of the golden mussel allow them to attach to both soft surfaces such as silt, even aquatic plants, and hard surfaces such as rocks, and most importantly water conveyance infrastructure.

Although the golden mussels are small (about the size of your fingernail), they can attach to pipes, canal linings, pumps, turnout gates, filter systems etc. in such large numbers as to block the water flow and damage machinery. This creates a direct and growing challenge for maintaining reliable water delivery.





Nick Shockey / California Department of Water Resource

So far the fight against golden mussels has been limited to containment as opposed to eradication. There are not a lot of weapons in the arsenal. Extremely hot water can kill adults and veligers but the scope of the infestation makes this approach limited to smaller, enclosed areas. Dewatering can kill golden mussels, but as stated above even a little water in a pipe can sustain them. There is a copper-based chemical treatment, but its efficacy is limited to certain water temperatures. After the mussels are killed, they leave behind a structure of shells that must be removed. High-pressure spraying, a costly, labor-intensive process, looks to be the best method for clearing the debris and reopening flow paths.

At the present, CDF&W has been working on retooling the quagga and zebra mussel response by focusing on protecting sports fisheries and requiring inspections of watercraft transportation (moving boats from one lake to the other) to deal with the golden mussel. It's true, we don't need to spread golden mussels to recreational spots, but this approach won't do much for protecting and maintaining the main irrigation conveyance systems California agriculture depends on.

One thing we can do to help stem the spread of golden mussels is to report any possible sighting to [CDF&W](#) and your local water and irrigation districts. But reporting alone is not enough, a long-term solution needs to be determined and applied to protect the extensive water infrastructure and more.



Meeting Agenda

Date & Time: 5/11/2026 | 12:00 PM

Location: SLDMWA Boardroom

Notice of Finance & Administration Committee Regular Meeting / Joint Finance & Administration Committee Regular Meeting-Special Board Workshop

842 6th Street, Los Banos
(List of Member/Alternate Telephonic Locations Attached)

Public Participation Information

Join Zoom Webinar -

<https://us02web.zoom.us/j/87324630528?pwd=LBgYQEkfqucelLbhxpr6pq6Y6ya2KJ2.1>

NOTE: Any member of the public may address the Finance & Administration Committee/Board concerning any item on the agenda before or during consideration of that item.

Because the notice provides for a special meeting of the Finance & Administration Committee ("FAC") and a joint special FAC Meeting/Special Board workshop, Board Directors/Alternates may discuss items listed on the agenda; however, only FAC Members/Alternates may correct or add to the agenda or vote on action items.

NOTE FURTHER: Meeting materials have been made available to the public on the San Luis & Delta-Mendota Water Authority's website, <https://www.sldmwa.org>, and at the Los Banos Administrative Office, 842 6th Street, Los Banos, CA 93635.

Agenda

Item	Topic	Lead

1.	Call to Order/Roll Call	
2.	Finance & Administration Committee to Consider Additions or Corrections to the Agenda for the Finance & Administration Committee Meeting only, as Authorized by Government Code Section 54950 <i>et seq.</i>	
3.	Opportunity for Public Comment – Any member of the public may address the Finance & Administration Committee/Board concerning any matter not on the agenda, but within the Committee or Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Finance & Administration Committee may waive this limitation.	

ACTION ITEMS

4.	Approval April 6, 2026 Meeting Minutes	

5. **Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending March 31, 2026**
6. **Recommendation to Board of Directors to Accept Fiscal Year 2024 Audited Financial Statements** Tarka
7. **Recommendation to Board of Directors to Authorize Award and Execution of Agreement for Fuel Delivery Services and Expenditure of Up to \$300,000 from the FY 2027 OM&R Budget** Arroyave
8. **Recommendations to Board of Directors Related to DMC Subsidence Correction Project** Barajas, Arroyave, McNeil
 - A. **Revisions to Cost Allocation for Phase 1**
 - B. **Revisions to Scope for Phase 1**
9. **Recommendation to Board of Directors to Ratify Execution of Change Orders for Jones Pumping Plant Unit 5 Leak Investigation & Repair Project and Increase in Expenditures of Up to \$264,898 from the FY 2026 EO&M Budget** Arroyave, McNeil
 - A. **Unit 5 Impeller Balancing Construction Agreement with Unico Mechanical Corp.**
 - B. **JPP Pump Casing and Bifurcation Pipe Recoating Construction Agreement with Hartman-Walsh Painting Company**

REPORT ITEMS

10. FY26 Activity Agreements Budget to Actual Report through 3/31/26 Tarka
11. FY26 O&M Budget to Actual Report through 3/31/26 Tarka
12. Contract/Procurement Activity Reports Tarka
13. Accounting Updates Tarka
14. Executive Director's Report Barajas
 (May include reports on activities within the Finance & Administration Committee's jurisdiction re: 1) CVP/SWP water operations; 2) California infrastructure projects; 3) regulation of the CVP/SWP; 4) existing or possible new State and Federal policies; 5) Water Authority activities)
15. Committee Member Reports
16. Reports Pursuant to Government Code Section 54954.2(a)(3)
17. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes, or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

SLDMWA FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING TELEPHONIC LOCATIONS

May 11, 2026

15671 W. Oakland Ave
Five Points, CA 93624

5957 E. Greenhill Street
Nampa, Idaho 83687



Meeting Minutes

Date & Time: 4/6/2026 | 12:05 PM

Location: SLDMWA Boardroom
842 6th Street, Los Banos

San Luis & Delta-Mendota Water Authority Finance and Administration Committee Regular Meeting and Joint Finance and Administration Committee Regular Meeting – Special Board of Directors Workshop

Attendance

Committee Members Present

Ex-Officio: Cannon Michael
Division 1: Anthea Hansen, Chair/Member
Division 2: Justin Diener, Member
Stephen Farmer, Alternate
Division 3: Chris White, Member
Jarrett Martin, Alternate
Division 4: Brett Miller, Member
Division 5: Manny Amorelli, Alternate
FWA: Wilson Orvis, Member

Division 4: Brett Miller, Alternate
Division 5: Manny Amorelli, Director
FWA Representative: Wilson Orvis, Alternate

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Scott Petersen, Water Policy Director
Rebecca Akroyd, General Counsel
Ray Tarka, Director of Finance
Lauren Viers, Accounting Manager
Stewart Davis, IT Officer
Eddie Reyes, Information Systems Technician

Board of Directors Present

Division 1: Anthea Hansen, Director
Division 2: Justin Diener, Director
Division 3: Chris White, Alternate
Jarrett Martin, Director
Cannon Michael, Director

Others Present

Lea Emmons, City of Tracy (ZOOM)

Agenda

Item	Topic	Lead

1.	Call to Order/Roll Call — The meeting was called to order by Committee Chair Anthea Hansen at approximately 12:05 p.m. and roll was called.	
2	Additions or Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq. — No additions or corrections.	
3.	Opportunity for Public Comment — No public comment.	
4.	Finance and Administration Committee to Consider Approval of the March 2, 2026 Meeting Minutes — M/S - On a motion made by Member Wilson Orvis, seconded by Member Brett Miller, the Committee approved the March 2, 2026 meeting minutes as presented. Vote: Ayes – Michael, Hansen, Diener, White, Miller, Amorelli, Orvis; Nays – 0; Abstentions – 0.	

-
5. **Status Update Regarding the DMC Correction Project** – Chief Operating Officer Pablo Arroyave introduced the item. Arroyave noted the \$235 million funding award is going to greatly affect phase 1 of the project. There will be a significant discussion at the Planning Committee meeting. All environmental work has been completed. Construction on task 1 is estimated to begin June 2026 with the 75% level of design for task 2 to be completed in July as well. Task 2 is anticipated to be presented for Board approval in July. Barajas, Arroyave

 6. **FY26 Activity Agreements Budget to Actual Report through 2/28/26** — Director of Finance Raymond Tarka presented the Budget to Actual Report through February 28, 2026 for the Activity Agreement funds. Tarka stated for the twelve-month period, the budget was trending positive overall with actual spending ending February 28, 2026 at \$7,720,414 or 57.49% of the approved budget. Tarka

 7. **FY26 O&M Budget to Actual Report through 2/28/2026** — Director of Finance Raymond Tarka reported that for WY25, the self-funded routine O&M expenses through February 28, 2026 are under budget by \$420,446 or 1.85%, mainly due to the timing of expenditures for O&M expenses in most cost pools. Intertie conveyance costs continue to trend over-budget. The fiscal year 2024 and 2025 audits are underway and will be completed as soon as possible. Tarka answered questions throughout the presentation. Tarka

 8. **Contract/Procurement Activity Report** — Director of Finance Raymond Tarka presented the Contract/Procurement Activity Report included in the packet for the period of March 1, 2026 through March 31, 2026. On March 2nd a professional services contract was issued with Shepherd OU in the amount of \$61,800.00 for CMMS Licenses and Support. The funding source is the O&M budget. On March 16th a construction contract was issued to Hot Line Construction, Inc. in the amount of \$125,836.00 for JPP Siphon House Cable Replacement. The funding source is the EO&M budget. Tarka

 9. **Accounting Updates** — Director of Finance Raymond Tarka provided Accounting Department updates to the committee. Tarka
 - a. **NetSuite Implementation:** Staff has been working with an outside consultant to create various reports in NetSuite. Staff now has the ability to generate several of the monthly accounting reports out of NetSuite, such as the accounts receivable report.
 - b. **Audit:** The fiscal year 2024 audit is anticipated to be completed in the next few days. The auditors were unable to complete a final review prior to the meetings this week but will have the audit ready to present at the May meeting.

 10. **Executive Director's Report** Barajas
 - a. **SWP/CVP Joint Use Cost Share:** Executive Director Federico Barajas stated there have been ongoing cost share discussions to
-

review what DWR will be proposing for 2026 and subsequent years.

- b. **MM Water Consulting:** Executive Director Federico Barajas stated that a contract with MM Water Consulting will be presented to the Board for approval on Thursday based on Reclamation's needs and request for assistance.
- c. **CVPIA Completion:** Executive Director Federico Barajas reported that Reclamation is seeking input from the CVP contractors regarding CVPIA completion.
Barajas answered questions throughout the Executive Director's Report presentation.

- 11. **Committee Member Reports** — No reports.
- 12. **Reports Pursuant to Government Code Section 54954.2(a)(3)** — None.
- 13. **Adjournment** — The meeting was adjourned at approximately 12:28 p.m.



Meeting Agenda

Date & Time: 05/04/2026 | 9:30 AM

Location: SLDMWA Tracy Field Office

O&M Technical Committee Special Meeting/Projects Tour / Joint O&M Technical Committee Special Meeting/Projects Tour – Special Workshop of the Board, Water Resources Committee, and Finance & Administration Committee

15990 Kelso Road, Byron, CA 94514

** Meeting will convene in the Control Room conference room. After the meeting is called to order and items 1-3 are addressed, the Jones Pumping Plant Projects Tour will commence. **

NOTE: Because the notice provides for a regular meeting of the O&M Technical Committee and a joint regular O&M Technical Committee Meeting/Special Workshop of the Board, Water Resources Committee (WRC), and Finance & Administration Committee (FAC), members and alternates of the Board, WRC, and FAC may discuss items listed on the agenda; however, only O&M Technical Committee Members/Alternates may correct or add to the agenda or vote on any action items.

NOTE FURTHER: Any member of the public may address the Committee concerning any item on the agenda before or during consideration of that item, as appropriate. For each item, public comment is limited to no more than three minutes per person. For good cause, the Chair of the O&M Technical Committee may waive this limitation.

Agenda

Item	Topic	Lead

1.	Call to Order/Roll Call	
2.	O&M Technical Committee to Consider Corrections to the Agenda of Items, as Authorized by Government Code Section 54950 <i>et seq.</i>	
3.	Opportunity for Public Comment – Any member of the public may address the O&M Technical Committee concerning any matter not on the agenda, but within the Committee’s jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the O&M Technical Committee may waive this limitation.	
4.	Projects Tour – Jones Pumping Plant and Golden Mussel Management and Monitoring	
5.	Reconvene at the Control Room Conference Room to review the FY 2028 Proposed Project List and Ten-Year Plans for EO&M Projects, Reserve Projects, and Special Funded Projects	

6. ADJOURNMENT

NOTE: A quorum of the Board of Directors, Water Resources Committee, and Finance & Administration Committee may participate in the tour. However, there will be no actions taken, and Board business will not be discussed on the tour. The tour is for educational purposes only. Members of the public are invited to participate in the tour but must provide their own transportation. Casual attire and walking shoes are recommended, as the tour may include un-paved areas.

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

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Meeting Agenda

Date & Time: 05/11/2026 | 9:00 AM

Location: SLDMWA Boardroom

Notice of Planning Committee Special Meeting / Joint Planning Committee Special Meeting-Special Finance & Administration Committee, Water Resources Committee, Operations & Maintenance Technical Committee, and Board of Directors Workshop

842 6th Street, Los Banos
(List of Member/Alternate Telephonic Locations Attached)

Public Participation Information

Join Zoom Webinar -

<https://us02web.zoom.us/j/84165677440?pwd=Il4aJOsuUUMCdFsJmNfsVvjdlgQcSh.1>

NOTE: Any member of the public may address the Planning Committee, Finance & Administration Committee, Water Resources Committee, Operations & Maintenance Technical Committee, or Board of Directors concerning any item on the agenda before or during consideration of that item.

Because the notice provides for a special meeting of the Planning Committee ("PC") and a joint special PC Meeting/Special Finance & Administration Committee ("FAC"), Water Resources Committee ("WRC"), Operations & Maintenance Technical Committee ("OMTC"), and Board of Directors ("BOD") workshop, FAC/WRC/OMTC/BOD Members/Alternates may discuss items listed on the agenda; however, only PC Members/Alternates may correct or add to the agenda or vote on action items.

Agenda

Item	Topic	Lead

1.	Call to Order/Roll Call	
2.	Planning Committee to Consider Corrections to the Agenda for the Planning Committee Meeting only, as Authorized by Government Code Section 54950 <i>et seq.</i>	
3.	Opportunity for Public Comment – Any member of the public may address the Planning Committee/Finance & Administration Committee/Water Resources Committee/Operations & Maintenance Technical Committee/Board of Directors concerning any matter not on the agenda, but within the Committees' or Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Planning Committee may waive this limitation.	

ACTION ITEMS

4. **Approval of April 6, 2026 Meeting Minutes**
5. **Recommendation to Finance & Administration Committee to Adopt Revised Cost Allocation for Phase 1 of the DMC Subsidence Correction Project** Barajas, Arroyave

REPORT ITEMS

6. Discussion and Action Items for Future Planning Committee Meetings Barajas
7. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

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SLDMWA PLANNING COMMITTEE SPECIAL MEETING TELEPHONIC LOCATIONS

May 11, 2026

5957 E. Greenhill Street
Nampa, Idaho 83687



Meeting Minutes

Date & Time: 4/6/2026 | 1:30 PM
Location: SLDMWA Boardroom
842 6th Street, Los

San Luis & Delta-Mendota Water Authority Planning Committee Regular Meeting and Joint Planning Committee Regular Meeting – Special Finance & Administration Committee, Water Resources Committee, Operations & Maintenance Technical Committee, and Board Workshop

Attendance

Committee Members Present

Division 1: Anthea Hansen, Member
Division 2: Justin Diener, Alternate
Lon Martin, Alternate
Division 3: Chris White, Member
Division 4: Dana Jacobson, Alternate
Division 5: Manny Amorelli, Alternate
Friant WA: Johnny Amaral, Member
Wilson Orvis, Alternate

Lower DMC Area:
Patrick McGowan, Alternate
Mendota Pool Area:
Absent
San Felipe Area:
Absent
San Luis Canal Area:
Lon Martin, Alternate
SLDMWA Technical Staff

Finance & Administration Committee

Ex-Officio: Cannon Michael
Division 1: Anthea Hansen, Member
Division 2: Justin Diener, Member
Stephen Farmer, Alternate
Division 3: Chris White, Member
Jarrett Martin, Alternate
Division 4: Brett Miller, Member
Division 5: Manny Amorelli, Alternate
Friant WA: Wilson Orvis, Member
Johnny Amaral, Alternate

Jaime McNeil, Alternate
USBR Representatives:
Absent
Upper DMC Area:
Absent

Board of Directors Present

Division 1: Anthea Hansen, Director
Division 2: Justin Diener, Director
Lon Martin, Alternate
Division 3: Chris White, Alternate
Jarrett Martin, Director
Cannon Michael, Chair/Director
Division 4: Dana Jacobson, Director
Brett Miller, Alternate
Division 5: Manny Amorelli, Director
FWA Representatives:
Johnny Amaral, Representative
Wilson Orvis, Alternate

Water Resources Committee

Ex-Officio: Cannon Michael
Division 1: Anthea Hansen, Member
Division 2: Lon Martin, Alternate
Division 3: Chris White, Member
Division 4: Dana Jacobson, Alternate
Division 5: Manny Amorelli, Alternate

Operations & Maintenance Technical Committee

Exchange Contractors:
Chris White, Chair/Member
Jarrett Martin, Alternate
Friant Water Authority:
Absent

Authority Representatives Present
Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel

Scott Petersen, Water Policy Director
Ray Tarka, Director of Finance
Eddie Reyes, Information Systems Technician

Others Present
Chase Hurley, Pacheco Water District
Ellen Wehr, Grasslands Water District

Agenda Item	Topic	Lead
1.	Call to Order/Roll Call – The meeting was called to order at approximately 1:30 p.m. by Chair Justin Diener and roll was called.	
2	Additions or Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq. – No additions or corrections.	
3.	Opportunity for Public Comment - No public comment.	
4.	Planning Committee to Consider Approval of the November 3, 2025 Meeting Minutes – Chair Justin Diener deemed the November 3, 2025 minutes approved as submitted.	
5.	Status Update Regarding the DMC Subsidence Correction Project – Chief Operating Officer Pablo Arroyave reported that staff is working diligently with Kiewit on the preconstruction activities for both Task 1 and Task 2. Arroyave reported that all environmental permitting is complete with the exception of State Historical Preservation Act compliance, which should be completed by the middle of June. Arroyave reported that Kiewit is working to develop Guaranteed Maximum Price (GMP) for Task 1 and Task 2 for the construction phase of the project. Arroyave reported that the GMP will go to the Finance & Administration Committee and the Board for approval in May, which will be followed by a Notice to Proceed with construction. Staff answered questions throughout the presentation.	Barajas, Arroyave
6.	Discussion Regarding One Big Beautiful Bill Act (OBBBA) Funding Announcement – Executive Director Federico Barajas reported that \$235 million was assigned to this project through the OBBBA. Staff reviewed a PowerPoint presentation that was included in the packet. General Counsel Rebecca Akroyd reviewed the Planning Committee jurisdiction, items that have already been approved, and related actions and commitments. Barajas reviewed available funds for construction including reimbursable funding sources, and non-reimbursable funding sources. Barajas reviewed options for utilizing available funding, which included Option 1 – approved cost allocation to members + non-reimbursable funding, and Option 2 – utilize non-reimbursable funding only, which includes a choice of Option 2A, Option 2B, or Option 2C. After a discussion with staff, Committee members provided direction to use \$235 million non-reimbursable funds and to solidify the scope described in Option 2B, with action to be taken at a future meeting.	Barajas
7.	Discussion and Action Items for Future Planning Committee Meetings – Executive Director Federico Barajas reported that the direction provided	Barajas

today will be brought to the Planning Committee next month as an action item, and will then go to the Board for approval.

8. **Reports Pursuant to Government Code Section 54954.2(a)(3)** – None.
9. **Adjournment** - The meeting was adjourned at approximately 2:45 p.m.



MEMORANDUM

TO: SAN LUIS & DELTA-MENDOTA WATER AUTHORITY DIRECTORS
FROM: SAMANTHA BARNCastle, EXECUTIVE DIRECTOR
SUBJECT: EXECUTIVE DIRECTOR'S REPORT
DATE: MAY 11, 2026

This executive director's report is intended to keep you apprised as to what is happening behind the scenes on policy and other issues the Alliance is engaged in or is otherwise tracking. This report is intended for your use, but I understand that you may wish to share this information with your local board members and close associates. I would ask that you be circumspect when you distribute this, however. Here is your update on activities during the last month:

GOVERNMENT FUNDING

First, access The Ferguson Group's Special Report and Review of Appropriations for FY 2026 here: [TFG Special Report - FY 2026 Appropriations Review Updated - Adobe cloud storage](#)

House appropriators are moving quickly on FY 2027 spending, with Chairman Tom Cole (R-OK) releasing an ambitious schedule to advance all 12 spending bills out of committee by the end of June. The process kicked off with the Military Construction-VA and Financial Services subcommittees, setting a brisk two-month pace for the panel. For natural resources and infrastructure funding, the most relevant action comes in the back half of the schedule. The Energy and Water Development bill (funding the Bureau of Reclamation and Corps of Engineers) heads to subcommittee on May 15, with full committee markup following May 20. The Interior and Environment bill (funding Interior agencies and the EPA) gets its subcommittee markup just one day later on May 21, moving to full committee on June 3.

Before those markups would begin in earnest, Interior Secretary Doug Burgum testified before the full Appropriations Committee. He defended the Trump Administration's proposed nearly 13% cut to Interior's budget, a reduction that appropriators are widely expected to reject. He faced questions on staffing reductions, a proposal to consolidate wildland firefighting operations, a potential

merger of the bureaus overseeing offshore drilling and deep-sea mining, and the department's broader push to expand fossil energy production. See below for more on his testimony.

TRUMP 47 ADMINISTRATION

1. Reclamation Budget proposal shows stark cuts, defended by Sec. Burgum

Interior Secretary Doug Burgum spent much of April defending the Trump Administration's proposed FY2027 Interior Department budget before Congress, including significant cuts to public lands, water, and conservation programs. The proposal would reduce Interior's overall discretionary budget by roughly 13%, including a Bureau of Reclamation budget of approximately \$1.27 billion while eliminating key western water programs such as WaterSMART and Title XVI water recycling grants. Additional proposed reductions affecting western water and natural resource interests include cuts to USGS water and ecosystem science programs, endangered species conservation funding, wetlands programs, and core Bureau of Land Management accounts. Burgum's primary defense was that wasteful spending has been cut, and efficiencies improved, so Congress should not assume the proposed cuts are harmful. Burgum also faced bipartisan scrutiny over proposed National Park Service staffing reductions and maintenance cuts, although he clarified that a proposed \$10 billion "Presidential Capital Stewardship Program" for Washington, D.C. infrastructure repairs would not fund President Trump's proposed monumental arch project.

During multiple hearings, Burgum strongly endorsed congressional efforts to advance permitting reform, arguing that laws such as NEPA and the Endangered Species Act have been "weaponized" and are slowing needed infrastructure and energy development. He described permitting reform as essential to unlocking more than \$1 trillion in delayed investment and pledged Interior's support for bipartisan negotiations underway in the Senate. Democrats criticized the Administration's simultaneous efforts to halt or delay renewable energy projects, particularly offshore wind, while Republicans raised concerns about staffing reductions, wildfire reorganization proposals, and delayed release of previously appropriated water infrastructure funding.

2. EPA to roll back PFAS rules

Following White House clearance on May 1, EPA is set to propose two rules rolling back Biden-era drinking water limits for PFAS "forever chemicals." One rule would extend the compliance deadline for PFOA and PFOS limits from 2029 to 2031. The other would rescind limits entirely for four other PFAS, including GenX chemicals. EPA argues the Biden Administration failed to follow proper procedures when setting those four standards. Health advocates are pushing back, warning the rollbacks would put millions of Americans at greater risk. A federal appeals court is also weighing a separate legal challenge to the original 2024 rule. The Alliance continues to track passive receiver PFAS issues closely and will report out on the subject as appropriate.

3. EPA Water Reuse Action Plan 2.0

The EPA announced the launch of Water Reuse Action Plan (WRAP) 2.0, a renewed federal initiative focused on expanding water reuse to support agriculture, industry, energy production, and emerging technologies such as artificial intelligence and data centers. The plan emphasizes

collaboration with states, local governments, and industry partners rather than new federal mandates, while promoting investments and best practices for recycled water use and water supply resilience. The initiative received support from the Congressional Western Caucus, which praised the effort as an important step toward strengthening long-term water reliability and economic growth in the West. This is all against the backdrop of the Administration's budget that, like other water programs, proposes to cut funding in these areas.

4. EPA FY 2027 Budget Proposes Deep Cuts to SRF Water Infrastructure Funds

The Trump Administration's FY2027 budget request proposes cutting EPA's state revolving fund (SRF) programs by roughly 90 percent, a reduction of more than \$2.5 billion, just as both the SRF programs and supplemental Bipartisan Infrastructure Law funding are set to expire at the end of this fiscal year. Water utilities are pushing back but cautiously optimistic that Congress will again reject the cuts, as it did in FY 2026, when lawmakers funded the clean water and drinking water SRFs at \$1.6 billion and \$1.1 billion respectively. One senior Senate Republican appropriator called last year's similar proposal "unserious." The cuts are especially jarring given that EPA is simultaneously defending costly Biden-era drinking water mandates, including lead service line replacement and new PFAS standards, that place significant financial pressure on utilities. Industry groups point to an EPA assessment estimating the nation's 20-year drinking water infrastructure needs at \$625 billion as evidence that federal support is needed now more than ever.

5. USDA Reorganization drama continues!

The USDA's sweeping reorganization is moving forward through a series of major relocations and structural changes aimed at shifting staff and decision-making away from Washington, D.C. and into regional "hub" offices across the country, while also consolidating or closing some long-standing facilities like the Beltsville Agricultural Research Center. Department leaders argue the effort will improve efficiency and better align USDA programs with farmers by placing employees closer to rural communities, but the plan has raised legal and procedural concerns as Congress has sought to retain oversight over large-scale reorganizations and office moves.

At the same time, the effort is facing significant operational headwinds, including widespread staffing reductions and workforce attrition across key agencies like the Natural Resources Conservation Service, which has left some field offices severely understaffed or effectively non-operational. Farmers and lawmakers from both parties have raised concerns that these shortages are already disrupting technical assistance, conservation programs, and grant delivery, calling into question whether USDA can execute a major restructuring while maintaining core services. Additional uncertainty stems from ongoing disputes over congressional notification versus approval requirements, as well as the risk that relocation and consolidation efforts could further strain already limited expertise and slow program delivery during a period of high demand and environmental stress.

6. USDA Funding, generally

USDA funding for FY2027 is headed for a modest but broad pullback under the House Agriculture appropriations proposal, which would cut overall discretionary spending by about 1.4% to \$26.3 billion—less severe than the Trump administration's requested nearly 20% reduction but still

signaling tighter budgets across conservation, research, and climate-related programs. The bill reduces funding for conservation efforts and eliminates USDA “climate hubs,” while also trimming grants through the National Institute of Food and Agriculture even as the Agricultural Research Service sees a small increase. The Natural Resources Conservation Service would see a slight reduction in discretionary funding, though most of its support remains in mandatory spending accounts. At the same time, the department is reshaping existing “climate-smart” farm grant programs into a rebranded conservation initiative that continues funding projects but removes climate-focused language and shifts more dollars directly to producers. If past years are any guide, Senate appropriators are expected to soften many of these cuts, setting up another round of negotiations to reconcile funding levels and program priorities.

7. USDA Announces second round of funding for ACEP

The Natural Resources Conservation Service (NRCS), announced a second national application deadline of May 29, 2026, for fiscal year 2026 funding under the Agricultural Conservation Easement Program (ACEP). NRCS is making up to \$200 million available for Agricultural Land Easements during this sign-up period, part of a broader \$4 billion investment in conservation easements authorized under the One Big Beautiful Bill Act of 2025. The program aims to preserve working agricultural lands through voluntary easements and partnerships, helping prevent the loss of productive farmland. While applications are accepted year-round, this additional deadline allows NRCS to evaluate and rank proposals based on conservation impact, with a streamlined application process requiring basic documentation such as proof of ownership and parcel mapping.

8. USDA Announces more Disaster Relief funding

The USDA also announced a second round of payments under the Supplemental Disaster Relief Program (SDRP) for farmers impacted by natural disasters in 2023 and 2024, increasing total assistance by raising the payment rate from 35% to 70% of calculated losses. The additional payments will go to producers with approved applications, building on more than \$6.7 billion already distributed through the program. USDA also extended the application deadline from April 30 to August 12, 2026, to give producers more time to complete applications and address documentation, particularly for more complex claims. Farmers impacted by drought in 2023 or 2024 are eligible and should apply.

9. USDA Reinstates Grant to benefit farmers looking for ‘climate-smart’ practices

The U.S. Department of Agriculture has reinstated a \$59 million grant to the University of Idaho to support farmers in adopting climate-smart agricultural practices, after previously terminating the program in 2025 due to revised funding criteria. The university updated the program to direct more funding toward producers and marketing efforts, allowing work to resume in April 2026 with a focus on enrolling the original group of participating farmers. The initiative—developed in partnership with organizations and tribal groups—aims to incentivize practices that reduce environmental impacts across key commodities, with contracts expected to move forward later this year. We are seeing an overwhelming preference in direct payments to farmers, rather than system level improvements in this administration, and while it’s great news that this grant was reinstated

– it is also a signal of criteria to qualify for funding that does not necessarily fit with the Alliance mission of ensuring adequate funding to system level improvements.

10. USDA upgrades rainfall data source

The USDA Risk Management Agency (RMA) announced it is upgrading the rainfall data source used in several federal crop insurance programs, transitioning from NOAA’s Climate Prediction Center to the National Centers for Environmental Information (NCEI). The change, phased in beginning April 2026, will affect programs such as Pasture, Rangeland, Forage, Annual Forage, Apiculture, and Shellfish insurance. Officials say the move will improve data accessibility, transparency, and support for producers, while maintaining existing program structures, coverage areas, and actuarial integrity. RMA also expects the upgrade to allow faster delivery of index values and indemnity payments, with additional flexibility for future data enhancements such as expanded weather station inputs.

11. US Forest Service relocation effort drawing questions from appropriators

Senate appropriators are raising concerns about the Forest Service’s proposed reorganization and steep budget reduction from \$6.2 billion to \$2.1 billion, which is tied largely to shifting wildfire operations to the Interior Department. Forest Service Chief Tom Schultz told lawmakers the agency is actively recruiting staff and has hired about 9,700 firefighters, slightly ahead of last year’s pace, but Senators—including Sen. Lisa Murkowski (R-AK)—pressed for assurances that staffing will be sufficient heading into a potentially severe fire season. Lawmakers also questioned structural changes such as replacing regional offices and relocating headquarters, while Democrats focused on proposed research cuts that the agency says would be preserved through consolidation or shared facilities. Overall, while some Republicans are open to shifting wildfire responsibilities, broader reorganization plans remain politically unsettled and under close scrutiny.

12. Government staffing shortages in the news

An article in Government Executive reported that severe staffing reductions at the General Services Administration (GSA) are creating operational challenges across the federal government. Citing a Government Accountability Office (GAO) review, the article found that GSA’s Public Buildings Service cut nearly half its workforce before conducting adequate workforce planning, resulting in project delays, confusion among agencies over points of contact, and concerns about reduced service capacity. The report highlighted broader concerns that rapid workforce reductions, implemented without strategic planning, may disrupt federal operations and delay infrastructure and property management activities relied upon by multiple agencies.

13. The Debate over the CO River continues – All eyes on Reclamation

Hydrologic conditions in the Colorado River Basin continue to deteriorate rapidly following one of the driest winters on record and an unusually warm spring across the Rocky Mountain headwaters. Forecasted inflows into Lake Powell are now projected at only 13–29% of average, with some forecasts describing conditions as among the worst ever recorded for the system. Federal officials warn that without immediate intervention, water levels at Glen Canyon Dam

could fall below minimum power pool elevations later this summer, threatening hydropower generation and the ability to reliably move water downstream. Reservoir storage basin-wide has dropped to roughly 36% of capacity, and agricultural producers throughout the Upper Basin are bracing for drought-related shortages and potential curtailments. Concerns are also growing over reduced hydropower generation at both Glen Canyon and Hoover Dam, with projections showing Hoover power production could decline by as much as 40% under current operating plans.

In response, the U.S. Department of the Interior and the Bureau of Reclamation have initiated emergency drought operations designed to stabilize the system and buy time for broader negotiations over post-2026 river operations. Federal actions include reducing releases from Lake Powell to the legal minimum of 6 million acre-feet and moving up to 1 million acre-feet of water from Flaming Gorge Reservoir into Powell under existing drought response agreements. At the same time, Arizona, California, and Nevada have proposed additional voluntary conservation measures totaling up to 1 million acre-feet through 2028, supported by more than \$450 million in anticipated federal conservation funding. However, negotiations among the seven basin states remain deeply divided, particularly over the role of Upper Basin reservoirs, future operational authority, and long-term water allocation rules as current management guidelines expire later this year. Upper Basin states are now calling for formal mediation to break the ongoing stalemate.

14. Public Lands Rule repeal efforts

The Trump administration has advanced efforts to repeal a Biden-era Bureau of Land Management “public lands rule” that elevated conservation to a formal land-use category alongside grazing, energy development, and recreation, including allowing dedicated conservation leasing for restoration projects. The Biden rule was strongly supported by environmental groups as a major shift toward prioritizing ecosystem health but opposed by industry groups and Republicans who argued it could restrict land access and resource development. With the White House regulatory review of the repeal now complete, the Interior Department is expected to finalize the rollback soon, reflecting a broader policy shift away from formalizing conservation as an equal use of federal public lands.

15. More of the President’s nominees move forward

The Senate cleared a procedural hurdle last week on a package of Trump Administration nominees, with final confirmation votes expected soon. Leading the list is Steve Pearce, a former New Mexico congressman tapped to head the Bureau of Land Management (BLM). Democrats have opposed his nomination, citing his ties to the oil and gas industry and past support for public land sales. Also in the package are nominees for the Department of Energy, the Nuclear Regulatory Commission, and the Federal Energy Regulatory Commission (FERC). Separately, Senate Majority Leader John Thune (R-SD) moved to advance Kevin Warsh's nomination to chair the Federal Reserve, who is also expected to be confirmed after the recess.

16. Administration’s Expedited Permitting Agenda Moves Forward

Recent developments in Congress suggest that momentum for bipartisan permitting reform is continuing to build, although significant policy differences remain. Senate Environment and Public

Works Committee leaders Sen. Shelley Moore Capito and Sen. Sheldon Whitehouse are reportedly working closely together on a broad package aimed at streamlining approvals for energy, infrastructure, and transmission projects. Negotiators are discussing faster environmental reviews, expanded electric transmission siting, litigation reforms, and greater certainty for already-issued permits. Senate leaders have indicated that draft legislation could emerge later this summer.

At the same time, the White House is pushing Congress to include reforms to Clean Water Act Section 401, which gives states authority to condition or block federally permitted projects based on water quality concerns. Administration officials argue some states have used Section 401 as a broader veto authority unrelated to water quality, while opponents view the provision as an important state safeguard. Separately, bipartisan House lawmakers introduced the “CERTAIN Act,” which would provide greater protection for lawfully issued permits, establish clearer agency timelines, reduce duplicative reviews, and improve interagency coordination. The growing national focus on energy reliability, electric transmission expansion, and power demand associated with AI and data centers continues to add urgency to the permitting reform debate.

17. DOI, Bureau of Reclamation: Agency Realignment and Efficiency

Last month, we finalized the NEPA memorandum in coordination with Reclamation, which will be transmitted from the Washington, D.C. office to field staff to outline the updated NEPA handbook and expectations for implementation. This has been a nearly year-long effort, and we are encouraged by its completion. As this guidance is rolled out, we anticipate corresponding cultural and procedural shifts within the agency; if those changes do not materialize as expected, please flag concerns so we can follow up and help ensure proper implementation.

We are also continuing to work toward common ground on procurement and OM&R issues through our standing committee, which recently received a list of projects identified by the Bureau of Reclamation as potential candidates for transfer to local districts. While this effort is partly driven by reduced federal staffing levels, it also reflects broader administrative priorities aimed at shifting certain responsibilities from federal agencies to local entities. As these transitions move forward, it will be important to monitor for any unintended or adverse consequences at the district level. We encourage close coordination with local offices and timely reporting of any challenges so they can be addressed promptly. While we support transferring responsibilities where it is practical and appropriate, it is equally important to ensure that districts are not assigned additional burdens beyond their capacity.

DEVELOPMENTS IN THE 119TH CONGRESS

18. Reconciliation 2.0...and 3.0???

Congressional Republicans are moving ahead with a second budget reconciliation package focused primarily on immigration enforcement funding, but there is growing uncertainty about whether the party will pursue a broader third reconciliation bill later this year that could address energy, environmental, and regulatory priorities. While some GOP lawmakers continue pushing for a future package that could include permitting reform, energy policy changes, regulatory rollbacks, and other conservative initiatives, key Republican leaders have expressed skepticism about both the timing and political appetite for another major partisan effort before the midterm elections.

Senate Environment and Public Works Chair Sen. Shelley Moore Capito indicated that a third reconciliation bill appears unlikely at this stage, citing spending constraints and competing legislative priorities.

Republican leaders are currently focused on advancing what some are calling “reconciliation 2.0,” a narrowly tailored package intended to provide long-term funding for border security and immigration enforcement agencies without Democratic support. Some lawmakers have attempted to attach additional provisions related to energy, disaster aid, and environmental policy, but party leadership has warned that expanding the bill’s scope could jeopardize its passage. At the same time, House leadership has continued signaling to conservatives that another reconciliation effort later this year remains possible. However, compressed legislative timelines, election-year political risks, and uncertainty over Senate reconciliation rules continue to cloud the prospects for a broader energy or permitting-focused package.

19. Farm Bill (still, maybe)!!!

Congress finally made significant movement on a long-stalled farm bill in April and May, with the House narrowly passing a five-year package, H.R. 7567, by a 224-200 vote after months of delays and intense debate over pesticide liability protections, California’s Proposition 12, ethanol policy, conservation funding, and SNAP reforms. While the House bill advances key farm safety net, conservation, forestry, and rural development programs through 2031, several controversial provisions were either stripped out or delayed, including pesticide liability language opposed by “Make America Healthy Again” advocates and a year-round E15 ethanol provision that House leaders agreed to consider separately. The bill also reflects major policy changes already enacted through last year’s reconciliation package, which expanded commodity support programs while reducing future SNAP funding obligations. Agricultural groups broadly supported House passage, arguing producers need updated policies after operating under repeated extensions of the 2018 Farm Bill amid rising input costs, inflation, and market uncertainty.

Attention has now shifted to the Senate, where Agriculture Committee Chairman John Boozman has emphasized that any final package will require bipartisan support to overcome the Senate’s 60-vote threshold. Senate Democrats are already demanding revisions to SNAP cost-sharing provisions enacted in the reconciliation law, while some Republicans argue many of the most important farm bill priorities have already been addressed. Additional disputes over ethanol, pesticide policy, conservation funding, and nutrition programs could further complicate negotiations as Congress faces a compressed legislative calendar ahead of the midterm elections. Despite those challenges, Senate leaders continue expressing optimism that a bipartisan farm bill can still be completed later this year, although timing remains uncertain and another short-term extension remains possible if negotiations stall.

20. ESA Amendments Act stalls in the House

Congressional efforts to advance major reforms to the Endangered Species Act encountered significant turbulence this past month. House Natural Resources Chair Rep. Bruce Westerman had planned to move the “ESA Amendments Act” (H.R. 1897) through the House, but leadership ultimately pulled the bill from floor consideration after internal Republican opposition emerged, particularly from members of the Florida delegation concerned the bill’s expanded “God Squad” exemption provisions could increase the risk of offshore oil and gas drilling near Florida’s coastlines. The legislation would make broad changes to ESA implementation, including requiring

economic impact analyses for species listings, limiting litigation by environmental groups, streamlining permitting and consultation processes, and narrowing certain species protections. Despite the setback, Westerman and House leadership have indicated they intend to continue negotiations and potentially revive the bill later this spring.

At the same time, the Trump Administration continued advancing parallel administrative ESA reforms through agency rulemaking and high-profile exemption actions. Most notably, the Administration recently utilized the rarely invoked “God Squad” process for the first time in more than 30 years to exempt certain Gulf offshore drilling activities from ESA requirements, prompting litigation from environmental groups and heightened concern among some Republicans and coastal states. Separately, federal agencies are reportedly advancing regulatory proposals that would narrow the definition of “harm” under the ESA and reduce habitat-related protections for listed species. The Family Farm Alliance submitted a letter supporting H.R. 1897 on April 20, citing the need for improved regulatory certainty and modernization of ESA implementation.

21. House ENR Subcommittee considers legislation to adjust ESA related policies to formally give water districts seat at the table

Rep. Cliff Bentz’s H.R. 8259, the “Federal Water Projects Consultation Improvement Act of 2026,” was the subject of a House Natural Resources Subcommittee hearing on April 30, where lawmakers debated whether local water contractors should have a more formal role in Endangered Species Act consultations affecting Bureau of Reclamation projects across the West. Bentz emphasized that the bill would not alter the ESA itself but instead would improve transparency and collaboration by requiring federal agencies to provide irrigation districts, water contractors, and affected communities with greater access to draft biological opinions, scientific analyses, and opportunities for engagement when federal actions could affect water deliveries. Democrats on the panel raised concerns that the proposal could weaken ESA implementation or disproportionately favor contractors over tribes and other stakeholders. Testifying in support of the legislation was Alliance Advisory Committee member Elizabeth Nielsen, executive director of the Klamath Water Users Association, who told lawmakers that water contractors possess critical on-the-ground knowledge about water supply, delivery systems, and impacts to both agriculture and wildlife. Nielsen said the current consultation process is often inconsistent and lacking transparency and argued that earlier contractor involvement would improve outcomes for water reliability, agricultural producers, and rural communities without changing existing ESA requirements. The Alliance and several members supported the bill ahead of the Committee hearing.

22. Think-Tank Analysts Float Bipartisan Paths Forward on Permitting Reform

Analysts are offering two potential frameworks for a bipartisan permitting deal, even as a crowded legislative calendar makes the window increasingly narrow in an election year. The Breakthrough Institute argues that recent court rulings have fundamentally undermined NEPA's legal foundations that congressional action is now the only way to restore durable environmental protections, framing reform as a "rescue mission" rather than a rollback. The Bipartisan Policy Center, meanwhile, points to "permitting certainty" as the most promising common ground, noting that both parties want consistent, technology-neutral standards protecting projects, whether wind, solar, oil, or gas, from arbitrary delays across administrations. Several legislative vehicles are in play, including the House-passed SPEED Act, [H.R. 4776](#), and an upcoming surface transportation reauthorization bill expected to include a permitting title. Bipartisan Senate talks have also quietly resumed. Both analyses stress that weakening public engagement ultimately produces more

litigation, not less, and that a durable deal should codify meaningful public participation requirements rather than leaving them to agency discretion or shifting court interpretations.

23. Senate Democrats Push Back on CWA 401 Water Permitting Rulemaking

Eleven Senate Democrats have sent a letter to the Trump EPA expressing "strong objection" to the agency's proposed rule limiting state and tribal water quality reviews under Section 401 of the Clean Water Act, arguing it undermines cooperative federalism and could paradoxically worsen the permitting delays it aims to fix. The draft rule would restrict state reviews for hydropower dams, pipelines, and other energy projects, barring states from considering environmental impacts beyond direct "discharges" into federally regulated waters and requiring certification decisions within one year. The Administration has framed it as a tool to prevent states from "weaponizing" the Clean Water Act to block energy projects. Led by Sen. Alex Padilla (D-CA), the letter argues the rule would strip states of core water protection authority, especially significant for dams, which broadly affect fish, erosion, and water temperature. Democrats also warn it could backfire in states like California, where the narrowed federal certification scope could force developers to file separately under state law, adding cost and delay rather than reducing red tape.

24. Bipartisan House Bill Aims to Shield Federal Permits from Political Interference

A bipartisan group of House lawmakers have introduced the CERTAIN Act, legislation designed to protect lawfully issued federal permits from being revoked by future administrations. Led by Reps. Scott Peters (D-CA) and Gabe Evans (R-CO), the bill would require agencies to conduct reviews within set timelines, reduce regulatory duplication, and encourage coordination among regulators. The bill strengthens a permit certainty provision from the SPEED Act, H.R. 4776 passed by the House last year, and comes as senators negotiate a broader permitting reform package. It faces some opposition; however, offshore wind opponents are hoping the Trump Administration will revoke Atlantic project permits, a move this legislation would complicate.

25. Wildfire still a *HOT* topic!

The 2026 wildfire situation across the West is being driven by unusually dry conditions, low snowpack, and early-season fire activity, prompting a mix of federal and state responses focused on both prevention and rapid suppression. At the federal level, the U.S. Forest Service has issued a 2026 wildfire readiness directive emphasizing full suppression strategies, expanded staffing, and coordination across agencies, while also testing new response tools like "Operation Sky Hammer," which deploys mobile aerial firefighting units to attack fires in their earliest stages. The Forest Service is also maintaining a large contracted aviation fleet and more than 28,000 responders nationwide, even as broader reorganization plans and proposed shifts of wildfire management to the Interior Department remain politically unresolved.

On the ground, federal land managers such as the Bureau of Land Management in Idaho and Nevada have issued seasonal fire prevention orders restricting fireworks, explosives, unsafe ammunition types, and equipment that could spark fires on public lands. State leaders, including Colorado's governor, are warning of extreme fire risk tied to record-low snowpack and widespread drought, while mobilizing additional aircraft, crews, and incident management teams ahead of peak fire season. Recent fires in Colorado and the Southwest have already required emergency declarations and state resource deployments, underscoring how quickly conditions can escalate. Alongside suppression efforts, agencies and research institutions are also expanding mitigation

strategies—such as watershed fuel reduction projects, post-fire recovery tools for rangelands, and new mapping systems to guide landowners—reflecting a broader shift toward both immediate response and longer-term landscape resilience.

The U.S. House passed the FIRE Act (H.R. 6387), legislation aimed at encouraging prescribed burns as a wildfire prevention tool by modifying Clean Air Act rules related to smoke emissions. Supporters argue the bill will give states greater flexibility to conduct controlled burns without risking violations of federal air quality standards, helping reduce catastrophic wildfire risk while easing regulatory burdens on local communities and land managers.

26. Rural Broadband

The House overwhelmingly passed the “Expediting Federal Broadband Deployment Reviews Act” (H.R. 1681) in a 384–9 vote, aiming to streamline permitting for broadband infrastructure on public lands. The bipartisan bill would create a multi-agency federal “strike force” to coordinate and accelerate project reviews, addressing longstanding delays that have limited internet access in rural and underserved areas. Lawmakers from both parties framed the effort as a practical step toward closing the digital divide, though broader and more controversial permitting reforms remain under debate. For those of us living in rural areas, access to adequate internet services is becoming essential to operating precision agriculture businesses and features such as tractor GPS, telemetry on wells and headgates, and time clocks for employees, among many other functions.

27. Hydropower gets continued support

Hydropower continues to receive significant attention at the federal level as lawmakers and the administration emphasize grid reliability, domestic energy production, and modernization of existing infrastructure. The Department of Energy recently announced a \$430 million initiative focused on improving the resilience and efficiency of hydropower facilities, while debates continue in the Pacific Northwest over balancing fish passage requirements with the region’s dependence on hydropower generation. Congress also approved the bipartisan “Build More Hydro” bill (S. 1020), which is now headed to President Trump’s desk and would extend Federal Energy Regulatory Commission construction timelines for certain hydropower projects, potentially advancing nearly 40 stalled projects representing more than 2.5 gigawatts of baseload power nationwide. Energy Secretary Chris Wright also recently defended the importance of the Lower Snake River dams during congressional testimony, arguing the facilities remain critical for affordable electricity, grid stability, irrigation, navigation, and regional economic activity in the Pacific Northwest.

28. AI and Data Centers at the center of the Cost of Living debate

Data centers can consume millions of gallons of water on a single hot summer day, and as more facilities tap into local systems, utilities are planning major and expensive expansions. Researchers at UC Riverside estimate that building the water infrastructure needed to support AI data center growth through 2030 could cost anywhere between \$10 billion and \$58 billion. As artificial intelligence continues its rapid expansion, communities across the country are grappling with a question that goes beyond electricity costs: who pays for the water?

In Columbus, Ohio, home to at least 130 data centers, residents are increasingly linking rising utility bills to the tech boom. The city is raising water rates 18% and sewer rates 8% this year while

officials' study whether large users like data centers are truly paying their fair share. In rural Virginia, a planned Google data center that could consume up to 2 million gallons daily has prompted county officials to commit up to \$300 million toward finding new regional water supplies, costs they hope Google's tax revenue will offset, though locals remain skeptical. Underlying all of it is a timing problem experts find particularly troubling. Water infrastructure is built for a service life of 50 to 60 years, while data centers are typically designed to last for only 15 to 20. Until clearer frameworks are established for how these costs get allocated, the risk of households quietly footing the bill remains very real.

IN THE COURTS

29. DOJ argues permitting system for ranchers whose livestock graze on public land counts as beneficial use of its water rights

The case centers on a dispute between Idaho and the federal government over whether the state can require documentation and potentially forfeit “stockwater” rights tied to livestock grazing on federal public lands when those rights are not shown to be actively used. The U.S. government argues Idaho’s laws unlawfully target federal water rights and interfere with the federal grazing permit system, while Idaho contends it is simply enforcing its water law rules—including a five-year nonuse forfeiture standard—equally against all users. At the Ninth Circuit, the federal government is defending its ability to treat grazing-permit-related livestock watering as a “beneficial use” sufficient to maintain its water rights, while Idaho maintains that mere issuance of grazing permits does not establish water use or exempt federal rights from state forfeiture rules. The outcome will affect how water rights tied to millions of acres of federal grazing lands in Idaho are defined and enforced under the Snake River Basin adjudication framework.

30. Supreme Court May Take Up Key WOTUS Wetlands Question

The Supreme Court has asked EPA to respond by April 24 to a petition that could bring the justices back to the question of federal wetlands jurisdiction under the Clean Water Act with significant implications for the agency's pending “waters of the U.S.” (WOTUS) rulemaking. The case, *Andrews v. United States*, involves a Connecticut farmer who argues the Second Circuit incorrectly upheld federal authority over his wetlands despite their lacking a continuous surface water connection to covered waters, a standard established in the Supreme Court's landmark 2023 *Sackett* decision. Legal observers say if the Court takes the case, it would likely clarify what constitutes a “continuous surface connection,” a term *Sackett* left undefined and one EPA and the Army Corps are currently grappling with in their proposed WOTUS rule, which is expected to be finalized this summer. A coalition of Republican-led states filed an amicus brief supporting the petition, arguing that lower courts have failed to faithfully apply *Sackett* and that federal regulatory overreach continues to impose significant costs on states, municipalities, and landowners.

31. Arizona court invalidates groundwater policy

An Arizona court has invalidated a state water policy that had been used to restrict residential development in the Phoenix area, ruling that the Arizona Department of Water Resources exceeded its legal authority. The court found that ADWR’s “Unmet Demand” approach

improperly evaluated regional groundwater demand rather than focusing on whether individual developments could meet Arizona’s statutory requirement for a 100-year assured water supply. The decision could have significant implications for future growth and water management policies in Maricopa County.

32. NM stream access case decided against ranchers

A recent federal appeals court ruling upheld public access to streambeds on private land in New Mexico, affirming that recreationists may legally use the beds and banks of public waterways even where they cross private property. While state officials framed the decision as a win for public access, it raises ongoing concerns for agricultural producers, who argue that expanded access can interfere with ranching and farming operations, create liability risks, and limit landowners’ ability to manage and protect their property. The case highlights a broader tension between public recreation rights and private property interests, particularly in working landscapes where unrestricted access to waterways can disrupt operations and resource stewardship. State officials are now asking the court to hold the rancher at the center of the controversy criminally liable for actions he took, which he claims were in defense of his property.

Meanwhile, there is an ongoing stalemate over public stream access in Colorado, where lawmakers continue to struggle with balancing recreational use and private property rights after decades of debate. The discussion has intensified amid growing pressure from boating and fishing advocates seeking expanded river access, while landowners and agricultural interests warn that changes to longstanding “float but don’t touch” rules could increase liability concerns, threaten private property rights, and create new conflicts for ranching and farming operations located along waterways. I expect the New Mexico litigation to impact the Colorado debate.

ALLIANCE INITIATIVES

33. Invasive mussels update

Western states continue responding aggressively to invasive aquatic species threats, particularly quagga and golden mussels, due to the major risks they pose to water infrastructure, hydropower systems, fisheries, and irrigation operations. In Idaho, the Department of Agriculture reported ongoing efforts to eradicate quagga mussels in the Snake River following recent detections, including continued monitoring, treatment, and coordination with regional partners to prevent further spread. In California, state agencies announced a forthcoming invasive species grant program funded through Proposition 4, which will dedicate \$20 million toward invasive species prevention and management projects, while also updating stakeholders on evolving golden mussel response efforts. Separately, the California Department of Water Resources announced it is scaling back mandatory mussel inspection and decontamination requirements at Lake Oroville after additional analysis showed a lower-than-expected risk of golden mussel establishment in the reservoir system, though monitoring and statewide prevention efforts will continue.

34. Nukes cost water, too!

A recent report highlighted growing concerns over the massive water demands associated with expanding nuclear and artificial intelligence operations at Los Alamos National Laboratory in New Mexico, where federal projections estimate future operations could require roughly 1.4 million gallons of water per day for at least the next decade. The expansion, which includes new AI supercomputing facilities and expanded nuclear weapons production, comes as New Mexico faces worsening drought, declining aquifer levels, and increasing pressure on limited water supplies across the region. The situation underscores a broader trend throughout the West, where energy, technology, and national security infrastructure are increasingly competing for scarce water resources during an era of prolonged drought and water scarcity. Making matters increasingly more complex, AI and Datacenter water use is difficult to measure, and therefore difficult to plan for. I continue to expect more on this subject both in the legislative arena, and soon also the litigation arena where local battles over water rights permitting issues are beginning to proliferate.

35. New Science on Salmon population pressures with rising water temps

New research from the University of Alaska Fairbanks finds that warming river temperatures are increasing the feeding rates of invasive northern pike, intensifying pressure on already struggling salmon populations. As water temperatures rise, pike metabolism accelerates, driving higher energy demand and more aggressive predation—particularly among younger fish, which have increased consumption by more than 60% in recent years. The study highlights how climate change and invasive species can compound impacts on freshwater ecosystems, raising concerns that continued warming will further threaten native salmon and other fish species in Alaska.

36. Iowa ranchers advocate for changes to CRP

An opinion piece from the Iowa Cattlemen's Association calls for targeted reforms to the Conservation Reserve Program (CRP) to better support cattle producers amid historically low herd numbers and ongoing industry pressures. While acknowledging CRP's conservation benefits, the article argues that current program structures can limit access to productive land, increase rental rates, and unintentionally discourage pasture retention and grazing infrastructure. It highlights concerns that some producers are excluded from programs like Grasslands CRP, even as land is taken out of livestock production. At the same time, the piece recognizes the program's value to many landowners and instead advocates for a balanced approach—particularly expanding managed grazing options within CRP—to maintain conservation outcomes while improving flexibility for producers working to rebuild the nation's cattle herd.

WESTERN WATER “HOT SPOTS”

Here's the link to the US Drought Monitor: [Maps | U.S. Drought Monitor](#)

And here's the link to another drought monitor: [Watershed Drought Information | Drought.gov](#)

If you're like me, you're enjoying some recent moisture! Keep praying for more but be on the lookout for the Super El Niño that is supposedly headed our way this summer!!

Water supply conditions across the American West remain under severe and widespread stress, with more than 60% of the country in drought and conditions particularly acute in major agricultural and population centers. In several states, including Arizona, Montana, and parts of California and Nevada, small towns are already facing the possibility of running out of municipal water or implementing strict rationing, while others are relying on emergency declarations and federal assistance to maintain basic supplies. Agricultural producers are experiencing some of the most immediate impacts, with widespread irrigation cutbacks in senior and junior water rights systems—especially in river basins like the Colorado and Yakima—forcing fallowed fields, reduced plantings, and herd reductions as ranchers grapple with insufficient forage and irrigation water. Federal and state responses include USDA disaster designations allowing emergency loans, Bureau of Reclamation allocation reductions tied to record-low snowpack, and expanded drought monitoring and planning tools, but these measures are largely reactive as hydrologic conditions continue to deteriorate.

At the same time, policymakers and water managers are scaling up longer-term adaptation efforts, including conservation mandates, efficiency programs, and infrastructure planning for more variable supply conditions driven by warming temperatures and reduced snowpack storage. Despite these interventions, officials across the West warn that the system is still operating in deficit, with reservoirs, soil moisture, and snow water equivalents well below historical norms and recovery dependent on sustained precipitation over multiple seasons. Looking ahead, climate forecasts suggest a growing likelihood of a strong to potentially “super” El Niño developing later in 2026 or into 2027, which could bring wetter conditions to parts of the South and West. However, experts caution that even a favorable El Niño pattern is uncertain in timing and intensity, meaning it may not be enough to immediately reverse ongoing shortages. For now, the West remains in a fragile transition period—marked by emergency management, declining reserves, and growing pressure on both rural communities and food production systems—while longer-term outlooks remain cautiously hopeful but far from guaranteed.

The Alliance continues to push for large amounts of funding, both near term and long term to address both prongs of this crisis – emergency measures needed this year and longer-term sustainability efforts to ensure continued water supply – even though large funding levels are not favored in this administration. The Alliance continue to believe that fallowing alone is not a solution and will instead create longer term water and food security crises, along with other adverse impacts such as substantial loss of green space and other natural features supported by ag water use across the West. While the battle is an uphill one, and it's a steep hill, we continue to be vocal about system level needs, especially while priority seems to have shifted to emergency funding for farmers without an eye on future needs for the system. Our work is cut out for us!

37. WONKY article of the month!

Last month a Los Angeles Times article highlighted emerging research showing that reservoirs are a previously underrecognized source of methane, a greenhouse gas. As organic material such as plants decomposes underwater, it produces methane that can bubble up and be released into the

atmosphere, potentially contributing to climate change. While major methane sources like oil and gas production, landfills, and dairies are well tracked, emissions from reservoirs are largely unmonitored. Environmental groups and researchers are now urging the California Air Resources Board to require formal reporting of greenhouse gases from dams and reservoirs, arguing this gap could be significant for climate accounting and water infrastructure planning. Just another reason to hate water storage in case anyone was looking for one (ok, sorry, but the sarcasm is necessary - you just can't make this stuff up!!).

38. Drought – and new tools

The U.S. Geological Survey (USGS) has unveiled a new online tool that lets water planners and businesses assess water availability across roughly 80,000 watersheds nationwide now and into the future. The [National Water Availability Assessment Data Companion](#) pulls together stream monitoring data, satellite observations, and climate modeling to map where water supply and demand are out of balance. About 8 percent of the U.S. population lives in areas where demand consistently meets or exceeds natural supply and the results are sometimes surprising. Despite abundant river water, 42 percent of the Mississippi Embayment faces stress due to heavy irrigation for rice and cotton. Meanwhile, the Central and Southern High Plains spanning Kansas, Nebraska, Oklahoma, and Texas are strained by slim precipitation and high irrigation demand.

39. Rainmaker and other similar technologies

Conversations around enhanced precipitation technologies are also proliferating. Rainmaker is a drone-based cloud seeding company that says it has achieved a major step forward in proving its technology can actually increase precipitation. In operations across western states like Utah and Idaho, the company reports it has identified “seeding signatures” linking its drone flights to measurable increases in snowfall and rainfall, positioning itself as one of the first private firms attempting to scientifically validate cloud seeding results at scale. While cloud seeding itself has existed for decades, Rainmaker’s approach uses drones, radar tracking, and data analysis to try to make the process more precise and verifiable. Rainmaker’s technology has not yet been peer reviewed. Another company, which I’ll be doing a feature article on in this month’s newsletter is called Rain Enhancement Technologies, and I recently had the opportunity to travel to multiple conferences and events with their chemist who shared some major cool stuff on ionization technology being used to increase precipitation – look for that soon!

40. California weather and water supply

a. Water Supply update – general

Recent reporting on California water conditions highlights a growing “water paradox”: despite major storms, high reservoir levels, and periods of near-record precipitation, concerns persist that the state still lacks enough long-term storage, conveyance, and groundwater resilience to fully capture and manage extreme swings between wet and dry years. Commentary in outlets including the Wall Street Journal and regional business publications argues that massive storm flows continue to move through the system and out to sea during high-flow events because of

infrastructure, regulatory, and operational constraints, even as agricultural communities face groundwater restrictions and future supply uncertainty under SGMA implementation.

Current 2026 water conditions in California are generally favorable compared to recent drought years, with most major reservoirs at or above historical averages following strong winter storms and early-season precipitation. However, experts warn that a “whiplash spring” of warm temperatures sharply reduced Sierra snowpack earlier than expected, reinforcing concerns about California’s increasing climate volatility and diminished natural snow storage reliability. Governor Gavin Newsom has continued promoting major long-term infrastructure efforts, particularly the Delta Conveyance Project, as part of a broader strategy to improve reliability and climate resilience for the State Water Project, while debate continues over groundwater sustainability, Delta operations, and how to balance environmental protections with water supply reliability for farms and communities.

b. Sites Reservoir ROD completed!

The U.S. Army Corps of Engineers Sacramento District has issued its Record of Decision for the proposed Sites Reservoir Project following completion of its National Environmental Policy Act review. The project, an off-stream storage facility planned in Colusa County north of the Sacramento–San Joaquin Delta, is intended to provide additional water supply and operational flexibility for California’s water system. The Record of Decision documents the Corps’ environmental review and will guide future permitting decisions under the Clean Water Act and Rivers and Harbors Act, with the Environmental Impact Statement led by the Bureau of Reclamation and the Corps serving as a cooperating agency.

c. SGMA update

California water regulators voted to return the Delta-Mendota Subbasin to Department of Water Resources oversight under the Sustainable Groundwater Management Act (SGMA), finding that the basin’s 23 groundwater agencies had significantly improved coordination and adopted a unified sustainability plan that addressed prior deficiencies. The decision allows the subbasin to avoid probationary status and state intervention after local agencies strengthened groundwater management measures, including protections for drinking water wells, marking another high-profile example of SGMA agencies revising plans to maintain local control.

d. San Diego enters another water supply deal

The San Diego County Water Authority approved a long-term agreement to deliver water to Riverside County’s Eastern Municipal Water District, continuing a broader regional strategy to market surplus water supplies developed through decades of infrastructure investment, conservation, storage expansion, and desalination. Under the 21-year deal, Eastern Municipal Water District will receive up to 10,000 acre-feet annually, generating new revenue for San Diego ratepayers while strengthening regional water reliability through existing Metropolitan Water District infrastructure. The agreement follows a similar recent deal with Western Municipal Water District and reflects increasing regional collaboration as Southern California agencies adapt to changing water demands and affordability pressures.

e. PFAS in fertilizers under a microscope in CA Assembly

California lawmakers are considering Assembly Bill 1603, which would phase out PFAS-based pesticides—often called “forever chemicals”—by 2035, halt new approvals, and require greater public disclosure of their use. Supporters argue the measure is needed to address growing concerns over PFAS contamination in food, soil, and groundwater, citing studies showing residues on a significant share of California-grown produce, while the proposal adds to a broader national debate over regulation of persistent chemicals linked to potential health risks.

f. Harvesting the sun

Recent news out of CA highlights a massive proposal in the Central Valley – the proposal would convert 136,000 acres of farmland in the Westlands Water District into 21 gigawatts of solar generation paired with battery storage — nearly matching the amount of utility-scale solar currently installed statewide. Known as the Valley Clean Infrastructure Plan (VCIP), the project is being discussed as both a renewable energy initiative and a potential economic lifeline for farmers facing chronic water shortages and reduced irrigation supplies. The discussion underscores how ongoing water constraints in the San Joaquin Valley are accelerating land-use changes, with some agricultural leaders viewing large-scale solar development as one way to stabilize revenues on land that may no longer receive reliable water deliveries. Supporters describe the concept as “harvesting the sun” in areas where long-term agricultural production is increasingly uncertain due to regulatory and hydrologic pressures.

g. California Commercial Salmon Fishing to Resume After Three-Year Closure

Federal fishery managers voted last month to reopen California's coast to commercial salmon fishing for the first time since 2022, marking a significant rebound for an industry that has weathered years of devastating closures. The Pacific Fishery Management Council approved limited commercial and recreational fishing following a recovery in chinook and coho salmon populations, driven by recent wet winters that restored cold water conditions salmon need to spawn. Commercial fishing will begin in May, with quotas and limited fishing days in place. State officials also credited active river restoration efforts, most notably in the Klamath and Sacramento river basins. But fishery managers are proceeding cautiously with restrictions to protect the still-recovering population.

41. Columbia, Snake and Yakima River Basins (ID/OR/MT/WA)

a. Idaho farmers relying on groundwater reach agreement to keep pumping

Idaho groundwater users in the Little Lost and Big Lost River basins reached a mitigation agreement that could prevent irrigation shutoffs this season by aligning them with statewide conservation and aquifer recharge requirements, reflecting continued reliance on negotiated management to avoid curtailment in over-allocated systems. That said, it’s still going to be a rough year in Idaho, with an unprecedented snow drought, lower than average runoff already ending, and higher than average temperatures – pray for rain!

b. Oregon's water year looks like most others in the West...dry

In Oregon, ongoing drought conditions and record-low snowpack are signaling a worsening water supply outlook, with new research from Oregon State University projecting that western water systems will see faster runoff and less reliable summer flows as climate patterns shift. At the same time, state regulators have again rejected a proposed 12,000-acre-foot irrigation reservoir in the Willamette Valley, underscoring continued tension between new storage development and protection of existing water rights and in-stream flows. Fire officials are also warning that hotter, drier conditions are contributing to longer wildfire seasons, adding pressure on already strained water and land management systems.

c. Yakima hydrology improves, somewhat

Yakima Basin water users are facing a challenging irrigation season, with the Bureau of Reclamation announcing a 52% proratable water supply for 2026. While March precipitation reached 239% of average and improved mountain conditions somewhat, water managers noted that snowpack distribution remains uneven, with stronger conditions in the Naches Basin than in the Upper Yakima Basin, creating operational challenges for districts such as KRD and Roza. Although conditions are not as severe as the 2015 drought, Washington state has declared a statewide drought emergency, unlocking funding and additional response measures as water supply concerns continue across the region.

d. Seniors make priority call in Yakima Basin

Four senior Yakima Basin irrigation districts—Naches-Selah Irrigation District, Selah-Moxee Irrigation District, Sunnyside Valley Irrigation District, and Yakima Tieton Irrigation District—have jointly asked the Washington Department of Ecology to administer surface water rights strictly by priority date for the full irrigation season (including October), consistent with historical practice and state law. The districts, which collectively serve about 142K irrigated acres in the Yakima Basin, are concerned about last season's early curtailment of senior rights during ongoing drought conditions. They emphasize that water should be allocated under the prior appropriation doctrine ("first in time, first in right") and consistent with the Yakima Basin adjudication and the 2019 Final Decree. They acknowledge severe, multi-year drought impacts affecting agriculture, instream flows, municipal supply, and the regional economy. However, they argue that clear and lawful administration of rights is essential for predictability and planning, especially since their senior rights predate the May 10, 1905 Yakima Project water rights held by the U.S. Bureau of Reclamation and are partially subject to prorationing through federal contracts during drought.

42. Colorado River Basin (AZ/CA/CO/NV/NM/UT/WY)

a. Arizona groundwater bill vetoed

Arizona Gov. Katie Hobbs vetoed legislation that would have funded recovery of brackish groundwater as a potential water-supply strategy, arguing the proposal redirected funds to already-eligible or "speculative" groundwater projects rather than proven needs. Supporters of the approach say treating and using brackish groundwater remains a viable drought-response tool in

Arizona, but state water policy experts caution that groundwater should be managed as a largely non-renewable resource requiring careful long-term planning. Despite being called ‘speculative’ in Arizona, New Mexico and Texas are funding brackish water desalination and other water supply options like produced water reuse projects at higher levels than ever.

b. Time for bigger thinking – larger scale projects needed

A new study examining Phoenix, Las Vegas, and Denver found that while urban conservation measures such as watering restrictions, tiered pricing, and efficiency incentives have successfully reduced water demand, those gains may not be enough to offset the long-term impacts of climate change and declining Colorado River supplies. Researchers conclude that as temperatures rise and river flows continue to weaken, western cities will likely need to pursue larger-scale water supply and infrastructure solutions in addition to traditional conservation efforts.

c. Denver Water taking steps to buffer drought

Denver Water announced it will drain and temporarily close Antero Reservoir in Colorado’s South Park region to reduce evaporation losses during what officials describe as the driest year on record in key watershed areas. Water stored in Antero will be transferred downstream to Cheesman Reservoir, where cooler conditions and deeper storage will preserve approximately 5,000 acre-feet of water for Front Range municipal users. The unprecedented move reflects worsening drought conditions across Colorado and highlights growing pressure on water managers to maximize efficiency and protect limited supplies.

d. Colorado’s Chimney Hollow begins to fill

As drought conditions intensify across Colorado and the broader West, water managers are increasingly being forced to adapt operations, timelines, and infrastructure decisions in real time. One example is Northern Water’s Chimney Hollow Reservoir project in Colorado, where officials began a limited initial fill of the new reservoir while continuing to study naturally occurring uranium detected in construction materials at the site. The cautious approach reflects how extreme hydrologic conditions and growing water supply pressures are reshaping reservoir operations, water quality management, and long-term planning decisions throughout the region.

e. Colorado River has “personhood”, and other interesting new arguments to protect flow

A recent article from Water Education Colorado examined the growing range of legal and policy strategies being used to protect the overstressed Colorado River, including tribal efforts to grant the river “personhood” status under tribal law. The article highlighted how advocates are increasingly pursuing tools such as environmental protections, recreation-based flow agreements, water rights acquisitions, and “rights of nature” initiatives as drought, climate pressures, and ongoing water demands intensify across the basin. It also underscored that there is no single solution to protecting the river, with stakeholders instead relying on a broad mix of legal, conservation, and management approaches.

f. Meanwhile, new storage projects see turbulence

A northern Colorado water district has agreed to abandon a decades-old proposal to build a major dam and reservoir on South St. Vrain Creek above Lyons, ending a project that had drawn environmental opposition for years. Instead, the district plans to pursue ‘less invasive’ storage alternatives, such as using gravel pits and other off-channel facilities, while still preserving access to the underlying water rights. The decision reflects a broader struggle in western water management balancing water supply reliability with environmental and community concerns. The Alliance continues to advocate for more storage, easing of environmental conditions, and streamlined permitting and construction rules to counter the effects of situations like this.

g. Upper basin farmers and ranchers tightening their belts this year

Farmers in the Colorado River’s Upper Basin are heading into the growing season facing sharply reduced water supplies following an unusually dry winter and low snowpack, forcing widespread “belt tightening” across agricultural regions. Many irrigation districts and operations are cutting back allocations, fallowing fields, reducing herd sizes, and shifting crop plans to higher-value or lower-water-use production just to stay viable. In some areas, producers are receiving only a fraction of their normal water supply, leaving them with difficult choices about what land can be irrigated at all. Some areas of NM have already been cut off of surface supply for the year. These shortages are not just a one-year problem but part of a broader trend of increasing water scarcity tied to drought and declining runoff, changes in timing and quantity of water, creating ongoing uncertainty for agriculture and rural economies.

h. Arizona’s water future hinges on tribal water rights

At the Annual Arizona Water Conference recently, water experts emphasized that the state’s long-term water future is closely tied to unresolved tribal water rights, alongside Colorado River shortages and groundwater constraints. Navajo Nation hydrologist Crystal Tulley-Cordova highlighted the urgency of these issues, noting that about one in three Navajo households still lack access to running water and are far more likely than the average American to lack clean water or sanitation. She pointed to the Northeastern Arizona Indian Water Rights Settlement—which includes 39 parties—as a key but still-in-progress effort to address long-standing allocation and access inequities. The discussion underscored that resolving tribal water rights is not only a legal obligation but a central component of Arizona’s broader water security challenges. The Navajo Nation has traditionally been a good partner on projects I have worked on, including signing onto our recent call for funding for the CO River Basin.

43. Rio Grande Basin (CO/NM/TX)

a. New Mexico’s new water dashboard

Amid ongoing extreme drought conditions, New Mexico has launched a new public dashboard to track progress on its 50-year Water Action Plan, providing real-time data on efforts to conserve water, develop new supplies, and protect existing resources. The tool highlights specific targets such as reducing municipal and agricultural water use, expanding treatment of brackish water, and

restoring watersheds, while also underscoring growing risks to water quality from factors like wildfires. State officials say the dashboard is intended to improve transparency and accountability as New Mexico faces increasing water scarcity and long-term supply challenges.

b. Texas initiates historic water infrastructure investment

Texas has launched an historic wave of water investment, with Governor Greg Abbott encouraging applications for more than \$1 billion in Water Supply and Infrastructure Grants as part of a broader state strategy to expand supply and modernize aging systems. This initiative builds on a larger, bipartisan-backed Texas commitment—including roughly \$20 billion in total water infrastructure funding and a new long-term framework to support desalination, reuse, pipelines, and system repairs as the state confronts rapid growth and recurring drought. Taken together, Texas is pairing this near-term grant program with long-term constitutional and legislative investments that dedicate ongoing annual funding to water supply development, signaling one of the largest sustained state-level water infrastructure efforts in the country.

c. Rio Grande Compact Commission sounds the alarm on drought

Water managers in Colorado, New Mexico, and Texas warned this year’s Rio Grande flows could rank among the lowest on record, as severe drought and historically low snowpack continue to strain the basin. Officials at the Rio Grande Compact Commission meeting described conditions as “critical” and “dire,” noting that reservoir storage across the system remains extremely low and that water management decisions, irrigation deliveries, endangered species protections, and compact compliance efforts will all look markedly different this year because of the extraordinary hydrologic conditions facing the region.

d. US Supreme Court begins final steps to approve settlement in TX v. NM

In early May, the US Supreme Court distributed the Report of the Special Master recommending the settlement of the parties be accepted. The Court previously docketed the report, effectively setting a timeline for accepting exceptions to the report. No exceptions were filed by any party marking the first trip to the Supremes in this litigation where a party has not objected. With the parties in agreement, the Court is likely to accept the settlement and is expected to act by sometime this summer.

MISCELLANEOUS

- A recent study found that seeds from the moringa “miracle tree” can remove over 98% of microplastics from drinking water, performing as well as or better than commonly used chemical treatments. Researchers say the natural, plant-based method could offer a more sustainable and potentially lower-cost alternative for water purification, though further testing is needed before large-scale adoption.
- New Mexico conservation leaders and elected officials are mourning the death of media entrepreneur and longtime conservation advocate Ted Turner, praising his decades of work protecting open spaces, restoring wildlife habitat, and promoting large-scale land stewardship across the West. Turner, who owned extensive ranch lands in New Mexico, was widely recognized for his investments in conservation, bison restoration, and

collaborative environmental initiatives that shaped land and wildlife management discussions throughout the region. I had the privilege and pleasure of working with Mr. Turner on legal issues related to the ranch and neighboring properties on a number of occasions before transitioning to this role and always appreciated his practicability.

- A bipartisan bill introduced by lawmakers from Nebraska and Colorado would expand USDA support for precision agriculture workforce training programs, helping colleges and local partners prepare more students for careers in data-driven farming technologies such as GPS-guided equipment, drones, and advanced irrigation systems. Supporters say the legislation is aimed at addressing growing labor shortages in high-tech agriculture while helping producers improve efficiency, conserve water, and reduce input costs.

ADMINISTRATIVE

- Last month I stayed home, caught upon paperwork, and continued preparing to take on interns for the summer to continue working on more development of the 'Boots on the Ground' advocacy Campaign. I am also planning the Board's Summer Retreat. But, I'm off and running again in May and June, with most of my calendar filled with travel for those months. More to come on that front.
- May will see a lot of action on the Hill when it comes to water legislation, agency funding, and, a long awaited Congressional Western Caucus briefing I have been working on for a few months. On May 27, the Alliance, along with two of its more active members of the Advisory Committee and the National Water Resources Association will update Caucus staff and staff of individual members of the committee (only those who elect to participate) in a focused hearing on water, drought, and funding needs.
- We sent multiple letters to Congress in April, including one in support of both programmatic funding at historically high levels, and near term funding to support emergency measures related to the drought. We also have a coalition letter going out this week for the CO River basin where over 70 signatories have already signed on. Please use those letters and the corresponding talking points we put out to push for funding with your individual delegations and reach out if we can help! Be sure to identify key projects to point to as solutions, rather than simply asking for a blank check.
- Please continue to send pictures and information about any successful water infrastructure projects you have in motion or recently completed. We recently released our FY27 funding and drought advocacy letter to support infrastructure funding, and we expect much more on this topic in the coming weeks/months, so I would like to have plenty of pictures and projects to showcase along the way!

This is a quick summary of just a few of the issues the Alliance has been engaged in, some of which has come directly from other authors, such as Alliance Contractors. Please do not hesitate to contact me at 575-202-2705 or samantha@familyfarmalliance.org if you have specific questions or would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.



CFWC Activity Report

TO: San Luis & Delta-Mendota Water Authority Board

FROM: Michelle Paul, Executive Director

DATE: May 8, 2026

SUBJECT: CFWC Activity Report, April 2026

Building Momentum

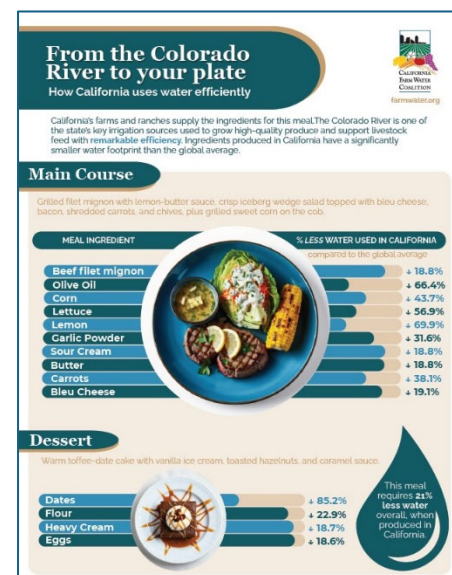
Last month, I continued outreach to our members while building stronger ties with Sacramento policy teams. I met with partners over lunch, coffee and introductory meetings to build relationships, explain our work and identify opportunities to work together.

Our team prepared for the ACWA Spring Conference, launched a new fact sheet on products grown with Colorado River water and began planning a social media influencer tour for May.

Media Landscape and Response

In April, most media attention stayed on the Colorado River and long-term supply concerns, but the conversation also touched on statewide delivery reliability, native fish and growing pressure from invasive species.

Much of the coverage was tied to big policy decisions, including DWR's release of the [Vision for the Valley](#) and legislative debates that carry real consequences for farms, communities, and ecosystems. Coverage of SGMA and groundwater management remained mostly negative throughout the month, reinforcing broader narratives about regulatory pressure, conflict, and uncertainty for agricultural water users.



Above: Click the picture above to download our new Fact Sheet

Editorial Outreach and Placement

To respond, our team stepped up our editorial outreach. The *Sacramento Bee* accepted our guest commentary on the state's failure to enforce invasive species inspections and ballast water testing, although it has not yet set a publication date. I also pitched an editorial to the *San Francisco Chronicle* on the need for new surface water storage and asked the *Valley Sun* to run a short commentary on investing in water infrastructure. I also have additional pieces in the works on the Colorado River and Healthy Rivers and Landscapes.

Placement has been uneven, but that is part of the work right now. I am continuing to work with the team to adjust our strategy, refine our tactics and look for the right openings. With election season picking up, I expect the environment to stay competitive.

Policy and Industry Alignment

In April, Coalition staff continued partnering with the Water Blueprint for the San Joaquin Valley to coordinate outreach, develop communications and build awareness of the Unified Water Plan. The plan addresses ongoing water supply challenges and will be discussed at the San Joaquin Valley Water Resilience Summit, May 20-21 at Fresno State, where attendees can explore sustainable solutions for farms, communities and the environment.

Strategic Relationship Building

In April, I spent a good amount of time in Sacramento introducing myself to staff at ACWA, DWR, State Water Contractors and NCWA. Those conversations helped me align our water policy message and better understand where our work fits within broader industry priorities.

I also made a point to build relationships outside the water world, connecting with contacts at the Almond Board of California, CA FarmLink, Kahn, Soares & Conway, and CalChamber.

Member Outreach

I continued attending water district board meetings in April, although at a slower pace. Poor weather led to several canceled district tours, but I was still able to introduce myself to the Modesto Irrigation District. Travel to board meetings is expected to increase again in early June.

Digital Engagement and Storytelling

Our team is preparing for a Cultivate California influencer tour in Salinas at the end of May. We have identified participants and are tightening the schedule. These visits are one of the best ways we have to give urban audiences a real window into farm life and the work behind California agriculture.

Cultivate California Performance

Totals for Cultivate California	Activity year-to-date
Posts	39
Views	4,038,932

Totals for Cultivate California	Activity year-to-date
Reach	1,555,596
Interactions	95,566
Follows	28,238
Profile Visits	57,650
Click through rate (CTR)*	2.38%

Top-performing posts in April:



Behind the Scenes:
Hadley Date
Gardens

Interactions: 6.3k
Views: 115.9k



Behind the Scenes:
Bar 20 Dairy.

Interactions: 4.5k
Views: 103.5k



Nature's Reward
Pollinator Story.

Interactions: 3.4k
Views: 61.7k