

**WESTERN MUNICIPAL WATER DISTRICT
14205 Meridian Parkway, Riverside, CA 92518**

**REGULAR BOARD MEETING
MARCH 18, 2026, at 9:30 A.M.**

To join the Zoom virtual meeting: <https://wmwd.zoom.us/j/85600944464>
or telephone access: (669) 219-2599 or (669) 900-6833
Meeting ID: 856 0094 4464

Members of the public may view and/or participate in this meeting in person, online via Zoom, or by viewing the live-streamed meeting at www.WesternWaterCA.gov. This meeting may also be video recorded for on demand viewing and broadcasting purposes. Primary notice of this meeting will be the physical posting of the agenda in the public notice area, located at the District's Headquarters office, 14205 Meridian Parkway, Riverside, California 92518. In addition, every effort will be made to publish this agenda on the District's website at: westernwaterca.gov/agendacenter, subject to technical difficulties, such as power failure, internet disruption, or other third-party interference.

Members of the public may comment on any item within the jurisdiction of the District, or any item on the agenda, in person, via Zoom at the time noted on the agenda, or by submitting a written comment on the District website at the following web address: <https://wmwd.com/publiccomments>, in-person or via U.S. Mail addressed to by in-person delivery or via U.S. Mail addressed to the District's Headquarters office. Written comments received by 4:30 p.m. on March 17, 2026, will become part of the Board meeting record. Pursuant to Government Code Section 54957.5, any writing that (1) is a public record; (2) relates to an agenda item set for open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District office located at 14205 Meridian Parkway, Riverside, California 92518. In addition, such writing may also be posted on the District's website at westernwaterca.gov/agendacenter.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting, or the agenda or agenda packet documents made available in an appropriate alternative format, or any person with limited English proficiency (LEP) who requires language assistance to communicate with the Western Municipal Water District Board of Directors during the meeting, should contact the Western Municipal Water District Board Secretary at (951) 571-7209 or boardsecretary@wmwd.com, no less than 72 hours prior to this meeting, to enable the Western Municipal Water District to make reasonable arrangements to ensure accessibility or language assistance for this meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

Led by Adrian Enriquez, Operations Technician II, Construction-Collections/Operations Department

4. PUBLIC COMMENTS

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments will be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each individual's comment will be limited to a maximum of three (3) minutes; however, the Presiding Officer reserves the right to reduce the amount of time each individual can speak to ensure all members of the public have an opportunity to comment.

5. PRESENTATIONS

- A. California Municipal Utilities Association (CMUA) Overview and Updates

6. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial and are to be acted upon by the Board by one motion, without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar for further discussion, it will be moved to the first item on the Action Agenda.

- A. Approve the Minutes of the March 4, 2026, Regular Board Meeting
- B. Receive and File the January-February 2026 Government Affairs and Legislative Update

7. ITEMS TO BE ADDED TO THE AGENDA

(If any) In accordance with Section 54954.2 of the Government Code, upon determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present that there is a need to take action, and the need to take action arose after the agenda was posted.

8. ACTION AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined.

- A. Take a Support Position on the Proposed Ballot Measure: “California Change Environmental Review Process for Essential Projects Initiative”
- B. Approve a Capital Project Budget to Upgrade the Western Municipal Water District’s Information Services Computer Systems Hosting Infrastructure

9. REPORTS

The following agenda items are reports. They are placed on the agenda to provide information to the Board and the public. There is no action called for regarding these matters.

A. GENERAL COUNSEL REPORT

- 1. Report of General Counsel

B. GENERAL MANAGER AND STAFF REPORTS

- 1. General Manager’s Report
- 2. Water Supply Conditions Update

C. DIRECTORS COMMENTS AND REQUESTS

- 1. Report by SAWPA Representative
- 2. Report by MWD Representative
- 3. Report by CBWM Representative
- 4. Report by CDA Representative
- 5. Report by WRCRWA Representative
- 6. Report by WRCOG Representative
- 7. Report by SRRRA Representative
- 8. Report by ACWA Representative
- 9. Directors' Comments
- 10. Request for Future Agenda Items

10. INFORMATION ITEMS

- A. Monthly Investment Report – January 2026

11. CLOSED SESSION

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Gov. Code Section 54956.8)
Property: Water Purchase
Agency Negotiator: Craig Miller, General Manager
Negotiating Partners: San Diego County Water Authority
Under Negotiation: Agreement Terms

- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to Gov. Code Section 54956.9(d)(4)
One (1) potential case

12. ACTION AGENDA CONTINUED

- A. Agreement with San Diego County Water Authority

13. NEXT MEETING

- A. Wednesday, April 1, 2026, at 9:30 a.m.

14. ADJOURNMENT

Agenda Item: 5A

Date: March 18, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION (CMUA) OVERVIEW AND UPDATES

CMUA Overview and Updates

March 2026



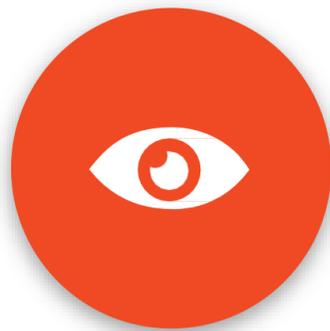
Agenda

- **CMUA Overview**
- **2025 Successes & Highlights**
- **Priorities & Initiatives for 2026**
- **Vision for CMUA's future**



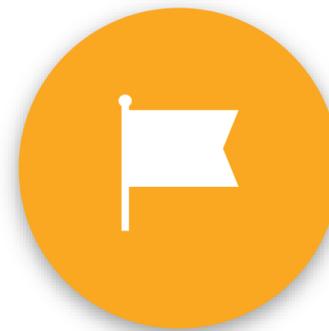
California Municipal Utilities Association

The voice of community-owned water, wastewater, and power.



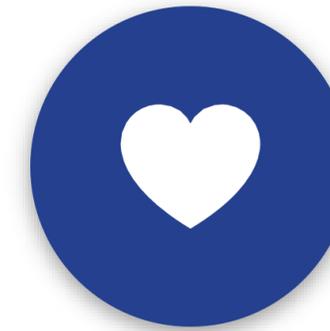
Vision

A better California through community-owned water, wastewater, and power.



Mission

Be a trusted partner and advocate for community-owned water, wastewater, and power utilities and their customers.



Values

Integrity Innovative
Knowledgeable Agile
Collaborative Inclusive

2025 Successes/Highlights

- **Legislative**

- SB 72 – Modernizes California Water Plan and sets first water supply targets in statute
 - CMUA was co-sponsor with CSAC and CCEEB
 - Four-year effort
 - Western Water General Manager Craig Miller representing CMUA on the Advisory Committee
- Secured key amendments to SB 350 (LIRA program), which are reflected in 2026 re-introduced bill

SB - Senate Bill

CSAC - California State Association of Counties

CCEEB - California Council for Environmental and Economic Balance

LIRA - Low Income Rate Assistance



2025 Successes/Highlights

- **Regulatory**

- **Water Loss Leak Registry**

- Worked with Division of Drinking Water and others to drastically pair down required fields in annual leak registry.

- **Water Measurement Reporting (SB 88)**

- Ensured reporting requirements were technically feasible, clear, and allowed for alternative compliance.

- **Advanced Clean Fleets**

- Coordinated regular meetings with CARB.
- CARB directed staff to make modification based on comments and verbal testimony provided by CMUA.



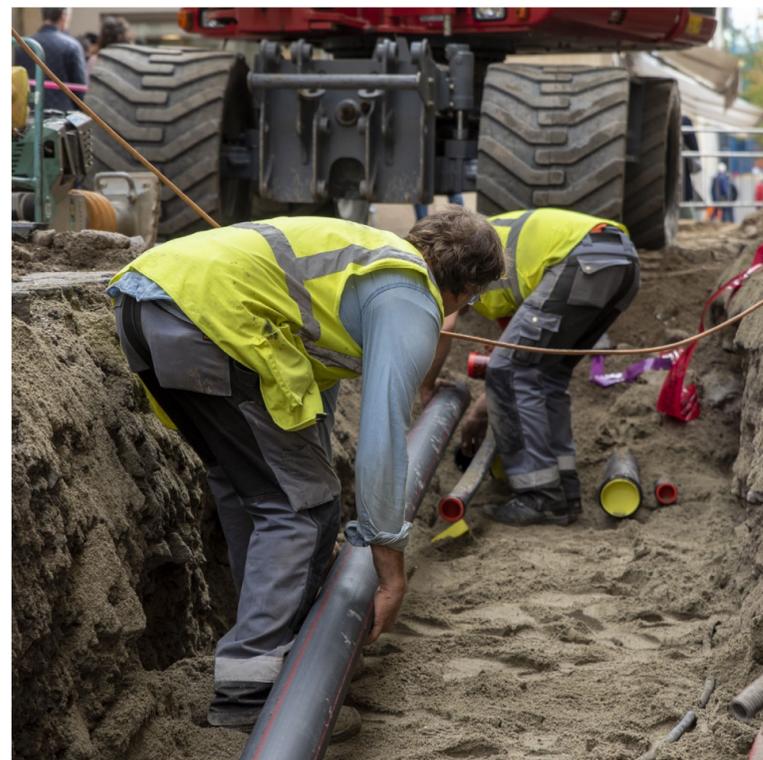
Priorities for 2026

- **Regulatory**

- SB 1157 Residential Indoor Water Use Standards
- Water Quality Standards (PFAS, Manganese, etc.)
- Proposition 4 Funding
- Reporting Requirements
- Advance Clean Fleets

- **Legislative**

- Water Rights
- Water Quality
- Water Affordability
- Water Supply
- Subsidence



Initiatives for 2026

- **Policymaker Education Campaign**
 - *Public Power. Public Water. Public Good.* ads
 - ConnectwithCMUA.org microsite
- **Membership Recruitment/Retention**
 - Membership Appreciation Month – Sept.
- **Hiring new part-time Policy Analyst**
 - Will support Govt. Affairs Team
- **New Association Management Software**
- **Fiscal Sustainability**
 - Building reserves



Vision for CMUA's Future

- **Overarching goal: Become foremost water and energy advocacy organization in California**
 - Bolstering government affairs staff
 - Policymaker education – telling the “public water and power story”
 - Thought leadership
- **Administrative Goals**
 - Grow membership by 10-14 utilities
 - Reach goal for reserves



Contact Us

Danielle Blacet-Hyden
dblacet@cmua.org
916-947-8444

Megan Murphy
mmurphy@cmua.org
916-841-3329

cmua.org

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**WESTERN MUNICIPAL WATER DISTRICT
MINUTES OF THE
REGULAR BOARD MEETING
OF MARCH 4, 2026**

1. CALL TO ORDER

Board President Laura Roughton called the regular meeting of the Western Municipal Water District (Western Water) Board of Directors to order at 9:30 a.m. on Wednesday, March 4, 2026, in the Western Water Board Room, 14205 Meridian Parkway, Riverside, California.

2. ROLL CALL

Roll call of the Board of Directors was taken by Board Secretary Tammi Ford. The following board members were in attendance:

Directors Present

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary-Treasurer
Gracie Torres
Mike Gardner

Director Dennstedt arrived at the meeting at 9:32 a.m.

Director Torres left the meeting at 10:57 a.m. and returned to the dais at 11:01 a.m.

3. PLEDGE OF ALLEGIANCE

Jesse Mobley, Operations Technician IV, Construction-Collections/Operations Department, led the Pledge of Allegiance.

4. PUBLIC COMMENTS

Members of the public may address the Committee regarding any item within the subject matter jurisdiction of the Committee; however, no action may be taken on off-agenda items unless authorized by law. Comments will be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Committee considers that matter. Each individual's comment will be limited to a maximum of three (3) minutes; however, the Presiding Officer reserves the right to reduce the amount of time each individual can speak to ensure all members of the public have an opportunity to comment.

None.

5. PRESENTATIONS

A. Sites Reservoir Project Update

Jerry Brown, Sites Reservoir Project Authority, provided an overview and update of the Sites Reservoir project, noting that the project is nearing a major milestone. He discussed general project updates, including land acquisitions, contractor discussions, permits and approvals, as well as cost and financing. He provided an overview of the current storage space allocation to water agencies, stating that Western Water is a “waitlist” entity but said the status could change in the coming months as other agencies decide to drop out of the project. He reviewed the projects geographically reach to disadvantaged communities and noted that 25% of the allocated storage space will reach Riverside County. He talked about community benefits of the project, including a jobs boost for the local economy, local infrastructure improvements, public safety and community protection and a boost to recreation and quality of life.

6. CONSENT CALENDAR

Consent calendar items are expected to be routine and non-controversial and are to be acted upon by the Board at one time, without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it will be moved to the first item on the Action Agenda.

Director Dennstedt requested Item 6C from the Consent Calendar be heard separately.

Motion: Dennstedt

Second: Torres

- A. Approve the Minutes of the February 18, 2026, Regular Board Meeting
- B. Receive and File the December 2025 Cash Disbursement Report
- C. Adopt a Resolution Authorizing Western Municipal Water District to Join the California Fixed Income Trust Membership and to Invest in Shares of the Trust and in Individual Accounts

The Motion passed 5-0 for items 6A and 6B

Voting No: None

Abstain: None

Absent: None

Western Water | Regular Board Meeting

March 18, 2026

Agenda Item: 6A

- C. Adopt a Resolution Authorizing Western Municipal Water District to Join the California Fixed Income Trust Membership and to Invest in Shares of the Trust and in Individual Accounts

This item was presented by: Rick Aragon, Assistant General Manager/Chief Financial Officer

Motion: Dennstedt

Second: Torres

As to the following:

- 1. Adopt Resolution 3371 authorizing Western Municipal Water District to join with other public agencies as a member of the California Fixed Income Trust and investing shares of the trust and in individual portfolios. As a member, Western Municipal Water District will be an official member of the California Fixed Income Trust, a joint exercise of powers entity, with voting rights.

The Motion passed 5-0 for item 6C

Voting No: None

Abstain: None

Absent: None

7. ITEMS TO BE ADDED TO THE AGENDA

(If any) In accordance with Section 54954.2 of the Government Code, upon determination by a two-thirds vote of the legislative body, or, if less than two thirds of the members are present, a unanimous vote of those members present that there is a need to take action, and the need to take action arose after the agenda was posted.

None; however, General Manager Craig Miller requested the Closed Session item be removed from the agenda as it was no longer necessary.

8. ACTION AGENDA

- A. Receive and File the Investment Report for the Period Ended December 31, 2025**

This item was presented by: Dan Delaney of Chandler Asset Management

Motion: Torres

Second: Rizvi

As to the following:

1. Receive and File the Investment Report for the Period Ended December 31, 2025

The Motion Passed 5-0

Voting No: None

Abstain: None

Absent: None

B. Receive and File a Report on the Use of General District Property Tax Revenue to Offset the Deficit in the Combined Desalter Enterprise Fund for Fiscal Year 2024-2025 and Allocate Additional Property Tax Funds for Future Use

This item was presented by: Allison Clark, Senior Management Analyst

Motion: Rizvi

Second: Torres

As to the following:

1. Receive and file the report on the use of General District property tax revenue to offset the deficit in the Combined Desalter Enterprise Fund for Fiscal Year 2024-2025
2. Allocate the use of up to \$5 million in General District Property tax revenue to accommodate any deficit in the Combined Desalter fund resulting from operational challenges or lower demand through Fiscal Year 2027-2028, while staff determines the future direction of the Combined Desalter Enterprise.

The Motion Passed 5-0

Voting No: None

Abstain: None

Absent: None

C. Adopt Resolution Concurring in Nomination of Elsinore Valley Municipal Water District Board Member, Andy Morris, to the California Water Insurance Fund Board, an Association of California Water Agencies Joint Powers Insurance Association (ACWA JPIA) Captive Insurance Company

This item was presented by: Craig Miller, General Manager

Motion: Dennstedt

Second: Rizvi

As to the following:

1. Adopt Resolution 3374, concurring with the Santa Rosa Regional Resources Authority's nomination of Elsinore Valley Municipal Water District Board Member Andy Morris to the California Water Insurance Fund Board.

The Motion Passed 5-0

Voting No: None

Abstain: None

Absent: None

9. REPORTS

A. GENERAL COUNSEL REPORT

A. Report of General Counsel

Jeff Ballinger, General Counsel, stated he had nothing to report.

B. GENERAL MANAGER AND STAFF REPORTS

1. General Manager's Report

Craig Miller, General Manager, reported that he participated in a recent MWD member agency meeting where discussions were had concerning water supply conditions, the annual operating plan, and an update on the Colorado River issues, which are still ongoing. He also discussed the ongoing discussions and evaluation of the upcoming MWD budget request and stated that Staff is working to analyze the budget, with MWD having a target of mid-April for passage of the budget. He said there are discussions around the addition of staff positions, the inclusion of the Pure Water project in the budget, and increasing ad valorem taxes, as well as the need for added funds for conservation programs given that MWD is selling less water. He also reported that he attended the recent Urban Water Conference and had the opportunity to continue budget discussions with other member agency general managers. He provided an update on Senate Bill 72 (SB 72) activities and announced that he has been appointed to the Department of Water Resources (DWR) advisory committee on the implementation of SB 72, and that he is working with DWR on collaboration of a panel discussion at the upcoming ACWA Conference. He also reported that Staff is working with the 3 flood control agencies over issues related to Seven Oaks Dam, and that the Santa Ana River Watermaster has convened to work on the process in preparation for its annual reporting requirement. He closed by congratulating Derek Kawaii, Director of Engineering, on his 20th anniversary milestone at Western Water.

C. DIRECTORS REPORTS AND REQUESTS

1. Report of SAWPA Commissioner

Director Gardner reported that the Commission took action to finalize the end of the water energy community action network project. He also stated that the Commission participated in a workshop on development of SAWPA's strategic plan and also participated in individual interviews to put together better information in order to structure a broader workshop with more participants.

2. Report of MWD Representative

Director Dennstedt reported that the Board participated in a lengthy budget workshop, noting ad valorem taxes and the Pure Water project were discussed in depth, and that the budget process also takes into consideration policy decisions, such as credit ratings and cash flow.

3. Report of CBWM Representative

Director Gardner stated that the Board had not met but reported that a lawsuit filed by the City of Ontario against the Watermaster was ruled on and found that the dry yield program had been used incorrectly and economically damaged them as it allowed for other cities to withdraw water they should not have been allowed to. He said this will require repayment from those cities to correct the error, and that process has begun and must be completed by the end of March, per court order.

4. Report of CDA Representative

Director Gardner stated there was nothing to report.

5. Report of WRCRWA Representative

Director Rizvi stated the Board met and proved a contract for increased security at WRCRWA after hours to help deter trespassing. She also reported that the board received and filed the recent audit report, which was an unmodified, clean opinion. She noted that odor complaints have continued by a few residents and staff is working on a community outreach plan to address those complaints.

6. Report of WRCOG Representative

Director Dennstedt reported that the Commission met and voted to amend the budget to accommodate a change in TUMF revenue collection, and that WRCOG is also continuing to move forward with planning for the General Assembly on June 18. She closed by reminding the Board about the upcoming Women's History Month event.

7. Report of SRRRA Representative

Director Rizvi stated there was nothing to report.

Director Roughton stated she spoke with Director Gardner regarding her taking over as the alternate representative for SRRRA. Director Gardner agreed and there was no opposition from the Board.

8. Report of ACWA Representatives

Director Dennstedt reported that she attended the legislative conference in Washington D.C. for both ACWA and CASA. She also reported that she is working on a Region 9 program for the Spring Conference that General Manager Craig Miller is putting together.

9. Directors' Comments

Comments were made by:

Director Torres

Director Dennstedt

President Roughton

10. Request for Future Agenda Items

None.

10. INFORMATION ITEMS

- A. Labor and Benefits Expense Budget to Actual Report – Quarter Ended December 2025

The Closed Session item was pulled and not heard. There is no report.

11. CLOSED SESSION

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Gov. Code Section 54956.8)
Property: Water Purchase
Agency Negotiator: Craig Miller, General Manager
Negotiating Partners: San Diego County Water Authority
Under Negotiation: Agreement Terms

12. NEXT MEETING

Wednesday, March 18, at 9:30 a.m.

13. ADJOURNMENT

There being no further business before the Board of Directors, President Laura Roughton adjourned the meeting at 11:34 a.m.

Western Water | Regular Board Meeting
March 18, 2026
Agenda Item: 6A

LAURA ROUGHTON
President

BRENDA DENNSTEDT
Secretary-Treasurer

Minutes were prepared by Board Secretary, Tammi Ford.

Agenda Item: 6B

Date: March 18, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary-Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

RECEIVE AND FILE THE JANUARY-FEBRUARY 2026 GOVERNMENT AFFAIRS AND LEGISLATIVE UPDATE

RECOMMENDATION:

The Community and Government Affairs Committee and Staff recommend the Board of Directors:

1. Receive and file the January-February 2026 Government Affairs and Legislative Update.

EXECUTIVE SUMMARY:

At each meeting of the Community and Government Affairs Committee, Western Municipal Water District staff provides a verbal report. The report is sometimes accompanied by materials prepared by The Ferguson Group and KP Public Affairs and includes a high-level overview of relevant topics from both federal and state government to be discussed in depth during the meeting.

BUDGET IMPACT:

This action has no budget impact.

DETAIL:

Federal Updates

Legislative Calendar

- Both federal legislative houses in session: February 23 – March 6
- Senate in session, House in district: March 9 – 13
- Both federal legislative houses in session: March 16 – 27
- Both federal legislative houses in district (Spring Recess): March 30 – April 10

Fiscal Year 2026 Appropriation Bills

- On January 23, a fiscal year (FY) 2026 minibuss appropriations package was signed into law, which included funding for the Departments of Energy, Army Corps, Bureau of Reclamation (USBR) and other Dept. of Interior agencies, the Environmental Protection Agency (EPA), and Commerce-Justice-Science agencies
 - The USBR budget was set at \$1.6 billion, a decrease of over \$286 million from current fiscal 2025 levels, but an increase of about \$400 million over the Trump Administration’s request
- Remaining appropriations bills are stalled due to Congressional disagreements over Department of Homeland Security funding

Western Water to Receive FY 2026 Congressionally Directed Spending Request

- The EPA’s FY 2026 budget included \$1,092,000 for Western Water’s Reservoir Management Systems project from Congressman Mark Takano
 - It falls under the “State and Tribal Assistant Grant – Drinking Water State Revolving Fund”

Sites Reservoir Receives Formal Approval from Federal Administration

- The Trump Administration has formally approved the proposed Sites Reservoir, a significant milestone that will allow the federal government to fund up to 25 percent of the project’s cost
- Federal approval unlocks \$780 million already committed to the project and strengthens negotiations over future federal participation

Four Per- and Polyfluoroalkyl Substances (PFAS) Remain at Current Limits

- A Washington D.C. Circuit Appellate motions panel has denied the Trump Administration's request to immediately vacate four PFAS limits in the Biden-era drinking water rule, keeping all six standards in place while litigation proceeds
 - The court said the legal case for overturning the standards was not strong enough to justify early action, dealing a setback to the EPA's effort to quickly roll back parts of the rule it says were procedurally flawed
- As a result, states and water utilities must continue preparing to meet existing monitoring and compliance timelines, even as uncertainty persists over the rule's ultimate fate

State Updates

Legislative Calendar

- Bill Introduction: February 20
- Spring Recess: March 27 – April 3
- Policy Committee to Fiscal Committee: April 24
- Policy Committee to Floor (non-fiscal bills): May 1
- Fiscal Committee to Floor: May 15
- House of Origin: May 29

2026 Bills of Interest

- [Assembly Bill 35](#) (Alvarez): Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria
- [Senate Bill 601](#) (Allen): Waste Discharge

Budget Requests

- From Turlock Irrigation District: \$35 million for "Stable Funding for Hydrology Observation Systems and Forecasting"
 - Includes funding for observation and forecasting systems such as the Airborne Snow Observatories (ASO), implemented as the Airborne Remote Sensing of Snow (ARSS) Program, and the critical stream gage network,

as well as improvements to the decision support tools and databases that rely on products from those observation systems, such as the California Data Exchange Center (CDEC)

REASON FOR ACTION:

To ensure members of the Board of Directors are informed of the latest updates on state and federal legislative and regulatory issues.

SOLUTION:

Receive and file the January-February 2026 Government Affairs and Legislative Update

STRATEGIC PRIORITIES REFERENCE:

This item aligns with Western Water's Strategic Priority of Superior Service.

LEGAL COUNSEL REVIEW:

Staff has determined that legal review of this item is not necessary.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Federal Affairs Report from The Ferguson Group – January-February 2026
2. Priority Bill Report from KP Public Affairs – January-February 2026



Western Municipal Water District Federal Affairs Report – February 2026

Congress Leaves for Weeklong Recess with Government Funded – DHS Shuttered

Congress left Washington for a weeklong President’s Day recess with no clear path to prevent a Department of Homeland Security (DHS) shutdown beginning on February 14, as negotiations between Democrats and the White House remain stalled. The two sides are deeply divided over President Trump’s immigration crackdown, with Democrats seeking guardrails on U.S. Immigration Customs and Enforcement (ICE) in exchange for funding and the Administration refusing concessions that would limit its authority. If no agreement is reached by the February 13 deadline, DHS agencies like FEMA, TSA, the Coast Guard, and CISA could face a shutdown or another short-term funding patch, with particular concern over FEMA’s disaster recovery funding. Meanwhile, ICE will continue to be funded under the *One Big Beautiful Bill Act* funding approved by Congress last year.

Earlier, Congress passed a \$1.2 trillion spending package to fund nearly all federal agencies through September, ending the brief second government shutdown in four months. The Senate-passed bill passed the House 217–214 and is expected to be signed quickly by President Trump.

However, the deal leaves out the Department of Homeland Security (DHS), which is funded by a short CR only through February 13, setting up a new “funding cliff” and likely another partial shutdown. Democrats are refusing to support longer-term DHS funding unless Republicans agree to major immigration enforcement reforms, citing recent fatal shootings and accusing ICE agents of acting recklessly.

Although talks are ongoing, leaders from both parties acknowledge they are “not close” to a deal, and a funding lapse could last at least 10 days. Even if an agreement is reached, lawmakers on both sides doubt it would pass, given political pressure around immigration enforcement. With limited immediate public impact from a shutdown (ICE funded by earlier legislation/FEMA has funds to deal with near-term disasters, if they occur), neither party feels urgent pressure to compromise, raising the possibility of a prolonged standoff that could even disrupt President Trump’s upcoming State of the Union address on February 24.

Bipartisan Efforts Continue to Support Permitting Reform

“Permit certainty” has become the central focus of bipartisan permitting reform efforts, as industry, labor, and some environmental groups push Congress to limit permitting delays and ensure approved infrastructure projects can move forward without being reversed by future administrations.

Support continues to build around the bipartisan [CERTAIN Act](#), by Reps. Scott Peters (D-CA) and Gabe Evans (R-CO), which would require agencies to follow clear permitting timelines, and the House-passed [SPEED Act](#), which overhauls NEPA reviews and includes provisions to protect issued permits. Additional legislation, including the proposed draft *Fighting for Reliable Energy and Ending Doubt for Open Markets (FREEDOM) Act*, sponsored by Reps. Josh Harder (D-CA), Mike Lawler (R-NY), Adam Gray (D-CA) and Don Bacon (R-NE) among others, would further shield companies from sudden permitting reversals and hold agencies accountable for permitting delays.

Energy producers, renewable developers, and labor unions argue that certainty and durability in permitting decisions are essential for investment and job creation. While Senate negotiations remain stalled amid disputes over renewable energy under the Trump Administration, lawmakers from both parties say there is growing agreement around the principle that once a permit is issued, it should be reliable and final.

House Electronic Permitting Bill Gets Senate Companion

A bipartisan group of senators introduced the [ePermit Act](#), a bill aimed at modernizing the federal government's outdated, paper-based energy permitting system. Led by Sens. John Curtis (R-UT) and Cory Booker (D-NJ), the legislation would create a cloud-based permit portal to improve transparency, coordination, and public engagement without weakening environmental standards.

The bill is the Senate companion to [H.R. 4503](#), which already passed the House last year with unanimous support, and sponsors hope it can move quickly as Congress continues broader debates over permitting reform.

Bipartisan Central Valley House Members Ask CA Governor to Ease Bay-Delta Pumping Limits

A bipartisan group of Central Valley House members is urging California Gov. Gavin Newsom (D) to roll back a decades-old Bay-Delta water quality rule (the Port Chicago standard) that limits how much water can be pumped south from the Sacramento–San Joaquin River Delta. They argue the rule could reduce deliveries by up to 600,000 acre-feet this winter, hurting farms and communities and creating what they call a “regulatory drought.”

The rule is meant to prevent salty ocean water from moving inland and protect Delta habitat, but lawmakers and major water agencies say it's outdated and could even harm salmon later by forcing cold-water releases now when the river is already meeting temperature standards. The pumping limit is expected to remain in place for about a month, though upcoming storms this week could increase available water and exports.

Nonpoint Water Pollution Funding Bill Approved by House T&I Committee

The House Transportation and Infrastructure (T&I) Committee advanced bipartisan legislation to reauthorize the EPA's Clean Water Act (CWA) Section 319 nonpoint source pollution grant program at \$200 million annually through FY 2031. [H.R. 7376](#), the “*Local Water Protection Act*,” sponsored by Reps. Hillary Scholten (D-MI) and Brian Mast (R-FL), would continue funding efforts to reduce nonpoint runoff pollution from farms, roads and construction sites that can carry chemicals, sediment and fertilizer into waterways.

Supporters called the long-standing program a proven tool for improving water quality and aiding states like Missouri and Michigan. However, Rep. Scott Perry (R-PA) opposed the measure, arguing it intrudes on private property rights. The program was previously targeted for cuts in the Trump Administration's FY 2026 budget proposals but received \$175.25 million in current appropriated funding.

Draft Final Interior NEPA Rule Revisions at OMB for Review

The White House Office of Management and Budget (OMB) has started an interagency review of the Interior Department's draft final rule that would roll back much of DOI's formal NEPA procedures, part of the Trump Administration's push to speed up approvals for energy and infrastructure projects. The effort follows a January 2025 Trump executive order directing the Council on Environmental Quality (CEQ) to withdraw its government wide NEPA implementing rules, shifting agencies toward relying more on guidance instead of binding regulations.

Environmental groups say DOI's approach is unlawful and are preparing to sue, arguing it weakens public input, narrows environmental review requirements, and may violate the Endangered Species Act (ESA). Meanwhile, the National Mining Association supports the rollback but wants DOI to go even further by codifying NEPA changes from the 2023 Fiscal Responsibility Act and expanding the ability for industry-prepared environmental documents to be used in reviews.

Utilities, Tech Sector Split On Federal Role In Water Reuse For Data Centers

Water utilities and tech companies are divided over how much EPA and the federal government should shape water reuse policies for AI data centers, which require large amounts of water for cooling. Tech industry representatives, including Amazon Web Services, are urging the creation of national standards to avoid a patchwork of differing state regulations that can delay projects. In contrast, water utility officials argue regulation should remain primarily a state responsibility, with EPA serving as a convenor to share best practices and promote incentives rather than impose federal rules.

The debate comes as EPA prepares to update its Water Reuse Action Plan to support data centers, amid growing public concern about the facilities' heavy water use and affordability impacts. Water reuse, particularly using treated wastewater, is seen as a "win-win" solution, and congressional lawmakers in the House have introduced bipartisan legislation ([H.R. 2940](#)) to create a 30 percent tax credit for water recycling projects to encourage infrastructure development.

Senate ENR Approves Legislation Without Democratic-Led Bills in Last Week's Markup

The Senate Energy and Natural Resources (ENR) Committee advanced a limited set of public lands, wildfire, and water-related bills, while dropping several higher-profile conservation and water measures, frustrating ENR Committee Democrats.

On water policy, the committee approved Sen. Alex Padilla's (D-CA) Lower Colorado River Multi-Species Conservation Program (MSCP) Amendment Act ([S. 291](#)), which would create an interest-bearing account for nonfederal contributions to the long-running Lower Colorado River MSCP program. However, several major water bills were pulled from consideration, including a bill from Sens. Martin Heinrich (D-NM) and Ben Ray Lujan (D-NM), the *Pecos Watershed Protection Act*, which would block mining and leasing in the Upper Pecos River watershed in New Mexico, as well as legislation from Sen. Heinrich ([S. 1476](#)) to expand Wild and Scenic River protections on New Mexico's Gila River system and a bill ([S. 1413](#)) that would provide additional funding for the *San Joaquin River Restoration Settlement Act* (from Sens. Padilla and Hoeven (R-ND)).

Also left out was the *Bolt's Ditch Act* ([S. 365](#)) from Sens. John Hickenlooper (D-CO) and Michael Bennet (D-CO) that would authorize additional entities to be eligible to complete the maintenance work on Bolts Ditch and the Bolts Ditch Headgate within the Holy Cross Wilderness in Colorado. Several ENR Democrats criticized the markup, noting that most conservation- and watershed-focused legislation was largely sidelined in favor of narrower or less controversial measures.

Federal February Runoff Forecasts Predict Very Low Colorado River Inflows This Spring

Federal forecasters sharply reduced projections for Colorado River runoff this year, warning that poor snowpack and unusually warm temperatures could push Lake Powell toward dangerously low levels sooner than expected. The new February 1 forecast predicts inflows into Powell will be about one-third lower than already bleak January estimates.

The worsening outlook, and lack of consensus among the seven Colorado River Basin States, puts the Trump Administration and Interior Secretary Doug Burgum under pressure to make tough decisions about how to operate the river's dams. To prevent Powell from dropping below levels that could damage Glen Canyon Dam's hydropower infrastructure, the Bureau of Reclamation may need to either release more water from upstream reservoirs like Flaming Gorge or cut releases from Powell to Lake Mead.

Both options risk triggering major interstate conflict: Upper Basin states fiercely protect their reservoirs, while Lower Basin states could sue if Powell releases drop enough to threaten what they see as compact-required deliveries. With a new long-term water-sharing deal also due within days and the seven basin states still deeply divided, the forecast intensifies the likelihood of legal and political battles over the West's most critical river system.

But hope springs eternal as weather patterns begin to shift more rain- and snow-laden storms towards the Western U.S. this month with colder temperatures in the forecast.

Senate EPW Hearing Held on Growing Water Utility Cyber Threats

The Senate Environment and Public Works (EPW) Committee held a [hearing](#) on February 4 on growing cybersecurity threats to U.S. water and wastewater infrastructure. Lawmakers from both parties generally agree on the need to strengthen protections, as cyberattacks against utilities have become more frequent. EPA has made the issue a priority under both the Biden and Trump Administrations, including the creation of a specialized EPA water office division focused on cyberthreats.

Small utilities face particular challenges due to limited funding and expertise, though larger systems have also been targeted, such as a 2021 ransomware attack on the Washington Suburban Sanitary Commission. While EPA attempted

to implement new cybersecurity requirements under the Biden Administration, the effort was withdrawn after legal challenges, leaving most federal requirements voluntary. The hearing featured testimony from a cybersecurity expert and representatives from rural and large water utilities.

Western Caucus Elects New Chair to Replace the Late Rep. LaMalfa

Rep. Celeste Maloy (R-UT) has been elected chair of the Congressional Western Caucus following the death of its longtime leader, Rep. Doug LaMalfa (R-CA). Chosen unanimously, Maloy said she plans to continue LaMalfa's priorities, focusing the GOP caucus on rural issues such as federal land use, water rights, energy, agriculture, and regulatory reform. A former caucus executive vice chair and water and land policy expert, Maloy aims to strengthen the caucus's role as a "policy powerhouse" on Western issues.

Trump Administration Signs Off on California's Sites Reservoir

The Trump Administration has formally approved the proposed Sites Reservoir north of Sacramento, CA, clearing a major regulatory hurdle and allowing the federal government to fund up to 25% of the project's cost. The decision aligns the administration with California Gov. Gavin Newsom (D) on one of the state's largest water infrastructure projects, intended to capture floodwater and improve long-term water reliability. Federal approval unlocks \$780 million already committed to the project and strengthens negotiations over future federal participation, though several key challenges remain.

D.C. Circuit Denies EPA Request to Vacate Biden-Era Limits for Four PFAS

A D.C. Circuit appellate motions panel has denied the Trump Administration's request to immediately vacate four PFAS limits in the Biden-era drinking water rule, keeping all six standards in place while litigation proceeds. The court said the legal merits for vacating the standards were not clear enough to justify early action, dealing a setback to EPA's effort to quickly roll back parts of the rule it claims were procedurally flawed. As a result, states and water utilities must continue preparing to meet existing monitoring and compliance timelines, even as uncertainty persists over the rule's ultimate fate.

As always, it is a pleasure serving the Western Municipal Water District. If this report brings rise to any questions, please contact Mark Limbaugh at (202) 286-8887 or Christopher Kearney at (202) 549-1583.

Western Municipal Water District Priority Bill List as of 2/13/2026

[AB 259](#) ([Rubio, Blanca D](#)) **Open meetings: local agencies: teleconferences.**

Current Text: Amended: 4/21/2025 [html](#) [pdf](#)

Introduced: 1/16/2025

Last Amend: 4/21/2025

Status: 7/17/2025-Failed Deadline pursuant to Rule 61(a)(10). (Last location was JUD. on 5/14/2025)
(May be acted upon Jan 2026)

Location: 7/17/2025-S. 2 YEAR

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	
1st House				2nd House								

Summary: The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would extend the alternative teleconferencing procedures until January 1, 2030.

Position

Support [As
Introduced]

Notes 1:

ACWA - SUPPORT
CSDA - Sponsor

[AB 362](#) ([Ramos D](#)) **Water policy: California tribal communities.**

Current Text: Amended: 4/21/2025 [html](#) [pdf](#)

Introduced: 1/30/2025

Last Amend: 4/21/2025

Status: 2/2/2026-Died on inactive file.

Location: 2/2/2026-A. DEAD

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	
1st House				2nd House								

Summary: The Porter-Cologne Water Quality Control Act establishes a statewide program for the control of the quality of all the waters in the state and makes certain legislative findings and declarations. Current law defines the term "beneficial uses" for the purposes of water quality as certain waters of the state that may be protected against quality degradation, to include, among others, domestic, municipal, agricultural, and industrial supplies. This bill would add findings and declarations related to California tribal communities, as defined, and the importance of protecting tribal water use. The bill would add tribal water uses as waters of the state that may be protected against quality degradation for purposes of the defined term "beneficial uses."

Position

Notes 1:

ACWA - OPPOSE UNLESS AMENDED
CMUA - OPPOSE UNLESS AMENDED

[AB 532](#) ([Ransom D](#)) **Water rate assistance program.**

Current Text: Amended: 7/17/2025 [html](#) [pdf](#)

Introduced: 2/11/2025

Last Amend: 7/17/2025

Status: 8/29/2025-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

Location: 8/29/2025-S. 2 YEAR

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	
1st House				2nd House								

Summary: Current federal law, the Consolidated Appropriations Act, 2021 requires the federal Department of Health and Human Services to carry out a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program, which is also known as the Low Income Household Water Assistance Program, for making grants to states and Indian tribes to assist low-income households that pay a high proportion of household income for drinking water and wastewater services, as provided. Current law requires the Department of Community Services and Development to administer the Low Income Household Water Assistance Program in this state, and to receive and expend moneys appropriated and allocated to the state for purposes of that program, pursuant to the above-described federal law. The Low Income Household Water Assistance Program was only operative until March 31, 2024. This bill would repeal the above-described requirements related to the Low Income Household Water Assistance Program.

Position

Notes 1:

CMUA - SPONSOR

AB 794

(Gabriel D) California Safe Drinking Water Act: emergency regulations.

Current Text: Amended: 4/10/2025 [html](#) [pdf](#)

Introduced: 2/18/2025

Last Amend: 4/10/2025

Status: 2/2/2026-Died on inactive file.

Location: 2/2/2026-A. DEAD

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Safe Drinking Water Act (state act) requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The state board's duties include, but are not limited to, enforcing the federal Safe Drinking Water Act (federal act) and adopting and enforcing regulations. Current law authorizes the state board to adopt as an emergency regulation, a regulation that is not more stringent than, and is not materially different in substance and effect than, the requirements of a regulation promulgated under the federal act, with a specified exception. This bill would provide that the authority of the state board to adopt an emergency regulation pursuant to these provisions includes the authority to adopt requirements of a specified federal regulation that was in effect on January 19, 2025, regardless of whether the requirements were repealed or amended to be less stringent. The bill would prohibit an emergency regulation adopted pursuant to these provisions from implementing less stringent drinking water standards, as provided, and would authorize the regulation to include monitoring requirements that are more stringent than the requirements of the federal regulation. The bill would prohibit maximum contaminant levels and compliance dates for maximum contaminant levels adopted as part of an emergency regulation from being more stringent than the maximum contaminant levels and compliance dates of a regulation promulgated pursuant to the federal act.

Position

Notes 1:

ACWA - OPPOSE UNLESS AMENDED

CMUA - OPPOSE

AB 810

(Irwin D) Local government: internet websites and email addresses.

Current Text: Amended: 4/10/2025 [html](#) [pdf](#)

Introduced: 2/19/2025

Last Amend: 4/10/2025

Status: 2/2/2026-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Location: 1/23/2026-A. DEAD

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires that a local agency that maintains an internet website for use by the public to ensure that the internet website uses a ".gov" top-level domain or a ".ca.gov" second-level domain no later than January 1, 2029. Current law requires that a local agency that maintains public email addresses to ensure that each email address provided to its employees uses a ".gov" domain name or a ".ca.gov" domain name no later than January 1, 2029. Current law defines "local agency" for these purposes as a city, county, or city and county. This bill would recast these provisions by instead requiring a city, county, or city and county to comply with the above-described domain requirements and by deleting the term "local agency" from the above-described provisions. The bill would also require a special district, joint powers authority, or other political subdivision to comply with similar domain requirements no later than January 1, 2031.

Position

SB 350 (Durazo D) Water Rate Assistance Program.

Current Text: Amended: 5/7/2025 [html](#) [pdf](#)

Introduced: 2/12/2025

Last Amend: 5/7/2025

Status: 2/2/2026-Returned to Secretary of Senate pursuant to Joint Rule 56.

Location: 1/23/2026-S. DEAD

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would establish the Water Rate Assistance Program. As part of the program, the bill would establish the Water Rate Assistance Fund in the State Treasury, available upon appropriation by the Legislature, to provide water affordability assistance, for both residential water and wastewater services, to low-income residential ratepayers, as specified. The bill would require the state board to take various actions in administering the fund, including, among other things, tracking and managing revenue in the fund separately from all other revenue. The bill would require the State Water Resources Control Board, in consultation with relevant agencies and after a public hearing, to adopt guidelines for implementation of the program and to adopt an annual report to be posted on the state board’s internet website identifying how the fund has performed, as specified. The bill would require the guidelines to include minimum requirements for eligible systems, including the ability to confirm eligibility for enrollment through a request for self-certification of eligibility under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would require the state board to take various actions in administering the program, including, but not limited to, providing guidance, oversight, and funding for low-income rate assistance for residential ratepayers of eligible systems. The bill would authorize the Attorney General, at the request of the state board, to bring an action in state court to restrain the use of any method, act, or practice in violation of these provisions, except as provided. The bill would make the implementation of all of these provisions contingent upon an appropriation by the Legislature.

Position

Notes 1: ACWA - OPPOSE UNLESS AMENDED

CSDA - OPPOSE UNLESS AMENDED 3

SB 445 (Wiener D) High-speed rail: third-party agreements, permits, and approvals: regulations.

Current Text: Amended: 7/17/2025 [html](#) [pdf](#)

Introduced: 2/18/2025

Last Amend: 7/17/2025

Status: 8/28/2025-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

Location: 8/28/2025-A. 2 YEAR

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law creates the High-Speed Rail Authority Office of the Inspector General (office) and authorizes the High-Speed Rail Authority Inspector General (inspector general) to initiate an audit or review regarding oversight related to delivery of the high-speed rail project undertaken by the authority and the selection and oversight of contractors related to that project. Current law requires the inspector general to submit annual reports to the Legislature and Governor regarding its findings. This bill would require the authority, on or before July 1, 2026, to develop and adopt internal rules, as defined, setting forth standards and timelines for the authority to engage utilities to ensure coordination and cooperation in relocating utility infrastructure or otherwise resolving utility conflicts affecting the delivery of the high-speed rail project. The bill would require the authority to ensure that the internal rules, among other things, identify the circumstances under which the authority would be required seek to enter into a cooperative agreement with a utility that, where relevant, identifies who is responsible for specific utility relocations, as specified.

Position

SB 496 (Hurtado D) Advanced Clean Fleets Regulation: appeals advisory committee: exemptions.

Current Text: Amended: 4/7/2025 [html](#) [pdf](#)

Introduced: 2/19/2025

Last Amend: 4/7/2025

Status: 2/2/2026-Returned to Secretary of Senate pursuant to Joint Rule 56.

Location: 1/23/2026-S. DEAD

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources

Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases and requires the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions from those sources. Pursuant to its authority, the state board has adopted the Advanced Clean Fleets Regulation, which imposes various requirements for transitioning local, state, and federal government fleets of medium- and heavy-duty trucks, other high-priority fleets of medium- and heavy-duty trucks, and drayage trucks to zero-emission vehicles. The Advanced Clean Fleets Regulation authorizes entities subject to the regulation to apply for exemptions from its requirements under certain circumstances. This bill would require the state board to establish the Advanced Clean Fleets Regulation Appeals Advisory Committee by an unspecified date for purposes of reviewing appeals of denied requests for exemptions from the requirements of the Advanced Clean Fleets Regulation. The bill would require the committee to include representatives of specified governmental and nongovernmental entities. The bill would require the committee to meet monthly and would require recordings of its meetings to be made publicly available on the state board's internet website. The bill would require the committee to consider, and make a recommendation on, an appeal of an exemption request denial no later than 60 days after the appeal is made. The bill would require specified information relating to the committee's consideration of an appeal to be made publicly available on the state board's internet website.

Position

SB 601

(Allen D) Water: waste discharge.

Current Text: Amended: 7/10/2025 [html](#) [pdf](#)

Introduced: 2/20/2025

Last Amend: 7/10/2025

Status: 8/28/2025-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

Location: 8/28/2025-A. 2 YEAR

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality and prescribe waste discharge requirements in accordance with the Porter-Cologne Water Quality Control Act (act) and the National Pollutant Discharge Elimination System (NPDES) permit program. Under the act, the State Water Resources Control Board is authorized to adopt water quality control plans for waters for which quality standards are required by the federal Clean Water Act, as specified, and that in the event of a conflict, those plans supersede regional water quality control plans for the same waters. This bill would authorize the state board to adopt water quality control plans for nexus waters, which the bill would define as all waters of the state that are not also navigable, except as specified. The bill would require any water quality standard that was submitted to, and approved by, or is awaiting approval by, the United States Environmental Protection Agency or the state board that applied to nexus waters as of May 24, 2023, to remain in effect, as provided.

Position

OPPOSE

Notes 1:

ACWA - OPPOSE

CMUA - OPPOSE

CSDA - OPPOSE 3

Total Measures: 9

Total Tracking Forms: 9

Agenda Item: 8A

Date: March 18, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary-Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

**TAKE A SUPPORT POSITION ON THE PROPOSED BALLOT MEASURE:
“CALIFORNIA CHANGE ENVIRONMENTAL REVIEW PROCESS FOR
ESSENTIAL PROJECTS INITIATIVE”**

RECOMMENDATION:

The Community and Government Affairs Committee and Staff recommend the Board of Directors:

1. Take a support position on a proposed ballot measure titled, the “California Change Environmental Process for Essential Projects Initiative.”

EXECUTIVE SUMMARY:

The California Change Environmental Process for Essential Projects Initiative is currently collecting the required signatures to appear on the November 3, 2026, General Election. The intent of the initiative is to expedite environmental review for “essential” projects related to housing, transportation, water, health, and clean energy. If passed by a majority of voters during the election, the initiative would set deadlines for California Environmental Quality Act review and required actions, as well as set deadlines for lawsuits and limit courts' review of these projects to 270 days. As a top legislative priority outlined in Western Municipal Water District's 2026 Legislative Priorities, staff is recommending a support position on the ballot initiative.

BUDGET IMPACT:

Taking a support position for a ballot initiative has no budget impact.

DETAIL:

The California Environmental Quality Act (CEQA) is a state law passed in 1970 that requires state and local government agencies to consider the total environmental impact of a project before approving it and to share this information with the public. Project representatives must submit their applications to a government agency, including city, county or state department, known as the lead agency. This lead agency prepares an initial study to assess the project's environmental impact if CEQA approval is required. If the assessment shows that the project will have significant unavoidable environmental impacts, the agency must prepare a detailed Environmental Impact Report (EIR). This report includes a public review, in which the agency must respond to public comments. Moreover, CEQA decisions can be challenged in court if people believe the review process was not conducted properly.

Over the last several decades, CEQA has been leveraged by special interest groups to significantly delay or even stop important projects from being developed. Delays due to CEQA create significant cost increases for critical projects and sometimes force projects to be abandoned. While many CEQA reform measures have been attempted in California, only minimal changes have been successful, thus prompting the need to put forward a ballot initiative.

The California Chamber of Commerce is lead on moving forward the ballot measure titled the "California Change Environmental Process for Essential Projects Initiative" (Initiative), which, if it collects 546,651 valid signatures by June 25, 2026, will appear on the November 3, 2026, General Election ballot for consideration by California voters. While affordability is a major topic of discussion in the legislature, the California Chamber of Commerce is addressing this by moving the ballot initiative to achieve an efficient CEQA approval process, which would reduce the cost for taxpayers, improve Californians quality of life, and create jobs, all while still protecting California's environment and ensuring local communities and stakeholders have a voice in the process.

The Initiative reforms CEQA by requiring expedited environmental review for "essential projects" related to housing, transportation, water, health, and clean energy by setting deadlines for review and required actions; 30 days to check completeness, and 90 or 365 business days for environmental review based on the complexity of the projects. This expedited process will also reduce the requirement for public agencies to consider all

possible alternatives and make the consultation process with the public and tribal communities simpler for addressing environmental impacts. The measure also shortens the approval process further by setting deadlines for lawsuits and limiting courts to review these projects within 270 days (with the possibility of extending it by an additional 90 days), as well as restricting what evidence courts can consider and what remedies they can order.

More specifically, “essential projects” are defined as follows in the Initiative:

1. Clean drinking water and secure water supplies for communities across the state; and
2. Safe, modern hospitals and clinics to ensure access to affordable health care; and
3. Clean energy and reliable electricity to reduce energy bills and fight climate change; and
4. Housing of all types to make housing more affordable for families struggling with skyrocketing rents and mortgages, as well as vulnerable senior populations; and
5. Roads, bridges, and transit to reduce traffic congestion and improve public safety; and
6. Wildfire prevention and resilience projects to protect lives, homes, and natural resources; and
7. Safe, modernized public schools and educational facilities for students and educators; and
8. Broadband and telecommunications infrastructure to connect underserved communities and expand opportunity.

Short-term costs: The measure requires the creation of new guidelines and standards, adjustment of existing review processes, and responsiveness to temporary legal challenges related to the adjusted decision-making process. These new requirements may increase administrative and legal costs for state and local governments in the early years. However, these agencies may cover the extra costs through fees and reimbursements from private projects.

Long-term costs: Although limiting the review process window for these agencies may increase staffing costs to meet review deadlines, savings for local and state agencies are anticipated mainly from limiting the scope of environmental review and reducing the size of administrative records. Moreover, as these agencies implement new processes, it is expected that fewer lawsuits will occur, further reducing the costs of environmental reviews.

This Initiative falls under Western Municipal Water District's (Western Water) 2026 state legislative priority of "Support measures that would help streamline and modernize the permitting process for water-related projects." As a public agency, Western Water is prohibited from advocating on ballot measures/initiatives but can educate the public and external partners on the agency's position once adopted by the Board of Directors during a public meeting.

REASON FOR ACTION:

Ballot measure positions require formal action by the full Board of Directors.

SOLUTION:

Take a support position on the California Change Environmental Process for Essential Projects Initiative.

STRATEGIC PRIORITIES REFERENCE:

This item aligns with Western Water's Strategic Priority of Superior Service.

LEGAL COUNSEL REVIEW:

Staff has determined that legal review of this item is not necessary.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Building an Affordable California Act Presentation
2. Building an Affordable California Act Essential Water Projects Fact Sheet
3. California Change Environmental Process for Essential Projects Initiative proposal

Building an Affordable California Act:

A viable path for CEQA Streamlining



January 2026

The Problem: CA's Outdated Project Approval System is Blocking Essential Projects & Driving Up CA's Cost of Living

- **Housing:** Permitting and approval delays add more than **\$75,000** to the cost of a new home — pushing rents and mortgages higher.
- **Infrastructure:** Bureaucratic delays add billions in **taxpayer and consumer costs** for roads, bridges, water systems, and energy projects that businesses rely on
- **Environment & Safety:** Projects that reduce emissions and wildfire risk are trapped in years of review and litigation

RESULT: California Is Failing to Deliver the Basics—And We're All Paying the Price

The Solution:

The Building an Affordable California Act modernizes the state's outdated approval process to build essential projects **faster and **more affordably**.**

Building an Affordable California Act: Core Reforms



Streamlined Approvals – More Predictability & Accountability

- **Enforceable Timelines:** Agencies must complete environmental review within **365 days**.
 - Missed deadline → public hearing and final action within **60 days**.
- **Clear Standards:** Decisions based on clear, written rules—like local ordinances, environmental laws or zoning standards—in place when applications are submitted.
- **Public Comment:** Establishes a **firm 45-day** public comment window.
- **Streamlined Alternatives:** Narrows the "alternatives" requirement to two options: the required "no project" scenario and one applicant-proposed alternative design that reduces environmental impacts.

Building an Affordable California Act: Core Reforms



Fairer Reviews – Faster, Evidence-Based Reviews

- **Judicial Shot Clock:** Courts must fully resolve legal challenges within **270 days**.
- **Clear, Objective Standards:** Courts may only overturn approvals if agencies failed to follow a clear, written rule—like local ordinances, environmental laws or zoning standards—that was in place when the application was submitted.
- **Fix What's Broken:** If one part of the environmental review is flawed, only that section must be fixed—allowing the rest of the project to move forward on schedule.
- **Evidence-Based Review:** Courts must uphold approvals supported by substantial evidence.

Building an Affordable California Act: **Essential Projects**



Water



Housing



Schools



Healthcare Facilities



Transportation



Clean Energy



Public Safety &
Wildfire Resilience



Broadband

NOTE: Streamlining also applies to **all ancillary infrastructure** necessary to serve or connect **essential projects**.

Bottom Line

The Building an Affordable California Act will:

- Streamline reviews and eliminate costly delays
- Curb frivolous lawsuits that block essential projects
- Protect taxpayers by keeping public projects on time and on budget
- Lower the cost of housing, infrastructure, and essential services
- Maintain community input and local control
- Protect California's strong environmental, worker and tribal cultural resources protection standards.

It's time to cut red tape and make California more affordable for everyone.



ASK:

**Endorse the Building and
Affordable California Act
Today!**

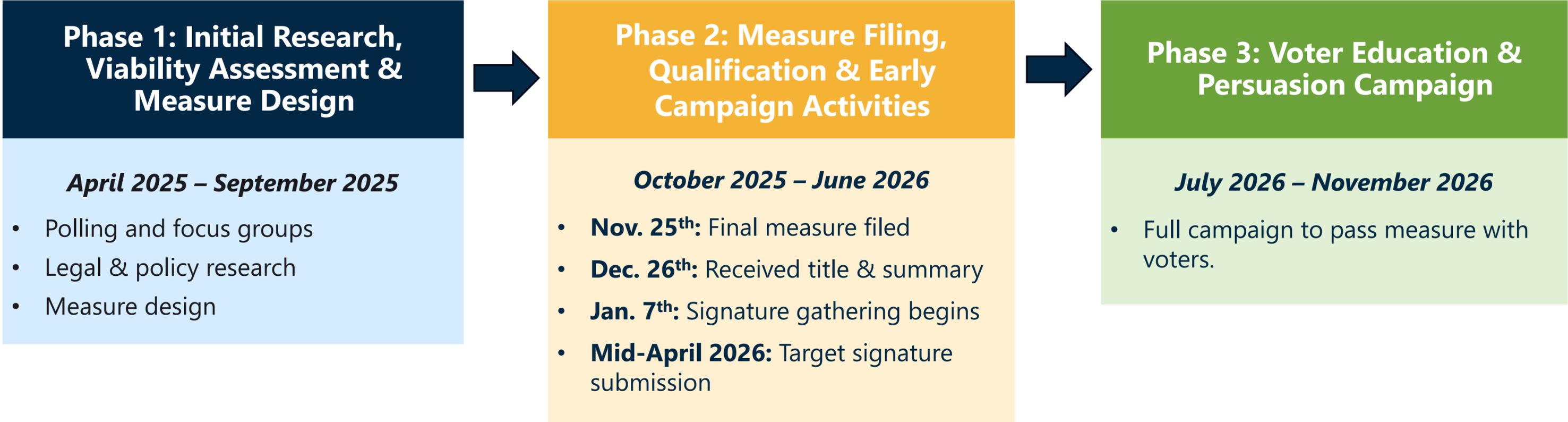
BuildAffordableCA.com



APPENDIX



Campaign Phases



APRIL 2025

NOV 2026

Building an Affordable California Act: Core Reforms

Reform	Description
<p>Agency Review Shot Clocks</p>	<ul style="list-style-type: none"> • Application Completeness: Agencies have 30 days to determine completeness—otherwise the application is deemed complete. Incompleteness notices must include an exhaustive list of missing items. Applicants get 90 days to cure; agencies get a final 30-day review. Any appeals must be resolved within 60 days. • CEQA Track Determination: Agencies must determine CEQA track within 30 days of completeness. • CEQA Review: Agencies must complete review within 90 days (exemptions/addenda); 180 days (NDs/MNDs); or 365 days (EIRs). If they miss a deadline, the applicant can force a public hearing requiring action within 60 days. • Concurrent Timelines: All other required permits and approvals must be issued within 90 days of completeness or an exemption determination. • Phased Approvals: “Essential” components of a larger project are eligible for shot clocks even if the full project is not. If an essential project is built in multiple phases, all phases are eligible for shot clocks.
<p>Objective Standards</p>	<ul style="list-style-type: none"> • Vested Rights: Agencies must evaluate projects based on clear, written standards in effect when the application was submitted, including ordinances, regulations, building/zoning standards and any published or routinely used thresholds of significance. • Judicial Review: Courts may only overturn a project’s approval if the lead agency failed to follow an objective, written standard in effect at application submittal.

Building an Affordable California Act: **Core Reforms**

Reform	Description
Alternatives	Narrows the “alternatives” analysis to two : one applicant-proposed alternative and the required “no project” option.
Judicial Review Shot Clock Remedy	Courts must fully resolve legal challenges within 270 days .
Severance	If a court finds a flaw in a project’s CEQA document, it may order only that specific issue be fixed—allowing all compliant parts of the project to proceed.
Substantial Evidence Standard	Courts must uphold a project’s approval if the agency’s decision was supported by substantial evidence.
Public Comment	Establishes a 20-day public comment period for NDs/MNDs and a 45-day public comment period for EIRs . Agencies must respond to timely comments. Late comments are not considered—except for late comments filed before a noticed hearing on issues that could not reasonably have been raised earlier.



Building an Affordable California Act: Essential Projects

- **Clean Energy:** Projects that advance California's clean energy and reliability goals including solar, wind, geothermal, small hydro, fuel cells, clean hydrogen, battery storage, carbon capture and storage, microgrids, and upgrades to the electric grid, transmission, and distribution systems — plus EV charging and electrification projects.
- **Public Safety & Wildfire Resilience:** Projects that improve safety or reduce wildfire risk such as building or upgrading fire and police stations, vegetation management and fuel reduction, undergrounding utility lines and home hardening.
- **Housing:** Residential and mixed-use housing developments including single-family homes, apartments, senior and student housing, transitional and supportive housing, farmworker housing, and conversions of commercial buildings to residential.
- **Water:** Projects that repair, replace, or improve water systems including dams, pipelines, desalination and recycling plants, stormwater capture, and infrastructure identified in the State's Water Resilience Portfolio.
- **Transportation:** Projects that improve traffic flow, safety, or access to public transit including roads, bridges, sidewalks, and public transit upgrades, as well as EV charging.
- **Public Health:** Projects that build or modernize health care facilities including hospitals, clinics, and medical office buildings.
- **Broadband & Digital Communication:** Projects that expand high-speed internet access including new or upgraded fiber, wireless broadband, and rural/underserved connectivity.
- **Education:** Projects that build or modernize educational facilities including K-12 schools, community colleges, CSU/UC campuses, classrooms, labs, and student support facilities.

NOTE: Streamlining also applies to **all ancillary infrastructure** necessary to serve or connect **essential projects**.

Essential Water Projects

- **Projects that repair, replace, or improve California's water systems, including:**
 - Surface water storage including dams and reservoirs
 - Pipelines, aqueducts, canals, and other conveyance facilities
 - Desalination plants (brackish or seawater)
 - Water recycling and advanced purification facilities
 - Water quality treatment facilities
 - Stormwater capture and reuse projects
 - Groundwater recharge and recovery projects
 - Flood-management and multi-benefit resilience projects
 - Infrastructure identified in the State's Water Resilience Portfolio
 - Distribution system replacement (aging pipes, service lines, smart metering)

Essential Clean Energy Projects

- **Renewable energy generation** including solar, wind, geothermal, small hydro, fuel cells and other generation technologies using renewable fuels.
- **Clean hydrogen projects** including production, storage, distribution, and end-use facilities that use renewable electricity or low-carbon feedstocks to generate hydrogen, including:
 - Electrolyzers, compression and liquefaction systems, and fueling infrastructure
 - Hydrogen transmission and distribution pipelines
- **Battery and Energy Storage Systems**
- **Carbon Capture, Utilization, and Storage (CCUS)**
- **Microgrids and Distributed Energy Resources**
- **Electric grid modernization and transmission upgrades** including substations, transmission lines, and distribution system upgrades.
- **Electrification and EV Infrastructure** including EV charging, fleet electrification, and replacing existing fossil-fuel equipment to electric systems.

Essential Housing Projects

- Single and multi-family housing developments
- Mixed-use developments that combine residential and nonresidential uses and meet either of the following:
 - At least **two-thirds** ($\frac{2}{3}$) of new or converted square footage is designated for residential use
 - At least **50%** of new or converted square footage is designated for residential use and the project creates at least **500 net new units**
- Affordable and workforce housing
- Transitional and supportive housing
- Senior and student housing, including assisted living facilities
- Farmworker housing
- Adaptive reuse and conversions

Essential **Transportation** Projects

- **Road and highway projects** (construction, expansion, improvements)
- **Bridge replacements, seismic retrofits, and bridge widening**
- **Tunnels and tunnel safety upgrades**
- **Interchanges, ramps, and grade separations**
- **Freight movement corridors** (truck lanes, logistics connectors)
- **Bike lanes, pedestrian safety improvements, complete streets**
- **Public transit projects** (bus rapid transit, subway/light-rail improvements, stations, maintenance yards)
- **Traffic flow projects** (signal synchronization, roundabouts, congestion relief projects)
- **Electric vehicle charging infrastructure**
- **Hydrogen refueling stations**

Essential **Public Health** Projects

- **Projects that build, upgrade or repair:**
 - **Public and private hospitals and medical campuses**
 - **Medical office buildings, including medical research facilities**
 - **Specialized medical facilities** (dialysis centers, behavioral health, surgical centers)
 - **Health clinics**
 - **Doctor's offices**
 - **Urgent care centers**
 - **Emergency rooms and ICU facilities**

Essential **Public Safety** Projects

- **Projects that build, upgrade, or repair:**
 - **Fire stations, police stations, and other infrastructure to support first responders**
 - **Emergency operations centers**
 - **Dispatch facilities**
 - **Emergency evacuation routes**
- **Wildfire mitigation measures, including:**
 - **Vegetation management, creating or maintaining fuel breaks**
 - **Home hardening projects (fire-resistant siding, ember-resistant vents, roofing upgrades)**
 - **Utility undergrounding**
 - **Access road upgrades for evacuation or emergency response**

Essential Education Projects

- **New or expanded K-12 public or charter schools, including classrooms, labs and other education infrastructure**
- **New or upgraded classrooms and academic buildings** for colleges and universities, including:
 - **All CSU and UC campuses**
 - **California Community Colleges**
 - **Accredited nonprofit private colleges and universities**
- **Labs, research centers and faculty offices**
- **Sports facilities & recreation fields**
- **Dining halls** and other student support facilities

Essential **Broadband** Projects

- **Projects that build, upgrade or repair broadband infrastructure, including:**
 - **Wireless broadband systems**
 - **Fiber optic cables**
 - **Middle-mile and last-mile infrastructure**
 - **Data conduits and switching systems**
 - **Telecommunications centers**
- **Large and small cell towers and base stations**
- **Satellite ground stations and uplink facilities**



Building an Affordable California Act: Real CEQA Reform for Essential Water Projects

BACA Cuts Project Review & Permitting Delays by 4-9+ years

Essential Water Projects include: Water storage and conveyance infrastructure (such as dams, reservoirs, aqueducts, and pipelines), desalination and water recycling plants, groundwater recharge and stormwater capture systems, flood management and levee improvements, and other facilities that increase water supply reliability, water quality, or drought resilience—including projects identified in the State’s Water Resilience Portfolio and all ancillary facilities needed to construct or operate these projects.

Lead agencies: Department of Water Resources, State Water Resources Control Board, local planning commissions, cities, counties and utility districts.

Project Step	Today’s Process (Status Quo)	Under BACA (Streamlined Timelines)	Estimated Time Saved
Application Completeness	30-day review exists for most projects, but agencies often request multiple rounds of edits with no clear finish line. Disputes over completeness can drag 6-12+ months .	30-day deadline applies to all projects; automatically “deemed complete” if no response. Reviews limited to existing checklists, with expedited resolution for disputes.	3-12 months
CEQA Track Selection (EIR, MND/ND or Exemption)	Agencies frequently delay deciding which CEQA document to prepare.	Must select CEQA track or documentation type within 30 days of application completeness.	3-6 months
CEQA Document Completion	365 days for EIR and 180 days for NDs, but actual completion typically takes 3-5 years due to agency delays and extended public comment.	Enforceable Timelines: EIR: 365 days ND/MND: 180 days Exemption/Addendum: 90 days If missed, agency must decide within 60 calendar days.	2-4 years
Remedy if Missed Deadlines	No consequence for delay; applicants have no defined recourse.	Applicant can trigger hearing; agency must act in 60 days. Applicant may seek writ.	3-6+ months
Final Agency Decision	No statutory deadlines; final approvals often delayed 6-12 months after CEQA completion.	Agency must issue decision within 90 days after CEQA completion.	3-9 months
Responsible Agency Actions	No coordinated timelines; multi-agency projects can take an additional 9-32 months .	All Responsible Agencies must act within 90 days of application completeness.	6-27 months
Litigation (Trial and Appeal)¹	No judicial deadlines. Typical duration: 7-10 years ; if an EIR redo is required, 8+ years .	Win: 270 days max. under judicial deadline Loss: approx. 1.5 years for “fix-it ticket” remedy.	Win: 6+ years Loss: 8+ years
Total Time Saved by BACA	No litigation: 4-8 years faster Litigation Win (greater deference to project approval under BACA): 8+ years faster Litigation Loss: 9+ years faster		

¹BACA also restricts scope of what can be litigated to noncompliance with objective standards, eliminates late hits, imposes substantial evidence standard (not prejudicial abuse of discretion or fair argument), and requires severance remedy (“fix-it ticket”) for non-compliance/disallows rescission of project approvals.

Ad paid for by Committee to Build an Affordable California. Sponsored by the California Chamber of Commerce. Ad Committee's Top Funders:

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California Building Industry Association
California Chamber of Commerce
Funding Details at www.fppc.ca.gov



POLITICAL & GOVERNMENT LAW ADVOCACY LITIGATION

November 24, 2025

Hon. Rob Bonta
Attorney General of California
1300 I Street, 17th Floor
Sacramento, CA 95814

Attention: Ms. Anabel Renteria, Initiative Coordinator

Re: Request for Title and Summary for Proposed Initiative Statute (A.G. # 25-0023) - Amended Language

Dear Mr. Bonta:

We serve as counsel for the proponent of the Building an Affordable California Act (A.G. # 25-0023). On the proponent's behalf, enclosed are amendments to this proposed measure submitted pursuant to subdivision (b) of Section 9002 of the Elections Code. The \$2,000 filing fee and required proponent affidavits were included with the original submission.

All legal inquires or correspondence relative to this initiative should be directed to:

Kurt R. Oneto
Nielsen Merksamer LLP
1415 L Street, Suite 1200
Sacramento, CA 95814
(916) 446-6752
koneto@nmgovlaw.com

Sincerely,

Handwritten signature of Kurt R. Oneto

Kurt R. Oneto
Enclosures

RECEIVED

NOV 25 2025

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

SACRAMENTO
1415 L STREET, SUITE 1200
SACRAMENTO, CA 95814
T 916.446.6752 F 916.446.6106

BAY AREA - SAN FRANCISCO
2350 KERNER BLVD, SUITE 250
SAN RAFAEL, CA 94901
T 415.389.6800 F 415.388.6874

NMGVLAW.COM

November 24, 2025

VIA PERSONAL DELIVERY

Hon. Rob Bonta
Attorney General of California
1300 I Street, 17th Floor
Sacramento, CA 95814

Attention: Ms. Anabel Renteria, Initiative Coordinator

Re: Request for Title and Summary for Proposed Initiative Statute (A.G. No. 25-0023) – Amended Language

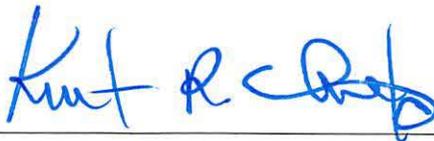
Dear Mr. Bonta:

Pursuant to Section 9002(b) of the California Elections Code, please find attached hereto amendments to the above-captioned initiative measure. I hereby request that a title and summary be prepared for the initiative measure using the attached amended language. The required proponent affidavit(s) pursuant to Sections 9001 and 9608 of the California Elections Code, and a check for \$2,000.00, were included with the original submission.

All inquiries or correspondence relative to this initiative should be directed to Kurt R. Oneto at koneto@nmgovlaw.com or 916-446-6752.

Thank you for your assistance.

Sincerely,



Kurt R. Oneto, Proponent

Enclosure: Proposed Initiative Statute – *Amended Language*

SECTION 1. Chapter 1.5 (commencing with Section 21010) is added to Division 13 of the Public Resources Code, to read:

CHAPTER 1.5. BUILDING AN AFFORDABLE CALIFORNIA ACT

ARTICLE 1. Title, Findings and Declarations, Purpose.

21010. Title.

This chapter shall be known and may be cited as the Building an Affordable California Act.

21011. Findings and Declarations.

The People of the State of California hereby find and declare the following:

(a) California's outdated system for approving essential projects is too slow, too bureaucratic, and too costly. Essential projects like clean water, clean energy, hospitals, affordable housing, roads, wildfire prevention, schools, public safety, and other infrastructure improvements are being delayed or blocked by unnecessary red tape, bureaucratic delays, and excessive lawsuits.

(b) These delays substantially increase the cost of living for all Californians. Research shows that permitting delays alone add tens of thousands of dollars to the price of a new home—driving up rents and mortgages for homeowners and renters. Similar red tape adds billions of dollars to the cost of building hospitals, water infrastructure, roads, bridges, clean energy, schools, broadband, and wildfire mitigation projects—costs ultimately passed on to consumers and taxpayers.

(c) California's permitting laws were written more than 50 years ago, before today's modern environmental laws were in place. That outdated system now works against the state's environmental and public health goals by slowing down or blocking essential projects that would reduce air pollution, lower greenhouse gas emissions, safeguard water supplies, protect communities from wildfire, and preserve wildlife and the environment.

(d) The Building an Affordable California Act will modernize and streamline state law to cut bureaucratic red tape and unnecessary delays; limit frivolous lawsuits that block essential

projects while allowing public agencies and essential project applicants to continue sharing the burden of defending against such suits; and speed up delivery of projects Californians rely on every day.

(e) Every year of delay means Californians wait longer and pay more for the things they need most. The Building an Affordable California Act applies to the state's most essential projects, including:

- (1) Clean drinking water and secure water supplies for communities across the state.
- (2) Safe, modern hospitals and clinics to ensure access to affordable health care.
- (3) Clean energy and reliable electricity to reduce energy bills and fight climate change.
- (4) Housing of all types in order to make housing more affordable for families struggling with skyrocketing rents and mortgages as well as vulnerable senior populations.
- (5) Roads, bridges, and transit to cut traffic congestion and improve public safety.
- (6) Wildfire prevention and resilience projects to protect lives, homes, and natural resources.
- (7) Safe, modernized public schools and educational facilities for students and educators.
- (8) Broadband and telecommunications infrastructure to connect underserved communities and expand opportunity.

(f) By speeding up these essential projects, the Building an Affordable California Act will make California more affordable and lower the cost of housing, energy, electricity, health care, and other necessities, while also reducing taxpayer costs for public works projects.

(g) The Building an Affordable California Act will also jump-start projects that create well-paying jobs and put tens of thousands of Californians to work—especially in construction, clean energy, and infrastructure—helping grow California's economy when it is needed most.

(h) Importantly, the Building an Affordable California Act maintains state and federal clean air, clean water, and environmental protection laws such as the Endangered Species Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Environmental Quality Improvement Act, the Global Warming Solutions Act, the California Coastal Act, and the Resource Conservation and Recovery Act. This chapter will help build the projects needed to make California more affordable—without repealing these laws that keep families and the environment safe.

(i) We can and must build an affordable California.

21012. Statement of Purpose.

The purpose of this chapter is to make California more affordable by streamlining and speeding approval of essential projects—reducing costs for families and taxpayers, improving quality of life, creating good jobs, and maintaining California’s strongest-in-the-world environmental protections.

ARTICLE 2. Application of Chapter and Interaction with Other Laws.

21013. Projects Subject to this Chapter.

This chapter applies only to essential housing projects, essential clean energy projects, essential water projects, essential public health projects, essential public safety projects, essential broadband Internet access projects, essential education facility projects, and essential transportation projects, which the People of California hereby declare to be critical to their quality of life and affordability in this state.

21014. Application of Chapter.

(a) This chapter does not diminish the authority of any public agency to approve or disapprove an essential project. No outcomes on any proposed essential project are preordained by this chapter.

(b) This chapter does not exempt any essential project from environmental review under this division or any other law. Instead, this chapter establishes clear timelines and other procedures for review under this division and administrative permit review for essential projects.

(c) Except as otherwise provided herein, this chapter shall apply to review and processing of any and every application or approval for an essential project and its accompanying land use entitlements, including without limitation, discretionary adjudicative and legislative land use entitlements triggering programmatic, plan-level, or project-level environmental review under this division.

(d) This chapter shall apply to all public agencies.

(e)(1) To the extent a conflict exists between this chapter and any other law, this chapter shall be controlling. Notwithstanding anything to the contrary, this chapter shall not abrogate or limit any otherwise applicable statutory or categorical exemption from this division.

(2) Notwithstanding Section 21100 or any other law, the provisions of this chapter shall control and supersede any conflicting requirement for environmental review of an essential project, and any accompanying permit review. No provision of Section 21100 or any other law shall invalidate or limit the application of this chapter to an essential project.

(f)(1) An application for an essential project that was submitted to a public agency prior to the effective date of this chapter, and that has not yet received final approval prior to that date, may be withdrawn and resubmitted after the effective date of this chapter.

(2) An application for an essential project that is withdrawn and resubmitted as provided in paragraph (1) can be reviewed and approved pursuant to the provisions of this chapter.

(3) Essential housing projects with applications withdrawn and resubmitted as provided in paragraph (1) shall not lose any vested rights or other benefits the applicant acquired through any provisions of law, including without limitation, the Subdivision Map Act, Housing Accountability Act (Section 65589.5 of the Government Code), the Builder's Remedy (Statutes of 2024, chapter 268), and the Housing Crisis Act of 2019 (Statutes of 2019, chapter 654). Vested rights shall relate back to the date any preliminary application under Section 65941.1 of the Government Code was submitted or the date vesting occurs under other applicable law.

(4)(A) If an application for an essential project was deemed or determined complete prior to the effective date of this chapter, the application shall be deemed complete for purposes of this chapter, and a public agency shall not require additional completeness review.

(B) In circumstances where an application has been withdrawn and resubmitted as provided in paragraph (1), any deadlines in this chapter that are triggered by the date an application is determined or deemed to be complete shall be calculated from the time the essential project application is resubmitted by the applicant.

(g) The timelines and deadlines set forth in this chapter shall apply to all essential project applications that are determined or deemed complete, pursuant to Section 21017 or any other law, after the effective date of this chapter irrespective of the date of the application's submission.

(h) Notwithstanding any other provision of law to the contrary:

(1) If an essential project is a portion or component of a larger project, the portion or component that qualifies as an essential project may be processed, reviewed, and approved pursuant to this chapter.

(2) If the whole of a project is an essential project, the essential project may be implemented in multiple phases, and phased applications are not required to individually meet the criteria for an essential project to be processed, reviewed, and approved pursuant to this chapter.

(h) Unless otherwise stated herein, nothing in this chapter shall be construed to eliminate or restrict a lead agency's discretion to determine an appropriate threshold or significance or mitigation measure in preparing environmental review documents.

(i) Nothing in this chapter prohibits a public agency from imposing a fee upon an applicant, consistent with Article XIII A and Article XIII C of the California Constitution, for purposes of covering governmental costs associated with processing and reviewing essential project applications.

(j) An applicant may consent to providing a public agency with additional time to complete environmental review pursuant to Sections 21018 or 21019, or to make a decision on other public agency action sought by the applicant pursuant to Section 21023, by agreeing to withhold a written request that the applicant is otherwise entitled to submit pursuant to subdivision (a) of Section 21020 or subdivision (b) of Section 21023.

21015. Interaction with Other Laws.

(a) In order to maximize the ability to streamline and speed up approval of essential projects, an applicant may elect to utilize none, some, or all of the provisions of this chapter, and may do so in combination with, or as alternatives to, other land use and environmental review laws, mechanisms, or procedures. Nothing in this chapter either (A) prohibits an applicant from availing itself of other land use and environmental review laws that would provide for more expeditious or advantageous review and approval of essential projects compared to this chapter; or (B) requires an applicant seeking approval of a project that meets the definition of an essential project to utilize this chapter.

(b) To the extent that an ambiguity arises regarding how this chapter might operate in conjunction with other provisions of law, the policies and intent set forth in Section 21029 shall be controlling.

(c) The following provisions shall apply to an essential housing project:

(1) The prevailing wage provisions of paragraph (8) of subdivision (a) of Section 65913.4 of the Government Code shall apply solely to buildings over 85 feet in height above grade in any essential housing project.

(2) The provisions of paragraph (3) and paragraph (5) of subdivision (d) of Section 21080.66, as added by Section 59 of Chapter 22 of the Statutes of 2025 (Assembly Bill 130), shall apply to an essential housing project that utilizes this chapter.

(3)(A) In addition to a direct contractor or subcontractor, the provisions of Section 218.9 of the Labor Code shall extend to the owner of an essential housing project during construction of the essential housing project that utilizes this chapter.

(B) For purposes of this paragraph, “owner” means an owner as defined in subdivision (e) of Section 8182 of the Civil Code.

(d) Notwithstanding subdivision (a):

(1) All essential projects that utilize this chapter shall comply with the requirements set forth in Section 21016 pertaining to initial screening and tribal consultation.

(2) With the exception of essential housing projects, all essential projects that utilize this chapter shall comply with the requirements set forth in Section 21028 pertaining to applying the labor requirements described in Section 21183.5 to essential projects.

(3)(A) Except as provided in subparagraph (B), all essential housing projects that utilize this chapter shall comply with the requirements set forth in subdivision (c) pertaining to wages and labor standards on essential housing projects.

(B) If an essential housing project applicant chooses to proceed in part pursuant to this chapter, and in part pursuant to another voluntary streamlined environmental review processing law codified outside of this chapter that also requires the use of either prevailing wages or a project labor agreement, the applicant is required to comply with whatever prevailing wage or project labor agreement requirements are mandated by the other streamlining law for essential project components(s) that are processed and approved pursuant to such other streamlining law.

ARTICLE 3. Initial Screening, Tribal Consultation, and Completeness of Essential Project Applications.

21016. Tribal Cultural Resources: Initial Screening and Tribal Consultation on Essential Projects.

(a) Purpose. The People of the State of California hereby declare that this section is necessary in order to provide for early and meaningful tribal consultation as a key element of essential project planning while maintaining protections for tribal cultural resources. Consulting Tribes have knowledge and expertise concerning tribal cultural resources located within essential project areas.

(b) Construction and Interpretation.

(1) Notwithstanding Section 21015 or any other provision of law, the tribal consultation process for essential projects shall follow the provisions set forth in this section.

(2) Nothing in this chapter is intended to alter or conflict with federal government-to-government consultation obligations involving Consulting Tribes.

(3) The timelines established in Article 4 shall not alter the duration of consultation with a Consulting Tribe on an essential project pursuant to Sections 21080.3.1 and 21080.3.2.

(4) If any technical studies are conducted for the essential project that inform analysis, measures and/or treatment of tribal cultural resources, Consulting Tribes shall be afforded the opportunity to review and provide input on those studies.

(5) When provided by a Consulting Tribe, tribal traditional knowledge shall be incorporated in the identification, treatment, and protection measures concerning tribal cultural resources. As tribal cultural resources is a separate category from cultural resources and archaeological resources, some archaeological methods and standards may not be appropriate for tribal cultural resources. If the lead agency elects not to utilize tribal methods and standards or tribal traditional knowledge, it shall explain its decision in the environmental documents for the essential project, supported by substantial evidence.

(6) All information regarding tribal cultural resources and tribal traditional knowledge disclosed by a Consulting Tribe shall remain confidential consistent with subdivision (c) of

Section 21082.3, and such information shall not be disclosed in the administrative record of proceedings without the permission of the Consulting Tribe. Lead agencies shall, in consultation with affected Consulting Tribes, determine appropriate measures to maintain confidentiality of information regarding tribal cultural resources and tribal traditional knowledge, including, but not limited to, redaction of precise locations, restricted mapping, secure data storage, or other protective handling of tribal cultural resources information. Any written explanation under paragraph (5) of subdivision (c) shall not be subject to challenge to the extent the lead agency does not have permission from the Consulting Tribe to disclose supporting information due to the confidentiality requirements of this paragraph.

(7) Completion of the initial screening process pursuant to subdivision (c) operates separately from, and does not modify, pause, or affect, any requirements or timelines set forth in Section 21017 or any other provisions of this division.

(c) Initial screening. Upon the earlier of the applicant's submittal of a preliminary application under any other law, the applicant's written notice under subdivision (b) of Section 21024, or an application for an essential project, an early screening to identify and evaluate tribal cultural resources shall take place. An initial screening means the act of participating in early discussions, prior to an application being determined complete by the lead agency, through a meet and confer process between the Consulting Tribe, lead agency, and applicant regarding the potential effects a proposed essential project could have on tribal cultural resources. As part of the initial screening process, all of the following shall occur:

(1)(A) An applicant shall provide the lead agency with the following existing information:

- (i) A description of the proposed essential project.
- (ii) A conceptual site map showing the proposed footprint, alignment, or general boundaries of the project area.
- (iii) A vicinity map identifying major landmarks, roadways, and natural features.
- (iv) Any geotechnical, environmental, and site-specific technical studies previously developed to support meet and confer under paragraph (4) on early design, routing, or feasibility analysis relating to and/or affecting tribal cultural resources.

(v) For linear projects such as electric transmission lines, pipelines, rail lines, aqueducts, communications lines, and roads, applicants must include the general corridor and the location of any starting and ending facilities or substations.

(B) Applicants shall not be required to produce new studies or analyses for the purposes of this subdivision. Any input under this section other than regarding the identification of tribal cultural resources shall be provided during the tribal consultation process under subdivision (d).

(2) Within 20 days of receiving the information described in paragraph (1), the lead agency shall complete a records search for recorded and documented archaeological resources, cultural resources, and tribal cultural resources within the proposed project area and the area of potential effects (APE) (as that term is defined under 36 CFR § 800.16), as determined by the lead agency, through the following:

(A) The Sacred Lands File maintained by the Native American Heritage Commission;

(B) The California Historical Resources Information System (CHRIS) maintained by the Office of Historic Preservation; and

(C) The lead agency's records.

(3) Upon completing the search required by paragraph (2), the lead agency shall provide Consulting Tribes all information obtained pursuant to paragraphs (1) and paragraph (2), as well as an invitation to meet and confer pursuant to paragraph (4).

(4) After receiving the information provided by the lead agency pursuant to paragraph (3) and upon the request of a Consulting Tribe, the Consulting Tribe, lead agency, and applicant shall meet and confer regarding the proposed essential project and any known or recorded tribal cultural resources, and a Consulting Tribe may share any information, including information in tribal government registers. During the meet and confer, the three parties shall identify and evaluate treatment and protection methods, measures, and conditions to address impacts on tribal cultural resources, including avoidance and preservation in place. Unless otherwise agreed upon by all parties, any agreements among all the parties from the meet and confer shall be finalized during the tribal consultation process set forth in subdivision (d). The results of the meet and confer shall be documented and maintained by the lead agency in agreement with the Consulting Tribe.

(5)(A) If a Consulting Tribe does not respond to the initial screening invitation provided by the lead agency pursuant to paragraph (3) within 30 days, then the initial screening process under this subdivision shall be deemed to have concluded and the parties shall move into the tribal consultation process set forth in subdivision (d). A Consulting Tribe's decision not to meet and confer under the initial screening process in this subdivision shall in no way affect the Consulting Tribe's ability or right to participate in the tribal consultation process set forth in subdivision (d).

(B) The initial screening process provided in this subdivision shall end when the tribal consultation process set forth in subdivision (d) begins.

(C) Where the tribal consultation process set forth in subdivision (d) does not apply, the initial screening process under this subdivision shall terminate upon the earlier date of the parties' agreement from the meet and confer pursuant to paragraph (4) or 30 days from the date an application for an essential project is determined complete by the lead agency or deemed complete by operation of law.

(d) Tribal consultation. Tribal consultation for an essential project shall be conducted pursuant to Sections 21074, 21080.3.1, 21080.3.2, 21082.3, 21084.2, and 21084.3, except as modified as follows:

(1) The purpose of tribal consultation is to identify tribal cultural resources and evaluate treatment and protection measures for those tribal cultural resources, including the implementation of treatment and protection measures.

(2) Tribal consultation is not meaningful if the Consulting Tribe is not provided with reasonably requested technical information, including, but not limited to, project information and constraints, data, maps, and information concerning project activities as they relate to treatment and protection of tribal cultural resources. During tribal consultation pursuant to this subdivision, the lead agency shall engage in iterative discussions with the Consulting Tribe regarding the development of mitigation measures related to tribal cultural resources, including preliminary concepts or approaches prior to publication of any draft environmental document. This includes notifying the Consulting Tribe of any existing technical studies or reports in the lead agency's possession that relate to tribal cultural resources on or in the vicinity of the essential project site, to the extent permitted by applicable confidentiality laws, and providing the Consulting Tribe

with access to such studies or reports. To the extent any draft environmental review document is provided to the applicant for review in advance of the public comment period for that environmental review document, such draft shall also be made available to the Consulting Tribe at the time it is provided to the applicant. Nothing in this section shall be construed to require the lead agency to prepare or circulate draft environmental review documents for purposes of tribal consultation.

(3) Where the lead agency, a Consulting Tribe, and the applicant agree in writing to measures to avoid or mitigate a significant effect on a tribal cultural resource, those measures and any written agreement shall become enforceable conditions of project approval, subject to the confidentiality requirements under paragraph (6) of subdivision (b).

(e) Treatment and protection of tribal cultural resources. When feasible, damaging effects to any tribal cultural resources shall be avoided.

(1) Consistent with subdivision (b) of Section 21014, nothing in this subdivision alters the lead agency's obligation under CEQA to avoid or mitigate significant impacts to tribal cultural resources when feasible. Mitigation and treatment measures adopted in consultation with the Consulting Tribe pursuant to this subdivision to avoid or minimize significant impacts to tribal cultural resources shall be consistent with the following:

(A) Avoidance and preservation in place shall be considered when requested by the Consulting Tribe. A tribal cultural resource may be avoided or preserved in place through project design, buffering, or other protective measures to avoid the tribal cultural resources and protect the cultural and natural context, or planning greenspace, parks, or other open space to incorporate the tribal cultural resources with culturally appropriate protection and management criteria, which are referenced in the project's environmental documents.

(B) If an essential project has the potential to cause a substantial adverse change in the significance of a tribal cultural resource, and avoidance and preservation in place are not feasible, the lead agency shall demonstrate and document the basis for that determination with substantial evidence, and the Consulting Tribe may identify culturally appropriate mitigation measures, which the lead agency shall consider and incorporate, to the extent feasible, in developing mitigation and treatment measures in a manner consistent with paragraph (2) of subdivision (b) of Section 21084.3.

(C) When an essential project proposes construction-related ground disturbance activities and when requested by the Consulting Tribe, the lead agency shall include inadvertent discovery measures to reduce significant impacts to tribal cultural resources. Such measures may include procedures for temporary halts of grading, identification and assessment protocols, timing provisions, and additional treatment methods or protective measures.

(f) Essential project approval. A lead agency may only approve an essential project pursuant to this section when all of the following apply:

(1) Tribal consultation has concluded in good faith;

(2) Where there is agreement among all parties under either paragraph (4) of subdivision (c) or subdivision (d), any agreed-upon mitigation and avoidance measures are included as enforceable project conditions; and

(3) If avoidance and preservation in place is not feasible, the lead agency has demonstrated and documented the basis for that determination with substantial evidence and incorporated other measures to minimize impacts consistent with CEQA.

21017. Determining Completeness of Essential Project Applications.

(a)(1) When a public agency receives an initial application for an essential project, the public agency shall review the application, make a written finding whether the application is complete, and notify the applicant in writing of the determination.

(2) The written determination of completeness for an initial application shall be made within 30 days of the public agency's receipt of the initial application. If the public agency fails to provide a determination of completeness within 30 days, then the initial application shall be deemed complete for the purposes of this chapter and this division.

(3) An application shall not be determined to be incomplete on the basis of (A) informational or analytical studies or documents that were not required by the public agency in a written, publicly available submittal requirement checklist or similar document in existence at the time the initial application was submitted; or (B) statutes, regulations, rules, standards, or ordinances that are not existing laws.

(b) If the public agency's determination of completeness finds that the initial application for an essential project is incomplete, at the time that finding is made the public agency shall also

provide the applicant with an exhaustive written corrections list containing thorough descriptions of the items and specific information, or lack thereof, that led to the finding of incompleteness.

(c)(1)(A) The applicant shall, within 90 days of a notification that its initial application is incomplete, submit additional information and/or a revised application that addresses the matters identified on the written corrections list.

(B) If the applicant cannot comply with the 90-day deadline in subparagraph (A) to submit either additional information or a revised application, the applicant shall notify the public agency in writing why it is unable to do so and include an estimate of when it will be able to do so.

(2) Upon any submission of supplemental information and/or a revised application, the public agency shall determine if the supplemented submittal is complete based only on the written corrections list provided by the agency pursuant to subdivision (b). The public agency shall provide a determination of completeness based upon the supplemented submittal within 30 days of receipt thereof. If the public agency finds that the supplemented submittal is still incomplete, at the time that finding is made the public agency shall provide the applicant with an updated exhaustive written corrections list therefor. The updated written corrections list may only contain items included on the written corrections list provided in response to the applicant's initial application.

(3) If a supplemented submittal is again deemed incomplete, the applicant may submit additional rounds of supplemental information and/or revised applications pursuant to the procedures and timelines set forth in this subdivision.

(4) If the public agency fails to provide a determination of completeness within 30 days of receiving either supplemental information and/or a revised application pursuant to paragraph (2) or paragraph (3), the application shall be deemed complete for purposes of this chapter and this division.

(5) A public agency shall not request or require an applicant to provide any new information unless that information was included on the exhaustive written corrections list for the immediately prior version of the application.

(d)(1) A determination of completeness finding that an initial application, supplemented application, or revised application is incomplete shall be appealable by the applicant to the public

agency's planning commission, planning director, or other official with final authority over application completeness. If the public agency does not have a planning commission, planning director, or other official with final authority over application completeness, then the appeal shall be heard by the highest-ranking elected or appointed decision-making body or official of the agency. There shall be a final written determination on the appeal not later than 60 days after receipt of the applicant's written appeal.

(2) If the final written determination on the appeal is not made within the 60-day period described in paragraph (1), the application shall be deemed complete for the purposes of this chapter and this division.

(e) The applicant may bring a civil action challenging an adverse determination under subdivision (d). Any such action shall be commenced within 90 days of an adverse final written determination issued pursuant to subdivision (d).

ARTICLE 4. Review of Completed Applications for Essential Projects.

21018. Local Agency Timeline for Completing Environmental Review of Essential Projects.

(a) A local agency that is acting as a lead agency ("local lead agency") for an application or approval of an essential project shall decide whether the project is subject to subdivision (b), subdivision (c), or subdivision (d) within 30 days of the earlier of the essential project application being determined or deemed to be complete pursuant to Section 21017, or deemed complete pursuant to any other law.

(b) Essential projects that require an environmental impact report. For essential projects that require an environmental impact report, the local lead agency shall make a final determination whether to certify an environmental impact report no later than 365 days after the earlier of the essential project application being determined or deemed to be complete pursuant to Section 21017, or deemed complete pursuant to any other law.

(c) Essential projects that require a negative declaration or mitigated negative declaration. For essential projects that require a negative declaration or mitigated negative declaration, the local lead agency shall make a final determination whether to adopt a negative declaration or mitigated negative declaration no later than 180 days after the earlier of the essential project

application being determined or deemed to be complete pursuant to Section 21017, or deemed complete pursuant to any other law.

(d) For all other environmental review documentation prepared under this division or this chapter for an application or approval of an essential project, the local lead agency shall, within 90 days after the earlier of the essential project application being determined or deemed to be complete pursuant to Section 21017 or deemed complete pursuant to any other law, make a final determination that the essential project is exempt from this division or that the essential project's impacts were previously evaluated under a prior environmental review document pursuant to, without limitation, Section 21083.3 or Section 21094.5, or an addendum pursuant to Section 15162 or Section 15164 of the State CEQA Guidelines.

(e) The deadlines set forth in subdivision (b), subdivision (c), and subdivision (d) shall be extended upon written request from the applicant.

21019. Timeline for Completing Environmental Review of Essential Projects by Public Agencies that are Not Local Agencies.

(a) A public agency other than a local agency that is acting as a lead agency (“non-local lead agency”) for an essential project shall decide whether the project is subject to subdivision (b), subdivision (c), or subdivision (d) within 30 days of the earlier of the essential project application being determined or deemed to be complete pursuant to Section 21017, or deemed complete pursuant to any other law.

(b) Essential projects that require an environmental impact report. For essential projects that require an environmental impact report, the non-local lead agency shall make a final determination whether to certify an environmental impact report no later than 365 days after the earlier of the essential project application being determined or deemed to be complete pursuant to Section 21017, or deemed complete pursuant to any other law.

(c) Essential projects that require a negative declaration or mitigated negative declaration. For essential projects that require a negative declaration or mitigated negative declaration, the non-local lead agency shall make a final determination whether to adopt a negative declaration or mitigated negative declaration no later than 180 days after the earlier of the essential project

application being determined or deemed to be complete pursuant to Section 21017, or deemed complete pursuant to any other law.

(d) For all other environmental review documentation prepared under this division or this chapter for an application or approval of an essential project, the non-local lead agency shall, within 90 days after the earlier of the essential project application being determined or deemed to be complete pursuant to Section 21017 or deemed complete pursuant to any other law, make a final determination that the essential project is exempt from this division or that the essential project's impacts were previously evaluated under a prior environmental review document pursuant to, without limitation, Section 21083.3 or Section 21094.5, or an addendum pursuant to Section 15162 or Section 15164 of the State CEQA Guidelines.

(e) The deadlines set forth in subdivision (b), subdivision (c), and subdivision (d) shall be extended upon written request from the applicant.

21020. Noncompliance with Timelines for Completing Environmental Review of Essential Projects.

(a) When a local lead agency or a non-local lead agency fails to comply with a deadline set forth in subdivision (b) through subdivision (d) of Section 21018, or subdivision (b) through subdivision (d) of Section 21019, the applicant may make a written request for the agency to hold a meeting or hearing on the essential project as provided in this section.

(b) Within 60 days of receipt of a written request pursuant to subdivision (a), the local lead agency or non-local lead agency shall do all of the following:

(1) Complete all environmental review documentation for the essential project; or assemble available environmental review documentation including any applicant-prepared environmental review document as is allowed under subdivision (b) of Section 21082.1 or any other law.

(2) Hold a meeting or hearing on the essential project application as follows:

(A) If the agency has a multi-member decision-making body subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), or

similar open meeting law, the agency shall place the essential project on its agenda for a regular or special meeting of the agency's highest-ranking decision-making body.

(B) If the agency does not have a multi-member decision-making body subject to the Bagley-Keene Open Meeting Act, the Ralph M. Brown Act, or a similar open meeting law, then the highest-ranking official of the agency, or their designee, shall hold a hearing with the applicant on the essential project.

(3) Notwithstanding any other provision of this division or any other law or legal requirement to the contrary, at the meeting or hearing described in paragraph (2), the agency shall do both of the following:

(A) Make a final written determination on the available environmental review documentation that has been completed as of the date of the meeting or hearing.

(B) Make a final written determination to approve or disapprove the essential project.

(c)(1) If the local lead agency or non-local lead agency has a planning commission or planning director, upon receipt of a written request pursuant to subdivision (a), the planning commission or planning director shall hold a regular or special meeting for the purpose of providing a recommendation on the essential project.

(2) The meeting of the planning commission or planning director described in this subdivision shall occur within 30 days of receipt of a written request pursuant to subdivision (a).

(3) Any environmental review documentation needed for the meeting described in this subdivision shall be completed in advance of the date of the meeting as required by law.

(d) The deadlines set forth in subdivision (b) and subdivision (c) shall only be extended upon a written request made by the applicant.

(e) Except as provided in subdivision (f), a local lead agency and a non-local lead agency have a nondiscretionary ministerial duty to comply with the deadlines set forth in this section or in any written request made pursuant to subdivision (d) and complete the actions described in paragraph (3) of subdivision (b).

(f) If, prior to the expiration of the 60-day period provided in subdivision (b), the agency completes all environmental documentation for the essential project and issues a final written determination to approve the essential project, the agency and the applicant may mutually agree

in writing to cancel the meeting or hearing on the essential project required by paragraph (2) of subdivision (b).

(g)(1) An action under this division may be brought by the applicant challenging the following:

(A) The agency's failure to comply with its nondiscretionary ministerial duties described in subdivision (e).

(B) The agency's denial or imposition of unlawful conditions of approval on an essential project.

(2) The action shall be commenced within 90 days of the agency's failure, denial, or imposition described in paragraph (1).

(h) Notwithstanding any other provision of this section, Section 21018, or Section 21019, where the lead agency for an essential project is also the applicant for that essential project, the lead agency may extend any deadline contained in this section, Section 21018, or Section 21019 through a written notice that specifies the duration of the extension and the reason for it. The notice shall be posted on the lead agency's website and included in the administrative record.

21021. Timeline for Public Comments on Essential Projects.

(a) A public agency shall circulate an environmental review document for an essential project for public comment periods as follows:

(1) 20 days for a negative declaration or mitigated negative declaration or other document requiring public circulation under state law.

(2) 45 days for a draft environmental impact report or subsequent or supplemental environmental impact report.

(b) A public comment period described in subdivision (a) shall not be tolled or extended except by a court of competent jurisdiction.

(c) If a public agency continues any public hearing on an essential project, or the CEQA review of that essential project, the public agency shall continue the hearing to a date certain and, upon approval of the continuance, close the public comment period. The public agency shall not reopen the public comment period at any subsequent hearing on the essential project.

(d)(1) Notwithstanding any other provision of law to the contrary, only the following comments shall be included in the administrative record for an essential project:

(A) Electronic and written comments received during the public comment periods set forth in subdivision (a).

(B) For CEQA determinations with no comment period set forth in subdivision (a), electronic and written comments received at least 48 hours prior to a public hearing or noticed decision on the environmental review documentation for the essential project.

(C)(i) For hearings or appeals of a CEQA determination, electronic and written comments received at least 48 hours prior to a public hearing on issues that could not have been raised during the public comment period set forth in subdivision (a) because of significant changes to the essential project that precluded the issue from being raised during the public comment period, or new information that was not known and could not have been known during the public comment period.

(ii) "Significant changes to the essential project" shall not include any changes to an essential project made in response to public comment, through the CEQA alternatives review process, or through lead agency concerns identified during the CEQA process.

(D) Oral testimony at a noticed and recorded public hearing.

(2) All other public comments shall be disregarded and excluded from the administrative record.

(e) Notwithstanding any other provision of law to the contrary, a response by the lead agency or applicant to a comment described in paragraph (1) of subdivision (d), or comments from the applicant in response to a question from a public agency or to demonstrate the essential project's compliance with this division, shall, without qualification, be included in the administrative record for an essential project.

21022. Determination of Impacts.

Notwithstanding any other provision of law to the contrary:

(a)(1) A public agency considering whether to approve an essential project shall identify, evaluate, determine significance, and mitigate the impacts of an essential project based on compliance with existing laws.

(2) To the extent a public agency has published, adopted, or routinely used thresholds of significance for environmental effects of essential projects on the earlier of the date a preapplication or an application for an essential project is filed, an applicant may elect to vest into any such thresholds of significance, in which case the public agency shall use them in determining the significance of the essential project's environmental effects.

(b) An essential project's compliance with this division and the State CEQA Guidelines shall be based solely upon the project's compliance with subdivision (b) of Section 21029.

(c) An applicant may waive the application of one or both of subdivision (a) or subdivision (b) to an essential project by submitting a written request for a waiver to the public agency.

21023. Other Public Agency Actions for Essential Projects.

(a) If an essential project requires any other public agency action that is not expressly addressed by other provisions of this chapter, the public agency shall make a final written decision thereon based on compliance with existing laws. The final written decision on the other public agency action shall be completed as follows:

(1) Where a public agency is a lead agency for an essential project, the public agency shall make the final decision concurrently with its certification of the environmental impact report, adoption of a negative declaration or mitigated negative declaration, or determination of previous evaluation or exemption from this division, as applicable.

(2) A state lead agency may delay the final decision required by paragraph (1) by up to 90 days if all of the following apply:

(A) Prior to December 31, 2025, the state agency had an established process set forth in state statute or regulation for conducting evidentiary hearings on the type of public agency action being sought for the essential project.

(B) Prior to the deadline set forth in paragraph (1), the state agency provides written notice to the applicant that it will go forward with an evidentiary hearing.

(3) Where an applicant seeks an approval for an essential project from a public agency that was not a lead agency for that essential project during the first instance when the essential project underwent environmental review pursuant to this division, such public agency shall make

a final written decision before the later of: (A) 90 days from the earlier of the date the application for the public agency action was determined or deemed to be complete pursuant to Section 21017, or deemed complete pursuant to any other law; or (B) 1 day has passed from the date the lead agency approved the project.

(b) When a public agency fails to comply with a deadline set forth in subdivision (a), the applicant may make a written request for the public agency to hold a meeting or hearing on the other public agency action sought from the public agency.

(c) Within 45 days of receipt of a written request pursuant to subdivision (b), the public agency shall do all of the following:

(1) Hold a meeting or hearing on the essential project application as follows:

(A) If the public agency has a multi-member decision-making body subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), or similar open meeting law, the public agency shall place the other agency action sought from the public agency on its agenda for a regular or special meeting of the agency's highest-ranking decision-making body.

(B) If the public agency does not have a multi-member decision-making body subject to the Bagley-Keene Open Meeting Act, the Ralph M. Brown Act, or similar open meeting law, then the highest-ranking official of the public agency, or his or her designee, shall hold a hearing with the applicant on the other public agency action sought by the applicant.

(2) Notwithstanding any other provision of this division or any other law or legal requirement to the contrary, at the meeting or hearing described in paragraph (1), the public agency shall make a final written decision to whether grant or deny the other public agency action sought by the applicant.

(d) The deadlines set forth in subdivision (a) and subdivision (c) shall only be extended upon a written request made by the applicant.

(e) Except as provided in subdivision (f), a public agency has a nondiscretionary ministerial duty to comply with the deadlines set forth in this section or in any written request pursuant to subdivision (d) and make the decision described in paragraph (2) of subdivision (c).

(f) If, prior to the expiration of the 45-day period provided in subdivision (c), the public agency makes a final written determination to grant the other public agency action sought for the essential project, the public agency and the applicant may mutually agree in writing to cancel the meeting or hearing required by paragraph (1) of subdivision (c).

(g)(1) An applicant may bring an action under this division challenging the following:

(A) The agency's failure to comply with its nondiscretionary ministerial duties described in subdivision (e).

(B) The agency's denial or imposition of unlawful conditions of approval on the other public agency action sought from the public agency.

(2) The action shall be commenced within 90 days of the agency's failure, denial, or imposition described in paragraph (1).

ARTICLE 5. Preliminary Scoping Process and Streamlined Alternatives Analysis for Essential Projects.

21024. Preliminary Scoping Process for Essential Projects.

(a) An applicant may, but is not required to, utilize the preliminary scoping process and streamlined alternatives analysis as provided in this article. However, where an applicant voluntarily chooses to utilize this preliminary scoping process and streamlined alternatives analysis, it shall comply with this article.

(b)(1) Prior to submitting an application for an essential project, an applicant that chooses to proceed in accordance with this article shall provide written notice to the lead agency of its intent to complete the scoping process and streamlined alternatives analysis set forth in this article.

(2) The written notice shall present a preliminary overview and description of the proposed essential project sufficient to inform the lead agency and the public of the anticipated features of the project. The written notice is not required to include detailed engineering plans, technical studies, or design-level drawings. The description shall include, to the extent known, the following:

(A) The project's location, size, and boundaries.

- (B) The principal components and fundamental purpose of the project.
- (C) The general type of land use, facility, or infrastructure proposed.
- (D) Any known or reasonably foreseeable resource areas that may be impacted.
- (E) Any anticipated permits or approvals required from public agencies.

(3) The written notice shall also prominently identify an email address for the applicant where the lead agency and the public may submit comments on the proposed essential project.

(c)(1) After receipt by the lead agency of the written notice described in subdivision (b), the applicant and the lead agency shall engage in at least two meetings for the purpose of discussing the proposed essential project, potential alternatives, and identifying potentially impacted resource areas.

(2) The lead agency shall maintain a record of all meeting summaries.

(d)(1) The lead agency shall post the written notice received pursuant to subdivision (b) on its website. The posting shall prominently identify the email address described in paragraph (3) of subdivision (b) in order to facilitate the public's ability to submit comments to the applicant via email.

(2) The applicant shall maintain a record summarizing public input received via email during the preliminary scoping phase.

(3) The applicant shall not be required to respond to any input obtained pursuant to this section.

(e) An applicant may, but shall not be required to, convene one or more public meetings or workshops, including via virtual or online formats, for the purpose of obtaining additional public input on the proposed essential project.

(f) The preliminary scoping process described in this section shall be completed within not more than 60 days from the date that the lead agency received written notice pursuant to subdivision (b).

(g) Where an applicant does not elect to utilize the scoping process provided in this section, other scoping requirements set forth in this division shall continue to apply.

(h) Notwithstanding any provision of this section, with respect to an essential housing project, the preliminary scoping process provided herein shall not be a prerequisite to filing a

preliminary application under the Housing Crisis Act of 2019 as enacted by Chapter 654 of the Statutes of 2019 (Senate Bill 330).

21025. Streamlined Alternatives Analysis for Essential Projects.

(a) Upon completion of the preliminary scoping process set forth in Section 21024, the applicant shall develop one proposed alternative to the essential project. The proposed alternative shall take into consideration input obtained pursuant to Section 21024, and shall comply with all of the following:

(1) The proposed alternative shall be compatible with the proposed essential project's fundamental purpose as described pursuant to Section 21024.

(2) To the extent practicable, the proposed alternative should be designed to be compatible with applicable local zoning and land use policies.

(3) The proposed alternative does not need to be located at a different site from the proposed essential project.

(b) Notwithstanding Section 21100 or any other provision of this division, and except as provided in subdivision (f), an environmental impact report prepared for an essential project that complies with this article shall only analyze the following:

(1) The proposed essential project.

(2)(A) The applicant's proposed alternative developed pursuant to this article.

(B) For purposes of satisfying this article, the applicant's proposed alternative may include an alternative or additional component of the proposed essential project, where such additional or alternative component may include onsite or offsite physical improvements, or alternative or additional operational parameters or programs, designed to lessen impacts.

(C) A proposed alternative developed pursuant to this article shall be presumed to lessen impacts that the alternative is intended to address to a level of insignificance as long as the applicant demonstrates that substantial evidence exists to support the presumption. However, the presumption shall have no bearing or effect on whether the alternative is ultimately feasible or environmentally preferred.

(3) The "no project" alternative. The "no project" alternative shall consider the reasonably foreseeable environmental conditions that would result if the essential project is not

approved, including reasonably foreseeable future alternative uses of the site proposed for the essential project, any environmental impacts from such alternative uses, and benefits resulting from the essential project.

(c) The alternatives described in subdivision (b) for an essential project are sufficient for all purposes under this chapter, this division, and any other law. Except as provided in subdivision (f), all additional alternatives beyond those described in subdivision (b) are unnecessary, and no public agency or other body or entity shall require analysis of unnecessary alternatives.

(d) Within 15 days after the close of the preliminary scoping process in Section 21024, the applicant shall transmit to the lead agency a written submittal that includes:

- (1) A description of the proposed essential project.
- (2) A description of the single proposed alternative developed pursuant to this article.
- (3) A description of the no project alternative described in paragraph (3) of subdivision (b).

(e) The lead agency shall, within 15 days after receiving the proposed alternative, issue a written certification stating whether the applicant has met the requirements of this article. Alternatively, the lead agency may certify that the applicant has met the requirements of this article by taking no affirmative action within 15 days after receiving the proposed alternative. The lead agency's certification shall be final unless an interested party files an administrative appeal within 5 days of the certification's issuance.

(f) Nothing in this article prohibits an applicant from proposing additional project alternatives, at the applicant's discretion.

(g) Subject to the requirements of this chapter and any limitations imposed by other provisions of law, the lead agency retains discretion to approve the proposed essential project, approve the proposed alternative developed pursuant to this article, or select the "no project" alternative.

(h) For purposes of this section, "proposed alternative" means a single potentially feasible alternative to the essential project that is developed by the applicant.

ARTICLE 6. Judicial Review of Essential Project Approvals or Authorizations.

21026. Judicial Review of Essential Project Approvals or Authorizations.

(a)(1) Any action or proceeding to attack, review, set aside, void, or annul any approval or authorization by a public agency with respect to an essential project, on the grounds of noncompliance with this chapter, this division, or the State CEQA Guidelines, shall be conducted and completed in accordance with the requirements of this article.

(2) This article shall apply to any and all actions or proceedings pending on, or commenced after, the effective date of this chapter.

(b)(1) In any action or proceeding brought to attack, review, set aside, void, or annul an approval or authorization of an essential project on the grounds of noncompliance with this chapter, this division, or the State CEQA Guidelines as provided in subdivision (b) of Section 21029, a petitioner's claims shall be limited to a public agency's non-compliance with objective existing laws, and the scope of the court's review shall be limited to whether the approval or authorization complies objective existing laws.

(2) For the purpose of this subdivision, "objective" means involving no personal or subjective judgment and being uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the applicant and the public agency before the application was submitted.

(c)(1) In any action or proceeding to attack, review, set aside, void, or annul an approval or authorization of an essential project on the grounds of noncompliance with this chapter, this division, or the State CEQA Guidelines as provided in subdivision (b) of Section 21029, the court shall only determine whether the approval or authorization is supported by substantial evidence in light of the whole record.

(2) In any action or proceeding, to attack, review, set aside, void, or annul a public agency's approval or authorization of an essential project on the grounds that it has been made without completing the public participation procedures, the court shall only determine whether the failure to comply with the public participation procedures was arbitrary and capricious and resulted in prejudicial error.

(3) Nothing in this division or the State CEQA Guidelines shall be applied or construed as imposing procedural or substantive requirements beyond those explicitly set forth in this division or the State CEQA Guidelines as modified or limited by the provisions of this chapter.

(d) Nothing in this article shall be construed to supersede Section 1756 and Section 1759 of the Public Utilities Code, or any other provision of law governing judicial review of orders or decisions of the Public Utilities Commission.

21027. Timelines and Processes Applicable to Judicial Review of Essential Project Approvals or Authorizations.

(a) Timelines.

(1)(A) An action or proceeding, to attack, review, set aside, void, or annul a public agency’s approval or authorization of an essential project shall be commenced within 30 days from the date the public agency files a notice of determination or notice of exemption pursuant to Section 21152 or Section 21108. The action or proceeding shall be completed within 270 days, inclusive of original and appellate court proceedings, pursuant to the judicial streamlining procedures applicable to environmental leadership development projects under Section 21185.

(B) The court may, in its own discretion, extend the 270-day deadline contained in subparagraph (A) by up to an additional 90 days

(2) Notwithstanding any contrary provision in Section 21185 or any rule adopted by the Judicial Council, and except as provided in subparagraph (B) of paragraph (1), the 270-day deadline in paragraph (1) shall only be extended upon mutual written consent of the plaintiff/petitioner, the public agency, and the applicant.

(b) Administrative Record.

The whole administrative record consists only of notices, studies, and other documents consistent with the following:

(1) Documents required under this division to be sent or distributed to members of the public by the lead agency, made available to the public at a public repository such as a library, or included on the website of the lead agency; and

(2) With respect to public comments, comments described in subdivision (d) of Section 21021, and responses and comments described in subdivision (e) of Section 21021.

(c) Remedies.

(1) If the court finds, as a result of a trial, hearing, or remand from an appellate court, that a public agency's approval or authorization of an essential project is not supported by substantial evidence in the record, the court shall issue an order and peremptory writ of mandate explaining the deficiency with specificity as to which requirement of this division or the State CEQA Guidelines with which the approval or authorization does not comply; and identify what part, phase, or activity of an essential project was affected by the noncompliance.

(2) The remedy shall be limited only to prohibiting commencement of the noncomplying part, phase, or activity until such time that the noncompliance is corrected.

(3) When such required corrective actions have been completed, the public agency shall file a return to the writ affirming compliance, and the court shall thereafter dismiss the action or proceeding. A court may not order or direct via writ or any other form of order, injunction, or decision that a public agency rescind its approval or authorization of the essential project.

(4) Any essential project part, phase, or activity not within the scope of the deficiency identified in the writ shall not be subject to the writ, and is not subject to further challenge in an action or proceeding under this division.

(d) Subsequent Approvals or Authorizations.

(1) No further action or proceeding to challenge the implementation through completion of construction or subsequent approval or authorization of an essential project, or portion of an essential project, may be filed if the public agency's approval or authorization was not subject to a judicial challenge, the public agency approval or authorization was challenged and upheld, or the public agency has filed a return to the writ which has been accepted as satisfactory by the court pursuant to subdivision (c).

(2) Minor modifications to an essential project which do not result in any new significant impacts, or which do not substantially worsen any previously identified significant impacts, of the initially approved essential project, may not be challenged in an action or proceeding under this division.

(e) Injunctive Relief.

(1) Upon a showing by clear and convincing evidence that an essential project would have a specific, adverse impact upon public safety, and there is no feasible method to

satisfactorily mitigate or avoid the specific, adverse impact upon public safety, a court may order that construction or completion of the particular essential project component that would result in the specific, adverse impact upon public safety be halted or prohibited solely by issuing a temporary injunction.

(2) For purposes of paragraph (1), satisfactory mitigation to avoid the specific, adverse impact upon public safety shall be deemed to exist upon either of the following:

(A) A public agency's subsequent decision to modify the essential project to avoid or mitigate to a less than significant that specific, adverse public safety impact (and which shall not require the agency to take any further action under this division).

(B) A public agency's determination that the specific, adverse impact upon public safety cannot be avoided or mitigated to a less than significant level following preparation of an environmental impact report or supplemental environmental impact report addressing only that specific, adverse public safety impact under the timelines and procedures set forth in this chapter.

ARTICLE 7. Definitions.

21028. Definitions.

For purposes of this chapter, as used in both the singular and plural form, the following definitions shall apply:

(a) "Applicant" means any person, legal entity, public agency, or public utility that proposes an essential project.

(b) "Approval or authorization" means any approval, authorization, determination, finding, financing, real property transaction or contract, or other public agency actions that further the advancement, construction, completion, or realization of an essential project.

(c) "California educational institution" means all of the following: a school district; a county superintendent of schools; a county board of education; a community college district; a state special school; the Board of Governors of the California Community Colleges or the Chancellor of the California Community Colleges; the California State University or the Board of Trustees of the California State University; the University of California or the Regents of the University of California; the University of California Law San Francisco (formerly Hastings College of the Law); a charter school established pursuant to Part 26.8 (commencing with

Section 47600) of Division 4 of Title 2 of the Education Code; and a nonprofit college or university with membership in the Association of Independent California Colleges and Universities.

(d) “CEQA” means the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(e)(1) “Consulting Tribe” means a tribe that appears on the most recent list published by the United States pursuant to the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C § 5131), and is traditionally and culturally affiliated with the geographic area of the proposed essential project.

(2) Notwithstanding Section 21073 or any other provision of law, “California Native American tribe” as used in, or with respect to, Sections 21074, 21080.3.1, 21080.3.2, 21082.3, 21084.2, 21084.3, and this chapter, shall instead mean, and be read as, “Consulting Tribe” when the project is an essential project.

(f) “Day” means the following:

(1) As used in Section 21018 and Section 21019, “day” means any day other than a Saturday, Sunday, or any day designated as a state holiday.

(2) As used in any section of this chapter except for Section 21018 and Section 21019, “day” means a calendar day.

(g) “Educational facility” means any real property, facility, structure, building, or fixture that is owned or operated, or will be owned or operated upon completion, by one or more California educational institutions for educational purposes.

(h) “Environmental review document” or “environmental review documentation” means initial studies; negative declarations; mitigated negative declarations; draft and final environmental impact reports; documents prepared as substitutes for environmental impact reports; negative declaration and mitigated negative declarations under a program certified pursuant to Section 21080.5; documents or documentation used to substantiate the applicability of statutory or categorical exemptions from this division or streamlining provisions that include, without limitation, those under Sections 21083.3 and 21094.4; addenda and other supplemental or subsequent review documents; documents prepared under the National Environmental Policy Act and used by a public agency in the place of any of the foregoing documents or

documentation; and environmental documents as defined in Section 15361 of Title 14 of the California Code of Regulations.

(i)(1) "Essential broadband Internet access project" means a project to provide mass-market retail service by wire service, wireless service, or radio to customers in this state that provides the capability to transmit data to, and receive data from, all or substantially all Internet endpoints, including, but not limited to, any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service.

(2) An "essential broadband Internet access project" shall comply with all labor requirements described in Section 21183.5.

(j)(1) "Essential clean energy project" means a project that supports California's climate, energy efficiency, reliability, electrification, sustainability, or clean energy objectives through one or more of the following:

(A)(i) Producing, generating, or storing electricity derived from renewable or sustainable resources, including, but not limited to, solar, wind, geothermal, fuel cells that comply with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and associated transmission lines.

(ii) "Associated transmission lines" means a transmission line that is required for the interconnection or delivery of electricity from a facility described in clause (i).

(iii) Notwithstanding clause (i), this subparagraph excludes producing or generating electricity from nuclear power.

(B) Producing, generating, storing, transmitting, or distributing clean hydrogen, which is not derived from a fossil fuel feedstock.

(C) Developing, constructing, or installing microgrids and associated infrastructure. For purposes of this subparagraph, "microgrid" means a microgrid as defined in subdivision (d) of Section 8370 of the Public Utilities Code.

(D) Capturing, transporting, and/or storing carbon dioxide emissions for permanent isolation from sources including, but not limited to, energy production, manufacturing, or refining facilities.

(E) Developing, constructing, upgrading, or expanding transmission or distribution system components identified in a transmission planning process approved by the Independent System Operator or in an Integrated Energy Policy Report adopted pursuant to Section 25302, including financing of such facilities, assets, or components through sale, lease, assignment, mortgage, or other disposition or encumbrance requiring state agency approval.

(2) An “essential clean energy project” shall comply with all labor requirements described in Section 21183.5.

(k)(1) “Essential education facility project” means the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, or equipping of an educational facility.

(2) An essential education facility project shall comply with all labor requirements described in Section 21183.5.

(l) “Essential housing project” means all of the following:

(1) Residential units only.

(2) A mixed-use development.

(3) Transitional housing, emergency shelters, or supportive housing, as defined in subdivisions (g), (n), and (q) of Section 65582 of the Government Code.

(4) Farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(5) Group living accommodations, meaning building(s) or portion of any building(s) designed for or accommodating a residential use by persons not living together as a household, typically without separate kitchens or bathroom facilities for each room or unit. This use includes, without limitation, convents, monasteries, and other types of organizational housing.

(6) Student housing units, meaning any residential units or group living accommodation intended for use by students, including, without limitation, dormitory-style student housing and suite-style student housing.

(7)(A) Senior housing units, meaning any residential units or group living accommodation of any size intended for occupation by persons 55 years of age or over, including, without limitation, the following: (i) an intergenerational housing development; (ii) senior congregate housing; (iii) a senior citizen housing development as defined in paragraph (4) of subdivision (b) of Section 51.3 of the Civil Code; (iv) a residential care facility for the elderly as defined in paragraph (1) of subdivision (o) of Section 1569.2 of the Health and Safety Code; and (v) a continuing care retirement community as defined in paragraph (10) of subdivision (a) of Section 1771 of the Health and Safety Code.

(B) This paragraph shall not be construed to limit the authority of a public agency to categorize senior housing land uses as non-residential under its zoning ordinances or other laws, except that senior housing units shall qualify as a “housing development project” under paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code.

(8) A subdivision or common interest development, as defined in Section 4100 of the Civil Code, consisting of residential units or unimproved residential lots.

(9) A conversion of an existing commercial building to residential use.

(m) “Essential project” means a project that meets all of the following requirements:

(1)(A) The project is an essential housing project, essential water project, essential clean energy project, essential public health project, essential public safety project, essential broadband Internet access project, essential education facility project, or essential transportation project.

(B) An essential project includes all related and ancillary public, private, and utility infrastructure and public service facilities required by a utility or public agency, or included in an essential project application as part of the “whole of the project,” to serve a project identified in subparagraph (A), such as electric, telecommunication, gas, water, wastewater, stormwater, transit, police, fire, and transportation improvements that provide required public and utility services and infrastructure to the project. Where a particular labor standard is applied to an essential project by other provisions of this chapter, that labor standard shall apply to the components of the essential project described in this subparagraph.

(2) The project does not include a jail or other detention facility, or involve the development of a new oil or natural gas production facility.

(n)(1) “Essential public health project” means a medical treatment facility.

(2) An “essential public health project” shall comply with all labor requirements described in Section 21183.5.

(o)(1) “Essential public safety project” means a first responder facility or a wildfire risk reduction project.

(2)(A) An “essential public safety project” shall comply with all labor requirements described in Section 21183.5.

(B) A wildfire risk reduction project limited to vegetation management, fuel reduction, creating or maintaining fuel breaks, or reducing fuel loading that is undertaken directly by a public agency using its own employees shall be deemed to comply with this paragraph if the public agency’s employees working on the project are covered by a collective bargaining agreement or other state civil service laws that provide equivalent wage, training, and safety standards.

(p)(1) “Essential transportation project” means the following:

(A) A project described in subdivision (a) or subdivision (b) of Section 2 of Article XIX of the California Constitution.

(B) Electric vehicle charging and refueling infrastructure.

(2) An “essential transportation project” shall comply with all labor requirements described in Section 21183.5.

(3) An “essential transportation project” does not include a high-speed train, a high-speed train system, a corridor, or a usable segment, as those terms are defined in Section 2704.01 of the Streets and Highways Code, or any other component of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Chapter 20 (commencing with Section 2704) of Division 3 of the Streets and Highways Code).

(q)(1) “Essential water project” means any project or action to construct, expand, repair, replace, improve, or augment any of the following: (A) a “public water system” as defined by subdivision (h) of Section 116275 of the Health and Safety Code; (B) a system that directly or indirectly provides water to a public water system; or (C) a system which is generally described and within the scope of the State’s Water Resilience Portfolio.

(2) An “essential water project” shall comply with all labor requirements described in Section 21183.5.

(3) “An essential water project” does not include Delta conveyance facilities as defined in subdivision (f) of Section 79702 of the Water Code.

(r) “Existing laws” means the following:

(1) Formally adopted legal requirements contained in statutes, regulations, rules, standards, or ordinances that existed and were in effect on the date an application for an essential project was submitted to a public agency.

(2)(A) A formally adopted legal requirement contained in a statute, regulation, ordinance, standard, or rule that was not in effect on the date an application for an essential project was submitted to a public agency, but the lead agency makes a finding that that compliance with the particular statute, regulation, ordinance, standard, or rule is necessary to mitigate or avoid a specific, adverse life-safety impact, meaning a significant, quantifiable, direct, and unavoidable life-safety impact, including life-safety impacts associated with new or emerging technologies, materials, or grid-integration systems, and that is based on objective, identified and written public safety standards, policies, or conditions. The lead agency shall notify the applicant within 72 hours of making a finding described in this subparagraph

(B) The finding described in subparagraph (A) must be made before the earlier of either (i) environmental review of the essential project pursuant to this chapter has been completed; or (ii) the initial building permit application or plan-review package has been submitted to the authority having jurisdiction thereover.

(3) Any update to the California Building Standards Code, including, without limitation, the California Fire Code that takes effect before the earlier of either (A) environmental review of the essential project pursuant to this chapter has been completed; or (B) the initial building permit application or plan-review package has been submitted to the authority having jurisdiction thereover.

(s) “Feasible” means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors.

(t)(1) “First responder facility” means all of the following:

(A) A fire station owned or operated by the State of California, a city, a county, a city and county, a joint powers authority, a Consulting Tribe, or a special district.

(B) A police station or sheriff's station owned or operated by a city, a county, a city and county, a joint powers authority, or a special district but excluding any portion thereof used as a jail or other detention facility.

(2) "First responder facility" does not include the following:

(A) Any facility owned, operated, or leased by the United States government.

(B) Any facility used as an immigration detention facility or a state prison.

(u) "Lead agency" means a lead agency as defined in Section 21067.

(v) "Local agency" means a public entity that is not a "state agency" as defined in this article.

(w) "Medical office building" means a building whose primary function is to provide office space for health care practitioners licensed, certified, registered, or otherwise authorized to practice pursuant to Division 2 of the Business and Professions Code.

(x) "Medical treatment facility" means all of the following: (1) a health facility as defined in Section 1250 of the Health and Safety Code; (2) a clinic as defined in Section 1200 of the Health and Safety Code; and (3) a medical office building.

(y)(1) "Mixed-use development" means a development consisting of residential and nonresidential uses that meets any of the following conditions:

(A) At least two-thirds of the new or converted square footage is designated for residential use.

(B) At least 50 percent of the new or converted square footage is designated for residential use and the project meets both of the following:

(i) The project includes at least 500 net new residential units.

(ii) No portion of the project is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, except a portion of the project may be designated for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code.

(C) At least 50 percent of the net new or converted square footage is designated for residential use, and the project meets all of the following:

(i) The project includes at least 500 net new residential units.

(ii) The project involves the demolition or conversion of at least 100,000 square feet of nonresidential use to residential use.

(iii) The project demolishes at least 50 percent of the existing nonresidential uses on the site.

(iv) No portion of the project is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, except a portion of the project may be designated for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code.

(2) For purposes of this subdivision, nonresidential uses shall not include any heavy industrial, extractive, port, refinery, or hazardous materials uses or designations.

(3) The minimum distance required between any nonresidential uses included in a mixed-use development and any existing off-site residential use shall be determined by state law.

(z) "Public agency" means a public agency as defined in Section 15379 of Title 14 of the California Code of Regulations; a responsible agency; a local agency; a state agency; a lead agency; a local agency formation commission; a city; a county; a city and county; a special district; a joint powers authority; or any other governmental authority created under state or local law whether statewide, local, or regional in character.

(aa) "Public participation procedures" means the public participation procedures set forth in Sections 21016, 21018, 21020, 20121, 21023, and 20124 of this chapter.

(bb) "Responsible Agency" means a responsible agency as defined in Section 15381 of Title 14 of the California Code of Regulations.

(cc) "State agency" means a state agency as defined in subdivision (a) of Section 8557 of the Government Code and any state body as defined in Section 11121 of the Government Code.

(dd) "State CEQA Guidelines" means Chapter 3 (commencing with Section 15000) of Division 6 of Title 14 of the California Code of Regulations.

(ee) "Substantial evidence" means enough relevant information and reasonable inferences from the available information that a fair argument can be made to support a conclusion, even though other conclusions might also be reached.

(ff) "Tribal cultural resource" includes any of the following:

(1) A site, feature, place, cultural landscape, or sacred place, including a sanctified cemetery, Indian cemetery, or burial area of a Consulting Tribe, or an object with cultural value to a Consulting Tribe that is any of the following:

(A) Included or eligible for inclusion in the California Register of Historical Resources or the National Register of Historic Places.

(B) Included in a local register of historical resources as defined in Section 5020.1.

(C) Identified by the Native American Heritage Commission as a sacred place pursuant to Section 5097.94 or 5097.96.

(D) Included in a tribal government register maintained by a Tribal Historic Preservation Officer approved by the Secretary of the Interior pursuant to Section 101 of the federal National Historic Preservation Act (54 U.S.C. Sec. 300101 et seq.).

(2) A cultural landscape that meets the criteria of paragraph (1) to the extent that the landscape is geographically defined in terms of the size and scope of the landscape.

(3) A historical resource described in Section 21084.1, a unique archaeological resource as defined in subdivision (g) of Section 21083.2, or a “nonunique archaeological resource” as defined in subdivision (h) of Section 21083.2 that conforms with the criteria of paragraph (1).

(gg) “Wildfire risk reduction project” means an activity that reduces wildfire risks to a residential or commercial structure, or both. A “wildfire risk reduction project” includes, but is not limited to, the following: replacing, hardening, or undergrounding electric utility lines, roads, and infrastructure; vegetation management; fuel reduction; home hardening; creating or maintaining fuel breaks and access roads; and reducing fuel loading.

ARTICLE 8. Construction of Chapter and General Provisions.

21029. Construction of Chapter.

(a) It is the policy of the People of the State of California that this chapter should be interpreted and implemented to afford the fullest possible weight to the interest of, and the approval and realization of, essential projects.

(b)(1) It is the intent of the People of the State of California that courts, consistent with generally accepted rules of statutory interpretation, shall not interpret this chapter, this division, or the State CEQA Guidelines in a manner which imposes procedural or substantive requirements upon essential projects beyond those explicitly stated in this chapter, this division, or the State CEQA Guidelines.

(2) It is further the intent of the People of the State of California that this subdivision shall be interpreted and applied by the courts as directed by Section 21083.1, and is *in pari materia* with Section 21083.1 so that, to the maximum extent permitted under the law, this subdivision constrains the authority of the courts to issue a judgement or impose a remedy that is not expressly authorized by this chapter.

21030. Statewide Concern.

The People of the State of California hereby declare that streamlining review and approval of essential projects as provided in this chapter is a matter of statewide concern because the adequacy, availability, and affordability of housing, clean energy, water, transportation, broadband Internet, education facilities, public health infrastructure, and public safety infrastructure is insufficient to serve the needs of California's population and economy. Therefore, the State of California hereby occupies the field in the area of review and approval of essential projects as provided in this chapter.

21031. Statutory References.

(a) Except as provided in subdivision (b), all references to state statutes or regulations codified outside of this chapter refer to those statutes and regulations as they existed on December 31, 2025 regardless of any subsequent amendment, repeal, sunset, or expiration that takes place after that date.

(b) The reference to Section 218.9 of the Labor Code refers to that section as it existed on January 1, 2026.

21032. Severability.

The provisions of this chapter are severable. If any portion, section, subdivision, paragraph, subparagraph, clause, subclause, sentence, phrase, word, or application of this chapter is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this chapter. The People of the State of California hereby declare that they would have adopted this chapter and each and every portion, section, subdivision, paragraph, subparagraph, clause, subclause, sentence, phrase, word,

and application not declared invalid or unconstitutional without regard to whether any component of this chapter or application thereof would be subsequently declared invalid.

21033. Effective Date.

This chapter shall take effect as provided in subdivision (a) of Section 10 of Article II of the California Constitution, and shall be applicable upon such effective date to all pending and future public agency and judicial review and processes for all essential projects.

21034. Amendments.

The Legislature may amend this chapter by a statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, provided that the statute is consistent with, and furthers the purposes of, this chapter. No bill seeking to amend this chapter may be passed or become a statute unless the bill has been printed and distributed to the Members of the Legislature, and published on the Internet, in its final form, for at least 12 business days prior to its passage in either house of the Legislature.

SECTION 2. Conflicting Measures.

In the event that this initiative measure and another measure or measures pertaining to the review or approval of essential projects, as defined in this Act, shall appear on the same statewide election ballot, the other measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure or measures shall be null and void.

SECTION 3. Liberal Construction.

This Act shall be liberally construed to give effect to its intent and purposes.

SECTION 4. Legal Defense.

The purpose of this section is to ensure that the people's precious right of initiative cannot be improperly annulled by state politicians who refuse to defend the will of the voters.

Therefore, if this Act is approved by the voters of the State of California and thereafter subjected to a legal challenge which attempts to limit the scope or application of this Act in any way, or alleges this Act violates any state or federal law in whole or in part, and both the Governor and Attorney General refuse to defend this Act to the fullest extent possible on behalf of the State of California, then the following actions shall be taken:

(a) Notwithstanding anything to the contrary contained in Chapter 6 (commencing with Section 12500) of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this Act to the fullest extent possible on behalf of the State of California.

(b) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this Act to the fullest extent possible. The written affirmation shall be made publicly available immediately upon request.

(c) In order to support the defense of this Act in instances where the Governor and Attorney General fail to do so despite the will of the voters, a continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this Act on behalf of the State of California to the fullest extent possible.

Agenda Item: 8B

Date: March 18, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary-Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

APPROVE A CAPITAL PROJECT BUDGET TO UPGRADE THE WESTERN MUNICIPAL DISTRICT'S INFORMATION SERVICES COMPUTER SYSTEMS HOSTING INFRASTRUCTURE

RECOMMENDATION:

Staff requests the Board of Directors:

1. Approve a capital budget of \$595,000 for the Information Services Computer Systems Hosting Infrastructure Upgrade Project and amend the Board adopted Capital Improvement and Facilities Plan for Fiscal Year 2025-2026 accordingly under the Asset Replacement Reserve RES05 of the General Fund 10.

EXECUTIVE SUMMARY:

Western Municipal Water District is undertaking a comprehensive upgrade of its Computer Systems Hosting Infrastructure. This Information Services Computer Systems Hosting Infrastructure Upgrade Project will replace the aging servers, storage and switching equipment at the Meridian and El Sobrante locations. The current system has reached end-of-life, with limited manufacturer support and increased compatibility issues with modern hardware and software standards. The new solution offers centralized management and improved integration with our broader security and IT frameworks.

BUDGET IMPACT:

To accommodate the proposed Information Services Computer Systems Hosting Infrastructure Upgrade Project budget, an amendment is needed to increase the Board adopted Fiscal Year 2025-2026 Capital Improvement and Facilities Plan by \$200,000 from \$395,000 to \$595,000 for the Project under the Asset Replacement Reserve RES05 of the General Fund 10.

DETAIL:

Western Municipal Water District (Western Water) staff use a variety of business systems to complete work and support day-to-day operations. These systems rely on technology that includes servers and related components that provide virtual servers, databases, file storage, and other essential services. This equipment is hosted on specialized, high-performance hardware—such as servers, network switches, and a Storage Area Network (SAN)—commonly referred to as “hosting infrastructure”.

Hosting infrastructure typically has a useful life of approximately five to seven years. As equipment ages, the risk of failure increases, and the cost of maintenance and vendor support can become impractical. Western Water’s current hosting infrastructure is now between five and seven years old and is approaching the end of its expected service life. In addition, some components are no longer eligible for manufacturer warranty coverage or support.

To maintain the reliability of critical business systems and meet ongoing operational needs, staff recommends replacing the current hosting infrastructure with upgraded equipment. This upgrade will:

- Reduce operational risk and improve service continuity by replacing end-of-life equipment with fully supported hardware and software.
- Improve resilience by enabling modern business continuity capabilities, including stronger disaster recovery and ransomware recovery options.
- Improve performance and capacity for critical business systems by providing a modern platform designed for predictable performance and scalable growth.
- Provide additional scalability to support future needs and increasing demand for data storage and processing.

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March 18, 2026
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Western Water’s hosting environment uses a three-tier architecture consisting of servers, network switches, and a SAN. Together, these components provide the computing and storage capacity needed to operate the District’s critical business systems. In developing this Information Services Computer Systems Hosting Infrastructure Upgrade Project (Project), staff evaluated current replacement options, developed technical specifications for modern equipment, and obtained cost estimates. The following table summarizes the estimated project costs:

ITEM	AMOUNT
Servers	\$200,000
Storage	\$200,000
Switches	\$140,000
Subtotal	\$540,000
Project Contingency (10-percent)	\$55,000
TOTAL	\$595,000

Due to significant volatility in the computer hardware market the costs noted should be considered time sensitive, as such this item will be concurrently listed on the March 16, 2026, Finance Committee Agenda and the March 18, 2026, Board Agenda. Staff will procure the equipment through qualified vendors and complete the installation and configuration. The project will be implemented using a phased approach to minimize disruption.

REASON FOR ACTION:

The current systems are at the end of their useful life with expiring manufacturer warranties, which represents increased risk of failure of critical business systems.

SOLUTION:

Approve the necessary project budget to replace Western Water’s Computer Systems Hosting Infrastructure.

STRATEGIC PRIORITIES REFERENCE:

This project aligns with Western Water's Strategic Priorities of Financial Stewardship and Superior Service.

LEGAL COUNSEL REVIEW:

Staff has determined that legal review of this item is not warranted.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Agenda Item: 9B(2)
Date: March 18, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

WATER SUPPLY CONDITIONS UPDATE



Water Supply Conditions Update

March 18, 2026

This presentation was developed prior to publication of the Board Meeting Agenda. To ensure the cited data is the most currently available, it is subject to change at anytime up to the meeting.

Phillips Station – February 27, 2026
Credit Department of Water Resources

Agenda Page 109



HYDROLOGIC CONDITIONS

San Joaquin River

Credit: Department of Water Resources

Northern Sierra Precipitation



41.3 in.

As of 03/05

110%

% of Normal
for this Date

Northern Sierra Snowpack



9.4 in.

As of 03/05

38%

% of Normal
for this Date

Upper Colorado River Basin Precipitation



12.9 in.

As of 03/05

90%

% of Normal
for this Date

Upper Colorado River Basin Snowpack



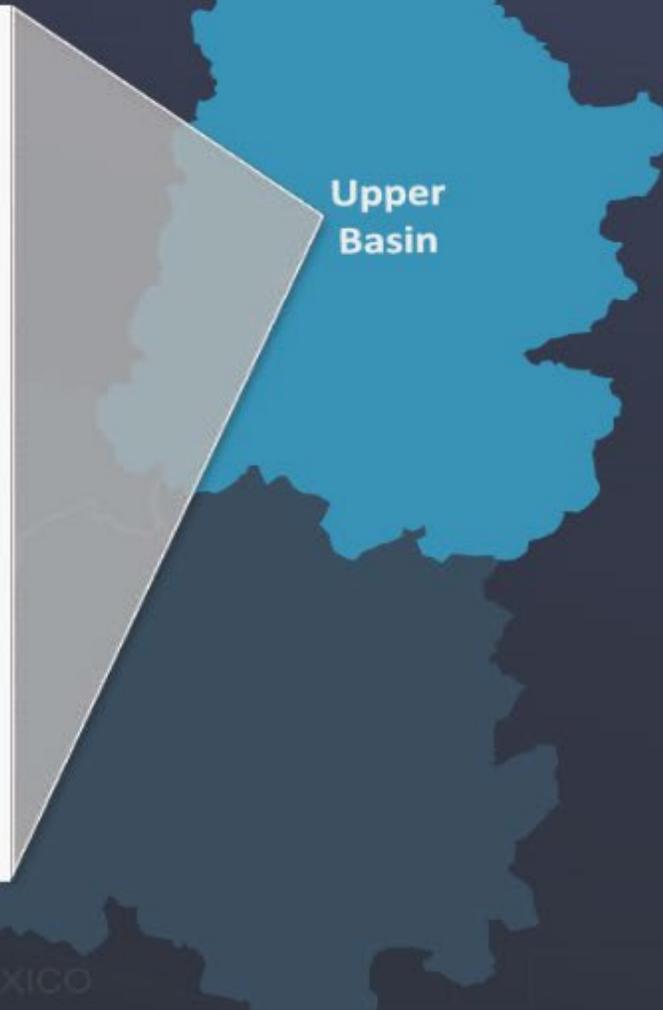
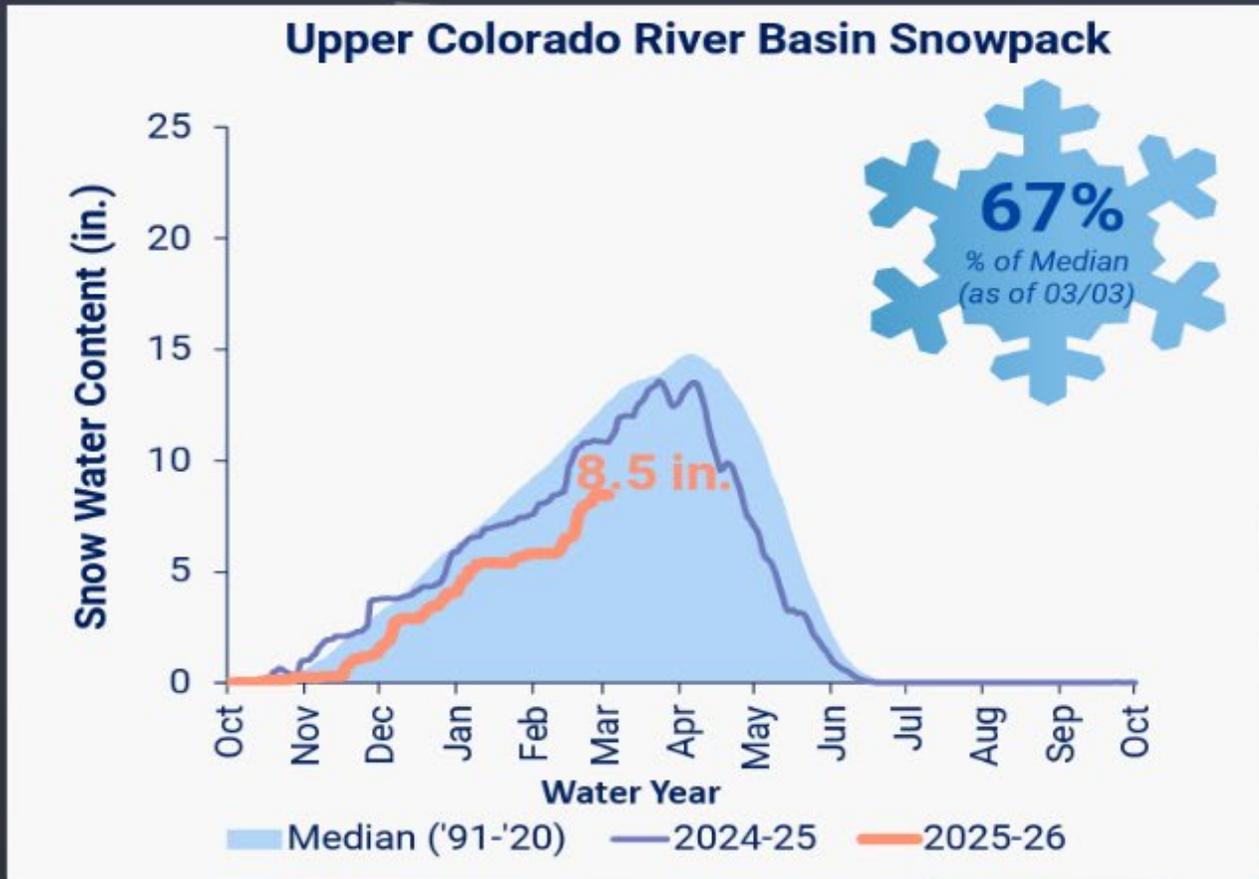
8.6 in.

As of 03/05

67%

% of Normal
for this Date

40-Year Low in Upper Colorado River Basin Snowpack



MARCH CONDITIONS



28" Snow Depth
11" Snow Water Equivalent
47% of Average

Phillips Station – February 27, 2026
Credit Department of Water Resources



CALIFORNIA DEPARTMENT OF
WATER RESOURCES



**Storm Activity Returns to the
Imported Supply Systems** Feb 20, 2026



2026-02-20 | 15:31 UTC | GOES-18 | ABI | GeoColor

STATE RESERVOIR LEVELS



CALIFORNIA DEPARTMENT OF
WATER RESOURCES

BIG SIX MEGA RESERVOIRS

California Dept of Water Resources

Early-March

100%



Big Six are at 121% of normal

DWR continues water releases from Oroville Dam

Lake not expected to reach capacity this year

Sunday, March 8th 2026



ENTERPRISE-RECORD

As of March 2, 2026. Values are approximate for early-March of each year for comparison purposes.

LOCAL CONDITIONS

Los Angeles Watershed as of 03/04/2026

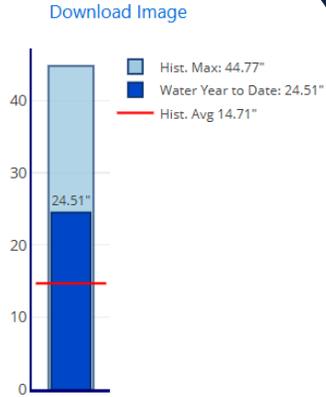
Water Year to Date: **24.51"**

% of Average: **167%**

Precipitation % of average for full water year through September 30th: **125%**

Historical Record to Date:

Max: **44.77"**
 Mean: **14.71"**
 Min: **3.84"**



Precipitation for water year to date is 167% of historical average

Santa Ana Watershed as of 03/04/2026

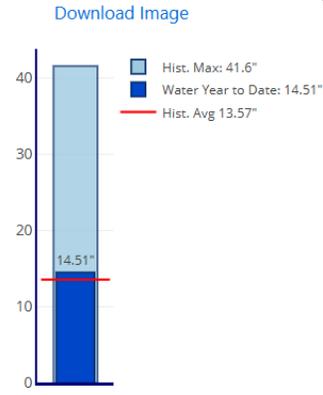
Water Year to Date: **14.51"**

% of Average: **107%**

Precipitation % of average for full water year through September 30th: **79%**

Historical Record to Date:

Max: **41.6"**
 Mean: **13.57"**
 Min: **3.36"**



Precipitation for water year to date is 107% of historical average

Santa Margarita Watershed as of 03/04/2026

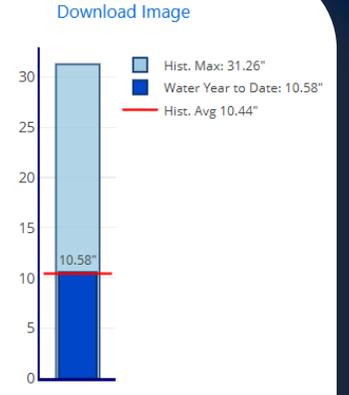
Water Year to Date: **10.58"**

% of Average: **101%**

Precipitation % of average for full water year through September 30th: **73%**

Historical Record to Date:

Max: **31.26"**
 Mean: **10.44"**
 Min: **2.52"**



Precipitation for water year to date is 101% of historical average



Prado Dam

Current: 17,179 acre-feet



Seven Oaks Dam

Current: 5,007 acre-feet



Diamond Valley Lake

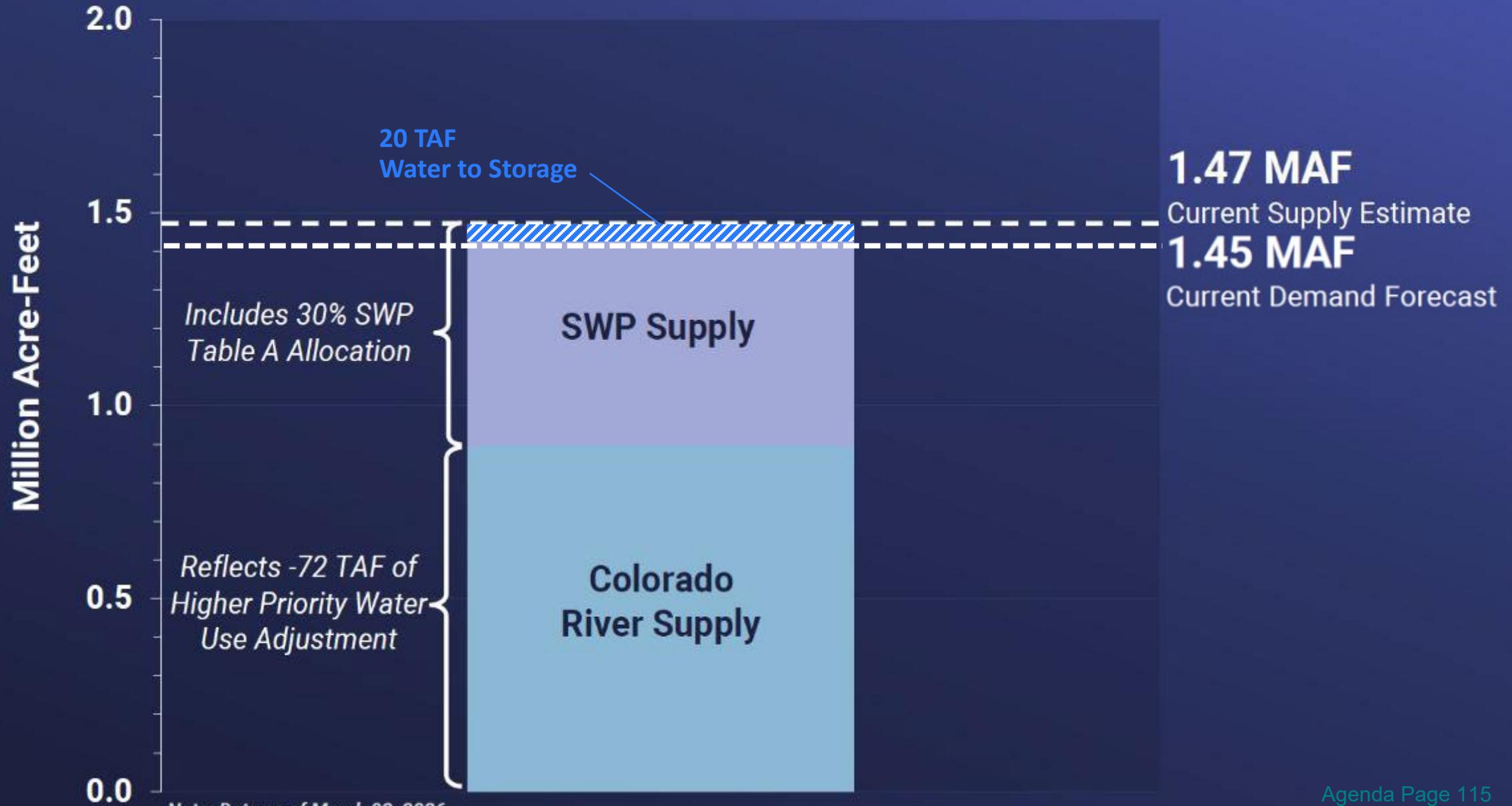
Total Capacity: 810,000
 Current: 763,087 acre-feet
 94% Full



Lake Mathews

Total Capacity: 182,000
 Current: 152,708 acre-feet
 84% Full

2026 Water Supply/Demand Balance: Regional View





Thank you!



Agenda Item: 10A

Date: March 18, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

INVESTMENT REPORT – JANUARY 2026

**WESTERN MUNICIPAL WATER DISTRICT
SUMMARY OF INVESTMENTS
As of 1/31/2026**

CHANDLER ASSET MANAGEMENT PORTFOLIO	Market Value as of 12/31/2025	Investment Purchases/Deposits	Sales, Maturities & Interest Received	Interest Earned	Change in Unrealized Gain/(Loss)	Market Value As of 1/31/2026
Securities	\$ 282,446,694.16	\$ 15,754,286.52	\$ (16,539,820.28)	\$ 494,270.75	\$ (388,229.04)	\$ 281,767,202.11
Cash and Cash Equivalents	1,159,537.81	7,875,658.84	(6,614,807.83)	3,778.39		2,424,167.21
Total	283,606,231.97	23,629,945.36	(23,154,628.11)	498,049.14	(388,229.04)	284,191,369.32
Liquidity	45,553,133.05	14,100,000.00	(30,700,000.00)	115,858.05		29,068,991.10
Total Portfolio	\$ 329,159,365.02	\$ 37,729,945.36	\$ (53,854,628.11)	\$ 613,907.19	\$ (388,229.04)	\$ 313,260,360.42
Accrued Interest						2,075,973.64
Total Portfolio, including Accrued Interest						\$ 315,336,334.06

Fiscal Year To Date:

As of 1/31/2026

Interest Earned	\$ 6,253,399.43	
Realized Gain (Loss)	317,782.77	A realized gain or loss occurs when a security is sold before maturity, and the market value of the security is higher or lower than its original cost.
Unrealized Gain (Loss)	2,025,535.44	An unrealized gain or loss occurs when a security held in the portfolio has a market value that is higher or lower than its original cost.
Total Investment Revenue (Expense):	\$ 8,596,717.64	

Portfolio Value:

As of 1/31/2026

Cost Value	\$ 314,800,427.12	The value at which the securities were purchased.
Market Value	313,260,360.42	The current fair value of investments, as determined by transactions between willing buyers and sellers.
Portfolio Unrealized Gain (Loss):	\$ (1,540,066.70)	

I hereby certify that the investments contained in this report are made in accordance with the District's Investment Policy.

All investment securities are held in a third party custodial account with US Bank.
Included for your review is the Portfolio Summary Report provided by Chandler Asset Management.

The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of anticipated expenditures.



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

March 18, 2026
Date

PORTFOLIO SUMMARY



Western Municipal Water District Cons | Account #253 | As of January 31, 2026

Portfolio Characteristics

Average Modified Duration	3.26
Average Coupon	3.46%
Average Purchase YTM	3.53%
Average Market YTM	3.92%
Average Credit Quality*	AA+
Average Final Maturity	3.78
Average Life	3.67

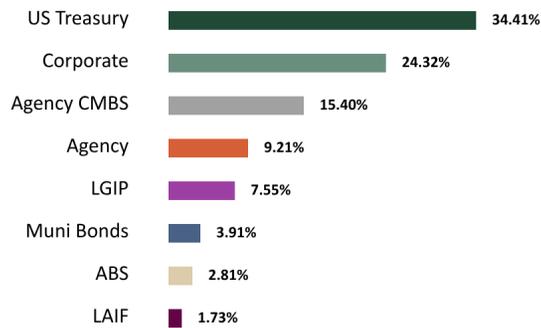
Account Summary

	End Values as of 12/31/2025	End Values as of 01/31/2026
Market Value	329,159,365.02	313,260,360.42
Accrued Interest	2,081,585.40	2,075,973.64
Total Market Value	331,240,950.42	315,336,334.06
Income Earned	964,051.15	650,739.69
Cont/WD	2,800,000.00	(16,600,000.00)
Par	332,508,079.35	316,901,996.77
Book Value	330,311,202.69	314,800,427.12
Cost Value	330,311,202.69	314,800,427.12

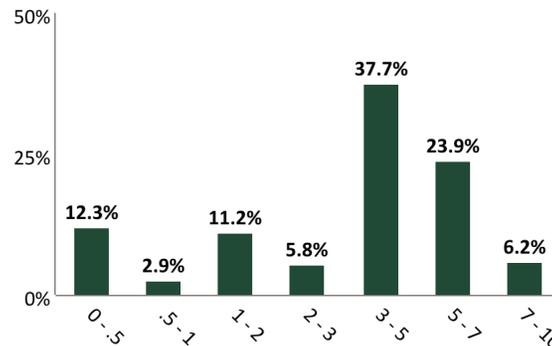
Top Issuers

United States	34.41%
Federal Home Loan Mortgage Corp	15.40%
California Asset Mgmt Program	7.55%
Federal Home Loan Banks	5.42%
Federal National Mortgage Assoc	2.17%
State of California	2.03%
LAIF	1.73%
The Home Depot, Inc.	1.45%

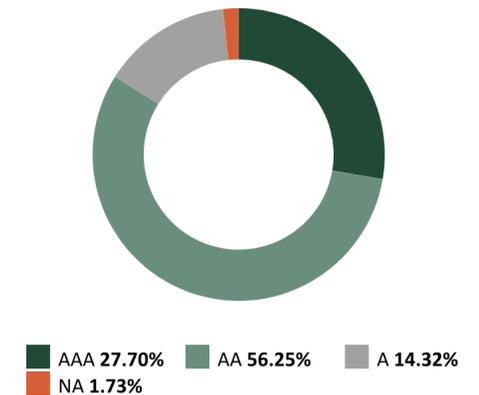
Sector Allocation



Maturity Distribution



Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (11/01/23)
WMWD Cons Agg	0.22%	0.91%	0.22%	6.20%	4.78%	--	--	--	--

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.
 **Periods over 1 year are annualized.
 Benchmark: NO BENCHMARK REQUIRED

STATEMENT OF COMPLIANCE



Western Municipal Water District Cons | Account #253 | As of January 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	15.4	Compliant	
Max % Issuer (MV)	25.0	15.4	Compliant	
Max Maturity (Years)	10.0	6.8	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; Non Agency ABS & MBS)	20.0	2.8	Compliant	
Max % Issuer (MV)	5.0	0.7	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	24.3	Compliant	
Max % Issuer (MV)	5.0	1.4	Compliant	
Max Maturity (Years)	5		Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				

STATEMENT OF COMPLIANCE



Western Municipal Water District Cons | Account #253 | As of January 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	20.0	0.0	Compliant	
Max Amount Issuer	250,000.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	9.2	Compliant	
Max % Issuer (MV)	25.0	5.4	Compliant	
Max Maturity (Years)	10	5	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	5.4	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.8	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	30.0	2.0	Compliant	
Max % Issuer (MV)	5.0	2.0	Compliant	
Max Maturity (Years)	10	6	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	30.0	1.9	Compliant	
Max % Issuer (MV)	5.0	0.8	Compliant	
Max Maturity (Years)	10	6	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	

STATEMENT OF COMPLIANCE



Western Municipal Water District Cons | Account #253 | As of January 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	90.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	0.5	Compliant	
Max % Issuer (MV)	10.0	0.5	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	34.4	Compliant	
Max Maturity (Years)	10	8	Compliant	

HOLDINGS REPORT



Western Municipal Water District Cons | Account #253 | As of January 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
36269FAD8	GMALT 2024-1 A3 5.09 03/22/2027	706,720.85	03/27/2024 5.08%	706,914.10 706,914.10	100.20 3.79%	708,108.15 1,099.15	0.23% 1,194.05	NA/AAA AAA	1.14 0.15
47800CAC0	JDOT 2023 A3 5.01 11/15/2027	307,300.07	02/27/2023 5.05%	306,771.90 306,771.90	100.42 4.14%	308,599.64 684.25	0.10% 1,827.74	Aaa/NA AAA	1.79 0.45
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	1,264,975.64	03/26/2024 4.96%	1,265,025.05 1,265,025.05	100.85 4.10%	1,275,664.68 2,788.57	0.41% 10,639.64	Aaa/NA AAA	2.79 0.92
448970AD5	HALST 26A A3 3.97 12/15/2028	875,000.00	01/12/2026 3.98%	874,871.73 874,871.73	100.21 3.89%	876,828.75 964.93	0.28% 1,957.02	NA/AAA AAA	2.87 1.81
448973AD9	HART 2024-A A3 4.99 02/15/2029	1,402,728.39	03/26/2024 4.98%	1,403,276.33 1,403,276.33	100.89 3.80%	1,415,152.35 3,110.94	0.45% 11,876.02	NA/AAA AAA	3.04 0.71
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	2,055,000.00	04/16/2024 5.23%	2,054,578.73 2,054,578.73	101.78 3.74%	2,091,673.53 4,776.73	0.67% 37,094.80	NA/AAA AAA	3.21 1.14
05522RDJ4	BACCT 2024-1 A 4.93 05/15/2029	1,315,000.00	06/06/2024 4.93%	1,314,926.23 1,314,926.23	101.41 3.83%	1,333,592.79 2,881.31	0.43% 18,666.56	Aaa/AAA NA	3.28 1.22
58770YAD3	MBALT 2026-A A3 3.93 01/15/2030	790,000.00	01/13/2026 3.94%	789,843.34 789,843.34	100.11 3.91%	790,832.66 862.42	0.25% 989.32	Aaa/NA AAA	3.96 2.03
Total ABS		8,716,724.94	4.85%	8,716,207.40	100.96 3.86%	8,800,452.54 17,168.30	2.81% 84,245.14		2.95 1.10
AGENCY									
3130AGFP5	FEDERAL HOME LOAN BANKS 2.5 06/12/2026	2,000,000.00	06/17/2019 2.19%	2,040,340.00 2,040,340.00	99.60 3.62%	1,991,932.00 6,805.56	0.64% (48,408.00)	Aa1/AA+ AA+	0.36 0.36
3130A9YY1	FEDERAL HOME LOAN BANKS 2.125 12/11/2026	2,500,000.00	02/06/2020 1.74%	2,562,475.00 2,562,475.00	98.77 3.59%	2,469,200.00 7,378.47	0.79% (93,275.00)	Aa1/AA+ AA+	0.86 0.84
880591EU2	TENNESSEE VALLEY AUTHORITY 2.875 02/01/2027	2,500,000.00	07/30/2019 2.26%	2,604,650.00 2,604,650.00	99.31 3.59%	2,482,707.50 35,937.50	0.79% (121,942.50)	Aa1/AA+ AA+	1.00 0.97
3130A3VD3	FEDERAL HOME LOAN BANKS 2.625 06/11/2027	1,485,000.00	08/15/2017 2.58%	1,491,118.20 1,491,118.20	98.84 3.50%	1,467,820.04 5,414.06	0.47% (23,298.17)	Aa1/AA+ AA+	1.36 1.32
3130ACKB9	FEDERAL HOME LOAN BANKS 2.625 09/10/2027	2,275,000.00	11/20/2017 2.68%	2,263,670.50 2,263,670.50	98.57 3.55%	2,242,542.58 23,389.84	0.72% (21,127.93)	Aa1/AA+ AA+	1.61 1.54
3135G05Y5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.75 10/08/2027	3,670,000.00	-- 0.74%	3,671,721.90 3,671,721.90	95.48 3.54%	3,504,042.60 8,639.79	1.12% (167,679.30)	Aa1/AA+ AA+	1.68 1.64
3130AEB25	FEDERAL HOME LOAN BANKS 3.25 06/09/2028	2,500,000.00	01/29/2019 3.13%	2,523,925.00 2,523,925.00	99.31 3.56%	2,482,635.00 11,736.11	0.79% (41,290.00)	Aa1/AA+ AA+	2.36 2.23

HOLDINGS REPORT



Western Municipal Water District Cons | Account #253 | As of January 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3130AG3X1	FEDERAL HOME LOAN BANKS 2.875 03/09/2029	1,855,000.00	-- 2.67%	1,887,021.80 1,887,021.80	97.43 3.76%	1,807,313.52 21,036.22	0.58% (79,708.29)	Aa1/AA+ AA+	3.10 2.90
3130AGDY8	FEDERAL HOME LOAN BANKS 2.75 06/08/2029	2,720,000.00	-- 2.45%	2,791,164.60 2,791,164.60	97.11 3.68%	2,641,304.96 11,012.22	0.84% (149,859.64)	Aa1/AA+ AA+	3.35 3.15
3130AGUW3	FEDERAL HOME LOAN BANKS 2.125 09/14/2029	2,000,000.00	03/05/2020 1.21%	2,164,080.00 2,164,080.00	94.39 3.80%	1,887,730.00 16,173.61	0.60% (276,350.00)	Aa1/AA+ AA+	3.62 3.40
3135G05Q2	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.875 08/05/2030	3,720,000.00	-- 0.99%	3,680,090.60 3,680,090.60	88.20 3.74%	3,281,129.28 15,913.33	1.05% (398,961.32)	Aa1/AA+ AA+	4.51 4.32
3133ERDM0	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 05/02/2031	2,500,000.00	07/19/2024 4.38%	2,553,425.00 2,553,425.00	103.90 3.92%	2,597,605.00 29,357.64	0.83% 44,180.00	Aa1/AA+ AA+	5.25 4.58
Total Agency		29,725,000.00	2.17%	30,233,682.60	97.25 3.65%	28,855,962.47 192,794.36	9.21% (1,377,720.14)		2.51 2.35

AGENCY CMBS

3137FBBX3	FHMS K-068 A2 3.244 08/25/2027	2,050,000.00	02/02/2022 1.80%	2,195,582.03 2,195,582.03	99.18 3.69%	2,033,179.75 5,541.83	0.65% (162,402.28)	Aaa/AA+ AA+	1.56 1.44
3137H1Z33	FHMS K-744 A2 1.712 07/25/2028	1,563,176.42	02/08/2022 2.05%	1,529,036.65 1,529,036.65	95.36 3.78%	1,490,635.66 2,230.13	0.48% (38,400.99)	Aa1/AA+ AAA	2.48 2.24
3137H5DX2	FHMS K-747 A2 2.05 11/25/2028	2,555,000.00	01/19/2022 1.96%	2,566,939.52 2,566,939.52	95.36 3.82%	2,436,399.46 4,364.79	0.78% (130,540.07)	Aa1/AA+ AAA	2.82 2.61
3137H9D71	FHMS K-750 A2 3.0 09/25/2029	3,525,000.00	-- 4.84%	3,224,685.42 3,224,685.42	97.10 3.92%	3,422,799.68 8,812.50	1.09% 198,114.26	Aa1/AA+ AAA	3.65 3.03
3137FREHO	FHMS K-104 A2 2.253 01/25/2030	1,100,000.00	03/29/2023 4.31%	973,757.81 973,757.81	94.00 3.93%	1,034,048.40 2,065.25	0.33% 60,290.59	Aa1/AA+ AAA	3.98 3.60
3137HB2L7	FHMS K-753 A2 4.4 10/25/2030	1,450,000.00	11/27/2023 5.12%	1,390,583.98 1,390,583.98	101.29 4.06%	1,468,758.65 5,316.67	0.47% 78,174.67	Aa1/AA+ AAA	4.73 4.11
3137HBC51	FHMS K-754 A2 4.94 11/25/2030	2,000,000.00	12/07/2023 4.77%	2,025,000.00 2,025,000.00	103.53 4.08%	2,070,554.00 8,233.33	0.66% 45,554.00	Aa1/AA+ AAA	4.82 4.18
3137FIY60	FHMS K-1508 A2 3.9 12/25/2030	2,000,000.00	01/04/2023 4.16%	1,959,375.00 1,959,375.00	99.14 4.07%	1,982,894.00 6,500.00	0.63% 23,519.00	Aa1/AA+ AA+	4.90 4.21
3137HDVA5	FHMS K756 4.963 05/25/2031	3,115,000.00	07/24/2024 4.57%	3,177,159.83 3,177,159.83	103.69 4.13%	3,229,859.40 12,883.12	1.03% 52,699.57	Aa1/AA+ AAA	5.31 4.50
3137HH5X5	FHMS K757 A2 4.456 08/25/2031	3,725,000.00	10/02/2024 4.07%	3,799,391.98 3,799,391.98	101.34 4.15%	3,775,082.63 13,832.17	1.21% (24,309.36)	Aaa/AA+ AA+	5.56 4.75
3137HHJF9	FHMS K-758 A2 4.68 10/25/2031	3,000,000.00	12/30/2024 4.78%	2,973,750.00 2,973,750.00	102.40 4.18%	3,071,880.00 11,700.00	0.98% 98,130.00	Aa1/AA+ AA+	5.73 4.88

HOLDINGS REPORT



Western Municipal Water District Cons | Account #253 | As of January 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3137H6LN3	FHMS K-139 A2 2.59 01/25/2032	2,045,000.00	03/01/2022 2.33%	2,087,773.22 2,087,773.22	91.66 4.19%	1,874,479.72 4,413.79	0.60% (213,293.50)	Aaa/AA+ AA+	5.98 5.35
3137HJZS9	FHMS K-759 A2 4.8 01/25/2032	2,625,000.00	02/11/2025 4.76%	2,622,196.50 2,622,196.50	102.98 4.20%	2,703,185.63 10,500.00	0.86% 80,989.13	Aa1/AA+ AAA	5.98 5.02
3137H8BK6	FHMS K-147 A2 3.0 06/25/2032	4,100,000.00	-- 3.48%	3,817,156.25 3,817,156.25	93.09 4.25%	3,816,784.30 10,250.00	1.22% (371.95)	Aa1/AA+ AAA	6.40 5.64
3137HN4L9	FHMS K-761 A2 4.4 06/25/2032	2,750,000.00	09/04/2025 4.23%	2,769,549.75 2,769,549.75	100.79 4.24%	2,771,843.25 10,083.33	0.88% 2,293.50	Aa1/AA+ AAA	6.40 5.41
3137H8U90	FHMS K-148 A2 3.5 07/25/2032	4,050,000.00	-- 4.14%	3,856,083.97 3,856,083.97	95.74 4.26%	3,877,421.40 11,812.50	1.24% 21,337.43	Aaa/AA+ AA+	6.48 5.63
3137HNTK4	FHMS K-762 A2 4.36 09/25/2032	2,800,000.00	11/05/2025 4.25%	2,809,483.60 2,809,483.60	100.46 4.26%	2,812,966.80 10,173.33	0.90% 3,483.20	Aa1/AAA AA+	6.65 5.58
3137HPET6	FHMS K-763 A2 4.17 10/25/2032	2,450,000.00	12/08/2025 4.20%	2,429,341.60 2,429,341.60	99.32 4.28%	2,433,308.15 8,513.75	0.78% 3,966.55	Aa1/AAA AA+	6.73 5.69
3137H9M89	FHMS K-152 A2 3.78 11/25/2032	2,000,000.00	01/17/2023 4.01%	1,957,812.50 1,957,812.50	97.09 4.28%	1,941,748.00 6,300.00	0.62% (16,064.50)	Aa1/AA+ AAA	6.82 5.75
Total Agency CMBS		48,903,176.42	3.96%	48,164,659.61 48,164,659.61	98.79 4.12%	48,247,828.85 153,526.50	15.40% 83,169.24		5.30 4.56

CASH									
CCYUSD	Payable	(2,253,105.00)	--	(2,253,105.00) (2,253,105.00)	1.00	(2,253,105.00) 0.00	(0.72%) 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	302,042.09	--	302,042.09 302,042.09	1.00	302,042.09 0.00	0.10% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	18,039.14	--	18,039.14 18,039.14	1.00	18,039.14 0.00	0.01% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		(1,933,023.77)		(1,933,023.77) (1,933,023.77)	1.00	(1,933,023.77) 0.00	(0.62%) 0.00		0.00 0.00

CORPORATE									
40139LBD4	GUARDIAN LIFE GLOBAL FUNDING 1.25 05/13/2026	1,190,000.00	-- 1.13%	1,196,593.00 1,196,593.00	99.30 3.75%	1,181,693.80 3,222.92	0.38% (14,899.20)	Aa1/AA+ NA	0.28 0.28
808513BR5	CHARLES SCHWAB CORP 1.15 05/13/2026	2,060,000.00	05/11/2021 1.20%	2,055,220.80 2,055,220.80	99.29 3.70%	2,045,384.30 5,132.83	0.65% (9,836.50)	A2/A- A	0.28 0.28
89236TJK2	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	2,260,000.00	06/15/2021 1.13%	2,259,005.60 2,259,005.60	99.04 3.70%	2,238,256.54 3,036.88	0.71% (20,749.06)	A1/A+ A+	0.38 0.37

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
58989V2D5	MET TOWER GLOBAL FUNDING 1.25 09/14/2026	1,195,000.00	09/07/2021 1.27%	1,193,900.60 1,193,900.60	98.46 3.80%	1,176,581.47 5,684.55	0.38% (17,319.14)	Aa3/AA- AA-	0.62 0.60
59217GER6	METROPOLITAN LIFE GLOBAL FUNDING I 1.875 01/11/2027	1,730,000.00	01/03/2022 1.90%	1,728,027.80 1,728,027.80	98.31 3.72%	1,700,688.61 1,802.08	0.54% (27,339.19)	Aa3/AA- AA-	0.94 0.92
26444HAC5	DUKE ENERGY FLORIDA LLC 3.2 01/15/2027	2,000,000.00	03/08/2022 2.52%	2,059,040.00 2,059,040.00	99.54 3.70%	1,990,760.00 2,844.44	0.64% (68,280.00)	A1/A NA	0.96 0.93
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	2,065,000.00	03/07/2022 2.30%	2,064,607.65 2,064,607.65	98.50 3.68%	2,034,033.26 17,942.56	0.65% (30,574.39)	Aa2/AA A+	1.12 1.08
66815L2Q1	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.71 01/10/2029	1,000,000.00	-- 4.67%	1,001,825.24 1,001,825.24	101.90 4.02%	1,019,016.00 2,747.50	0.33% 17,190.76	Aa1/AA+ AAA	2.94 2.72
24422EXH7	JOHN DEERE CAPITAL CORP 4.5 01/16/2029	1,000,000.00	01/10/2024 4.53%	998,650.00 998,650.00	101.80 3.85%	1,017,964.00 1,875.00	0.32% 19,314.00	A1/A A+	2.96 2.74
57629W5B2	MASSMUTUAL GLOBAL FUNDING II 4.85 01/17/2029	1,450,000.00	01/09/2024 4.85%	1,449,811.50 1,449,811.50	102.27 4.03%	1,482,910.65 2,734.86	0.47% 33,099.15	Aa3/AA+ AA+	2.96 2.73
532457CK2	ELI LILLY AND CO 4.5 02/09/2029	1,775,000.00	02/07/2024 4.51%	1,773,828.50 1,773,828.50	101.85 3.84%	1,807,883.65 38,162.50	0.58% 34,055.15	Aa3/A+ NA	3.02 2.68
14913UAJ9	CATERPILLAR FINANCIAL SERVICES CORP 4.85 02/27/2029	2,500,000.00	03/18/2024 4.84%	2,501,225.00 2,501,225.00	102.79 3.88%	2,569,712.50 51,868.06	0.82% 68,487.50	A2/A A+	3.07 2.78
89115A2Y7	TORONTO-DOMINION BANK 4.994 04/05/2029	1,565,000.00	03/26/2024 4.99%	1,565,000.00 1,565,000.00	102.67 4.09%	1,606,802.72 25,183.63	0.51% 41,802.72	A2/A- AA-	3.18 2.87
64952WFG3	NEW YORK LIFE GLOBAL FUNDING 5.0 06/06/2029	1,325,000.00	06/03/2024 5.04%	1,322,456.00 1,322,456.00	102.97 4.04%	1,364,296.85 10,121.53	0.44% 41,840.85	Aa1/AA+ AAA	3.34 3.04
24422EXT1	JOHN DEERE CAPITAL CORP 4.85 06/11/2029	1,500,000.00	06/07/2024 5.04%	1,487,670.00 1,487,670.00	102.83 3.94%	1,542,465.00 10,104.17	0.49% 54,795.00	A1/A A+	3.36 3.06
341081GT8	FLORIDA POWER & LIGHT CO 5.15 06/15/2029	2,000,000.00	06/13/2024 4.82%	2,027,729.45 2,027,729.45	103.77 3.94%	2,075,426.00 13,161.11	0.66% 47,696.55	Aa2/A+ AA-	3.37 2.92
437076DC3	HOME DEPOT INC 4.75 06/25/2029	2,000,000.00	06/20/2024 4.84%	1,991,920.00 1,991,920.00	102.54 3.94%	2,050,708.00 9,500.00	0.65% 58,788.00	A2/A A	3.40 3.03
713448FX1	PEPSICO INC 4.5 07/17/2029	2,380,000.00	07/15/2024 4.53%	2,376,311.00 2,376,311.00	101.99 3.88%	2,427,276.32 4,165.00	0.77% 50,965.32	A1/A+ NA	3.46 3.11
171239AL0	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	2,300,000.00	08/15/2024 4.50%	2,315,433.00 2,315,433.00	102.28 3.95%	2,352,465.30 49,315.83	0.75% 37,032.30	A2/A A	3.54 3.10
40139LBJ1	GUARDIAN LIFE GLOBAL FUNDING 4.179 09/26/2029	1,930,000.00	09/23/2024 4.18%	1,930,000.00 1,930,000.00	100.10 4.15%	1,931,985.97 28,005.10	0.62% 1,985.97	Aa1/AA+ NA	3.65 3.31

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
69371RT48	PACCAR FINANCIAL CORP 4.0 09/26/2029	2,500,000.00	09/26/2024 4.04%	2,495,625.00 2,495,625.00	100.27 3.92%	2,506,660.00 34,722.22	0.80% 11,035.00	A1/A+ NA	3.65 3.32
38141GD27	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	2,200,000.00	10/15/2025 4.14%	2,200,792.00 2,200,792.00	99.95 4.27%	2,198,794.40 25,379.44	0.70% (1,997.60)	A2/BBB+ A	3.72 2.52
59217GFT1	METROPOLITAN LIFE GLOBAL FUNDING I 4.9 01/09/2030	1,275,000.00	01/02/2025 4.95%	1,272,373.50 1,272,373.50	102.15 4.30%	1,302,390.83 3,817.92	0.42% 30,017.33	Aa3/AA- AA-	3.94 3.54
61747YFK6	MORGAN STANLEY 5.173 01/16/2030	2,500,000.00	01/13/2025 5.39%	2,480,625.00 2,480,625.00	102.67 4.42%	2,566,722.50 5,388.54	0.82% 86,097.50	A1/A- A+	3.96 2.72
63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.95 02/07/2030	2,000,000.00	02/05/2025 4.88%	2,005,746.39 2,005,746.39	102.73 4.20%	2,054,586.00 47,850.00	0.66% 48,839.61	A2/NA A	4.02 3.47
06051GHQ5	BANK OF AMERICA CORP 3.974 02/07/2030	2,900,000.00	02/14/2025 4.97%	2,796,963.00 2,796,963.00	99.52 4.38%	2,886,184.40 55,702.23	0.92% 89,221.40	A1/A- AA-	4.02 2.76
02665Wfy2	AMERICAN HONDA FINANCE CORP 4.8 03/05/2030	1,500,000.00	03/03/2025 4.82%	1,498,680.00 1,498,680.00	101.99 4.26%	1,529,815.50 29,200.00	0.49% 31,135.50	A3/A- NA	4.09 3.62
571748CA8	MARSH & MCLENNAN COMPANIES INC 4.65 03/15/2030	2,000,000.00	03/11/2025 4.69%	1,996,200.00 1,996,200.00	101.80 4.17%	2,036,000.00 35,133.33	0.65% 39,800.00	A3/A- A-	4.12 3.59
743315AW3	PROGRESSIVE CORP 3.2 03/26/2030	2,500,000.00	11/14/2025 4.16%	2,405,125.00 2,405,125.00	96.62 4.09%	2,415,615.00 27,777.78	0.77% 10,490.00	A2/A A	4.15 3.79
74153WCW7	PRICOA GLOBAL FUNDING I 4.7 05/28/2030	2,700,000.00	08/20/2025 4.38%	2,737,017.00 2,737,017.00	101.58 4.29%	2,742,643.80 22,207.50	0.88% 5,626.80	Aa3/AA- AA-	4.32 3.85
437076DJ8	HOME DEPOT INC 3.95 09/15/2030	2,500,000.00	09/09/2025 4.02%	2,492,250.00 2,492,250.00	99.54 4.06%	2,488,465.00 37,305.56	0.79% (3,785.00)	A2/A A	4.62 4.12
828807DZ7	SIMON PROPERTY GROUP LP 4.375 10/01/2030	2,750,000.00	10/07/2025 4.28%	2,761,763.64 2,761,763.64	100.48 4.26%	2,763,202.75 54,140.63	0.88% 1,439.11	A3/A NA	4.67 4.04
40139LBN2	GUARDIAN LIFE GLOBAL FUNDING 4.327 10/06/2030	1,400,000.00	09/30/2025 4.33%	1,400,000.00 1,400,000.00	100.02 4.32%	1,400,238.00 19,351.31	0.45% 238.00	Aa1/AA+ NA	4.68 4.14
141781CF9	CARGILL INC 4.125 10/23/2030	1,500,000.00	10/21/2025 4.11%	1,500,870.00 1,500,870.00	99.46 4.25%	1,491,967.50 16,843.75	0.48% (8,902.50)	A2/A NA	4.73 4.20
717081FDO	PFIZER INC 4.2 11/15/2030	2,075,000.00	11/18/2025 4.22%	2,073,360.75 2,073,360.75	100.25 4.14%	2,080,119.03 16,945.83	0.66% 6,758.28	A2/A NA	4.79 4.20
64952WFR9	NEW YORK LIFE GLOBAL FUNDING 4.25 01/09/2031	1,505,000.00	01/05/2026 4.29%	1,502,592.00 1,502,592.00	99.72 4.31%	1,500,730.32 3,908.82	0.48% (1,861.69)	Aa1/AA+ AAA	4.94 4.40
89236TPH2	TOYOTA MOTOR CREDIT CORP 4.2 01/10/2031	1,475,000.00	01/07/2026 4.21%	1,474,542.75 1,474,542.75	99.83 4.24%	1,472,446.78 3,269.58	0.47% (2,095.98)	A1/A+ A+	4.94 4.41

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
66815L2Z1	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.3 01/13/2031	1,870,000.00	01/06/2026 4.30%	1,869,831.70 1,869,831.70	99.89 4.32%	1,867,911.21 4,020.50	0.60% (1,920.49)	Aa1/AA+ AAA	4.95 4.40
74340XCQ2	PROLOGIS LP 4.75 01/15/2031	1,000,000.00	01/14/2026 4.22%	1,023,250.00 1,023,250.00	102.15 4.26%	1,021,482.00 2,111.11	0.33% (1,768.00)	A2/A NA	4.96 4.31
6944PL3M9	PACIFIC LIFE GLOBAL FUNDING II 4.375 02/03/2031	2,250,000.00	01/29/2026 4.34%	2,253,105.00 2,253,105.00	100.12 4.35%	2,252,697.75 0.00	0.72% (407.25)	Aa3/AA- AA-	5.01 4.45
Total Corporate		75,625,000.00	4.08%	75,538,967.87	100.78 4.07%	76,194,983.68 731,686.60	24.32% 656,015.81		3.44 2.99
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	5,411,588.75	-- 3.91%	5,411,588.75 5,411,588.75	1.00 3.91%	5,411,588.75 0.00	1.73% 0.00	NA/NA NA	0.00 0.00
Total LAIF		5,411,588.75	3.91%	5,411,588.75	1.00 3.91%	5,411,588.75 0.00	1.73% 0.00		0.00 0.00
LOCAL GOV INVESTMENT POOL									
90CAMP\$00	CAMP	23,639,363.21	-- 3.84%	23,639,363.21 23,639,363.21	1.00 3.84%	23,639,363.21 0.00	7.55% 0.00	NA/AAAm NA	0.00 0.00
Total Local Gov Investment Pool		23,639,363.21	3.84%	23,639,363.21	1.00 3.84%	23,639,363.21 0.00	7.55% 0.00		0.00 0.00
MONEY MARKET FUND									
31846V203	FIRST AMER:GVT OBLG Y	2,424,167.21	-- 3.30%	2,424,167.21 2,424,167.21	1.00 3.30%	2,424,167.21 0.00	0.77% 0.00	Aaa/ AAAm AAA	0.00 0.00
Total Money Market Fund		2,424,167.21	3.30%	2,424,167.21	1.00 3.30%	2,424,167.21 0.00	0.77% 0.00		0.00 0.00
MUNICIPAL BONDS									
8827237U7	TEXAS STATE 3.621 10/01/2030	1,590,000.00	05/22/2024 4.71%	1,495,713.00 1,495,713.00	98.75 3.92%	1,570,080.48 19,191.30	0.50% 74,367.48	Aaa/AAA NA	4.67 4.20

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13063D7E2	CALIFORNIA STATE 5.75 10/01/2031	3,000,000.00	10/04/2023 5.57%	3,034,320.00 3,034,320.00	108.41 4.07%	3,252,255.00 57,500.00	1.04% 217,935.00	Aa2/AA- AA	5.67 4.77
373384J80	GEORGIA ST 4.48 02/01/2032	1,750,000.00	05/22/2024 4.74%	1,720,425.00 1,720,425.00	100.03 4.47%	1,750,567.00 39,200.00	0.56% 30,142.00	Aaa/AAA AAA	6.00 0.08
57582TEC2	MASSACHUSETTS COMMONWEALTH 4.6 06/01/2032	2,500,000.00	06/10/2025 4.56%	2,505,825.00 2,505,825.00	101.94 4.25%	2,548,517.50 19,166.67	0.81% 42,692.50	Aa1/AA+ AA+	6.33 5.42
13063ESC1	CALIFORNIA ST 4.35 11/01/2032	3,100,000.00	10/31/2025 4.26%	3,116,492.00 3,116,492.00	100.53 4.26%	3,116,315.30 31,839.58	0.99% (176.70)	Aa2/AA- AA	6.75 5.74
Total Municipal Bonds		11,940,000.00	4.80%	11,872,775.00	102.62 4.19%	12,237,735.28 166,897.55	3.91% 364,960.28		6.00 4.41
SUPRANATIONAL									
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	1,600,000.00	04/13/2021 0.97%	1,592,672.00 1,592,672.00	99.41 3.63%	1,590,504.00 3,927.78	0.51% (2,168.00)	Aaa/AAA NA	0.22 0.22
Total Supranational		1,600,000.00	0.97%	1,592,672.00	99.41 3.63%	1,590,504.00 3,927.78	0.51% (2,168.00)		0.22 0.22
US TREASURY									
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	1,750,000.00	09/24/2021 0.95%	1,733,115.23 1,733,115.23	98.37 3.65%	1,721,534.50 5,583.56	0.55% (11,580.73)	Aa1/AA+ AA+	0.58 0.56
912828ZB9	UNITED STATES TREASURY 1.125 02/28/2027	2,950,000.00	03/24/2020 0.75%	3,025,248.05 3,025,248.05	97.47 3.55%	2,875,252.90 14,118.44	0.92% (149,995.15)	Aa1/AA+ AA+	1.08 1.04
912828ZN3	UNITED STATES TREASURY 0.5 04/30/2027	2,200,000.00	06/21/2021 1.07%	2,128,843.75 2,128,843.75	96.35 3.53%	2,119,735.20 2,825.97	0.68% (9,108.55)	Aa1/AA+ AA+	1.24 1.22
912828ZV5	UNITED STATES TREASURY 0.5 06/30/2027	2,200,000.00	06/04/2021 1.07%	2,126,953.13 2,126,953.13	95.87 3.53%	2,109,164.20 972.38	0.67% (17,788.93)	Aa1/AA+ AA+	1.41 1.38
91282CAH4	UNITED STATES TREASURY 0.5 08/31/2027	1,100,000.00	08/06/2021 0.94%	1,071,554.69 1,071,554.69	95.39 3.54%	1,049,253.70 2,339.78	0.33% (22,300.99)	Aa1/AA+ AA+	1.58 1.54
91282CAL5	UNITED STATES TREASURY 0.375 09/30/2027	2,300,000.00	06/21/2021 1.15%	2,192,097.66 2,192,097.66	94.96 3.53%	2,184,190.40 2,938.19	0.70% (7,907.26)	Aa1/AA+ AA+	1.66 1.62
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	2,000,000.00	-- 1.66%	2,088,027.35 2,088,027.35	97.79 3.54%	1,955,704.00 9,696.13	0.62% (132,323.35)	Aa1/AA+ AA+	1.79 1.72
91282CBB6	UNITED STATES TREASURY 0.625 12/31/2027	4,100,000.00	01/25/2021 0.72%	4,073,253.91 4,073,253.91	94.67 3.54%	3,881,388.00 2,265.19	1.24% (191,865.91)	Aa1/AA+ AA+	1.91 1.87

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CBJ9	UNITED STATES TREASURY 0.75 01/31/2028	4,200,000.00	03/12/2021 1.28%	4,053,820.31 4,053,820.31	94.67 3.54%	3,976,056.00 87.02	1.27% (77,764.31)	Aa1/AA+ AA+	2.00 1.95
91282CCV1	UNITED STATES TREASURY 1.125 08/31/2028	2,200,000.00	09/03/2021 1.10%	2,203,351.56 2,203,351.56	94.00 3.59%	2,068,085.80 10,529.01	0.66% (135,265.76)	Aa1/AA+ AA+	2.58 2.48
91282CCY5	UNITED STATES TREASURY 1.25 09/30/2028	2,200,000.00	10/25/2021 1.46%	2,169,148.44 2,169,148.44	94.11 3.59%	2,070,492.60 9,368.13	0.66% (98,655.84)	Aa1/AA+ AA+	2.67 2.56
91282CDW8	UNITED STATES TREASURY 1.75 01/31/2029	2,200,000.00	02/03/2022 1.78%	2,196,046.88 2,196,046.88	94.75 3.62%	2,084,414.20 106.35	0.67% (111,632.68)	Aa1/AA+ AA+	3.00 2.88
91282CKG5	UNITED STATES TREASURY 4.125 03/31/2029	3,000,000.00	04/05/2024 4.35%	2,969,414.06 2,969,414.06	101.46 3.63%	3,043,827.00 42,156.59	0.97% 74,412.94	Aa1/AA+ AA+	3.16 2.90
912828YB0	UNITED STATES TREASURY 1.625 08/15/2029	2,100,000.00	05/28/2020 0.66%	2,280,058.59 2,280,058.59	93.33 3.65%	1,959,890.10 15,764.27	0.63% (320,168.49)	Aa1/AA+ AA+	3.54 3.36
91282CFJ5	UNITED STATES TREASURY 3.125 08/31/2029	850,000.00	09/19/2022 3.62%	824,367.19 824,367.19	98.15 3.68%	834,261.40 11,300.07	0.27% 9,894.21	Aa1/AA+ AA+	3.58 3.30
91282CFT3	UNITED STATES TREASURY 4.0 10/31/2029	3,000,000.00	12/31/2022 4.02%	2,997,187.50 2,997,187.50	101.04 3.70%	3,031,290.00 30,828.73	0.97% 34,102.50	Aa1/AA+ AA+	3.75 3.42
91282CGJ4	UNITED STATES TREASURY 3.5 01/31/2030	3,500,000.00	02/03/2023 3.56%	3,487,011.72 3,487,011.72	99.20 3.72%	3,471,972.00 338.40	1.11% (15,039.72)	Aa1/AA+ AA+	4.00 3.69
912828Z94	UNITED STATES TREASURY 1.5 02/15/2030	2,200,000.00	02/04/2022 1.85%	2,142,765.63 2,142,765.63	91.80 3.71%	2,019,617.60 15,244.57	0.64% (123,148.03)	Aa1/AA+ AA+	4.04 3.82
91282CGZ8	UNITED STATES TREASURY 3.5 04/30/2030	1,900,000.00	05/11/2023 3.37%	1,915,734.38 1,915,734.38	99.05 3.74%	1,882,039.30 17,084.25	0.60% (33,695.08)	Aa1/AA+ AA+	4.24 3.87
912828ZQ6	UNITED STATES TREASURY 0.625 05/15/2030	3,700,000.00	-- 0.89%	3,612,863.28 3,612,863.28	87.74 3.75%	3,246,461.40 4,982.73	1.04% (366,401.88)	Aa1/AA+ AA+	4.28 4.14
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	5,050,000.00	-- 4.20%	4,989,179.69 4,989,179.69	100.97 3.76%	5,099,121.35 558.01	1.63% 109,941.66	Aa1/AA+ AA+	4.50 4.08
91282CAV3	UNITED STATES TREASURY 0.875 11/15/2030	4,300,000.00	-- 1.24%	4,157,757.81 4,157,757.81	87.34 3.80%	3,755,443.70 8,107.04	1.20% (402,314.11)	Aa1/AA+ AA+	4.79 4.59
91282CJX0	UNITED STATES TREASURY 4.0 01/31/2031	5,000,000.00	-- 4.18%	4,947,460.94 4,947,460.94	100.84 3.81%	5,041,795.00 552.49	1.61% 94,334.06	Aa1/AA+ AA+	5.00 4.49
91282CKC4	UNITED STATES TREASURY 4.25 02/28/2031	3,000,000.00	03/20/2024 4.27%	2,995,664.06 2,995,664.06	101.96 3.82%	3,058,827.00 54,240.33	0.98% 63,162.94	Aa1/AA+ AA+	5.08 4.46
91282CKF7	UNITED STATES TREASURY 4.125 03/31/2031	3,800,000.00	-- 4.55%	3,703,562.50 3,703,562.50	101.37 3.83%	3,851,953.60 53,398.35	1.23% 148,391.10	Aa1/AA+ AA+	5.16 4.55
91282CKN0	UNITED STATES TREASURY 4.625 04/30/2031	2,750,000.00	05/03/2024 4.49%	2,771,591.80 2,771,591.80	103.71 3.84%	2,852,049.75 32,675.24	0.91% 80,457.95	Aa1/AA+ AA+	5.24 4.58

HOLDINGS REPORT



Western Municipal Water District Cons | Account #253 | As of January 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CLZ2	UNITED STATES TREASURY 4.125 11/30/2031	2,000,000.00	12/20/2024 4.44%	1,962,500.00 1,962,500.00	101.09 3.91%	2,021,796.00 14,278.85	0.65% 59,296.00	Aa1/AA+ AA+	5.83 5.10
91282CMT5	UNITED STATES TREASURY 4.125 03/31/2032	2,800,000.00	04/08/2025 4.06%	2,810,171.88 2,810,171.88	100.96 3.95%	2,826,796.00 39,346.15	0.90% 16,624.12	Aa1/AA+ AA+	6.16 5.32
91282CNA5	UNITED STATES TREASURY 4.0 04/30/2032	3,000,000.00	05/05/2025 4.15%	2,972,929.69 2,972,929.69	100.22 3.96%	3,006,681.00 30,828.73	0.96% 33,751.31	Aa1/AA+ AA+	6.25 5.42
91282CEP2	UNITED STATES TREASURY 2.875 05/15/2032	6,250,000.00	-- 3.69%	5,928,593.75 5,928,593.75	93.96 3.97%	5,872,800.00 38,717.20	1.87% (55,793.75)	Aa1/AA+ AA+	6.29 5.62
91282CFV8	UNITED STATES TREASURY 4.125 11/15/2032	3,500,000.00	06/03/2025 4.26%	3,470,605.47 3,470,605.47	100.67 4.01%	3,523,380.00 31,108.43	1.12% 52,774.53	Aa1/AA+ AA+	6.79 5.82
91282CGM7	UNITED STATES TREASURY 3.5 02/15/2033	5,800,000.00	-- 3.97%	5,614,367.19 5,614,367.19	96.73 4.04%	5,610,142.80 93,777.17	1.79% (4,224.39)	Aa1/AA+ AA+	7.04 6.06
91282CHC8	UNITED STATES TREASURY 3.375 05/15/2033	3,700,000.00	-- 4.19%	3,466,441.41 3,466,441.41	95.70 4.06%	3,541,014.70 26,906.77	1.13% 74,573.29	Aa1/AA+ AA+	7.28 6.32
91282CHT1	UNITED STATES TREASURY 3.875 08/15/2033	4,250,000.00	-- 4.34%	4,091,427.74 4,091,427.74	98.68 4.08%	4,194,053.00 76,078.46	1.34% 102,625.26	Aa1/AA+ AA+	7.54 6.35
91282CJZ5	UNITED STATES TREASURY 4.0 02/15/2034	6,000,000.00	-- 4.08%	5,966,250.00 5,966,250.00	99.17 4.12%	5,950,314.00 110,869.57	1.90% (15,936.00)	Aa1/AA+ AA+	8.04 6.68
Total US Treasury		110,850,000.00	3.03%	109,139,367.24	97.40	107,790,798.20	34.41%		4.60
				109,139,367.24	3.80%	809,972.54	(1,348,569.04)		4.10
Total Portfolio		316,901,996.77	3.53%	314,800,427.12	89.65	313,260,360.42	100.00%		3.78
Total Market Value				314,800,427.12	3.92%	2,075,973.64	(1,540,066.70)		3.26
+ Accrued						315,336,334.06			

Accrued Interest – The interest that has accumulated on a bond since the last interest payment up to, but not including, the settlement date.

Acquisition (Acq.)/Disposition (Disp.) Yield – Yield to Maturity on the purchase/sale date.

Amount – The principal amount of the transaction (i.e., units or par value x price).

Average Coupon – The weighted average coupon of the portfolio, based on the par value. Coupon is the stated rate of annual interest paid on a bond.

Average Final Maturity – The weighted average maturity of the portfolio, based on market value, including accrued interest.

Average Life – The weighted average life of the portfolio, based on market value, including accrued interest. The average life in mortgage-related investments is the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Average Purchase Yield to Maturity (YTM) – The weighted average purchase yield to maturity of the portfolio, based on the book value. The YTM is the internal rate of return that equates the periodic future cash flows (interest payments and redemption value) of the bond to its purchase price.

Average Market Yield to Maturity (YTM) – The weighted average market yield to maturity of the portfolio, based on market value, including accrued interest. The market YTM is the internal rate of return that equates the periodic future cash flows (interest payments and redemption value) to the market price.

Average Modified Duration – The weighted average duration of the portfolio, based on market value, including accrued interest. Duration is the weighted average time to maturity of a bond where the weights are the present values of future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates.

Average S&P/Moody Rating – The weighted average Standard and Poor's rating and Moody's rating of securities in the portfolio based on market value, including accrued interest.

Book Value – The value at which an asset is carried on a balance sheet. To calculate, take the cost of an asset +/- net accretion/amortization.

Book Yield – The YTM that equates the current amortized value of the security to its periodic future cash flows.

Contributions (Cont.)/Withdrawals (WD) – The net amount of contributions and withdrawals for the reporting period.

Glossary



Cost Value – The value at which the securities were purchased. This is calculated by multiplying the par or units by the purchase price, excluding accrued interest.

CUSIP (Committee on Uniform Securities Identification Procedures) – A unique identification number assigned to all securities.

Fitch – The Fitch rating for the security.

Gain/Loss – The realized gain or loss on the security compared to the original purchase or amortized cost. For the amortization method, gain/loss is calculated by taking the principal amount on the sale less the amortized book value on the date of the sale. If the original cost method is used, the gain/loss is calculated by taking the principal amount on the sale less the original cost.

Income Earned – The income earned in the portfolio which includes income received, net interest accrued and net accretion/amortization.

Interest Purchase (Pur.)/Sold – The accrued interest purchased or sold on the transaction. When a bond is purchased or sold between coupon payment dates, the accrued interest up to the settlement date of the transaction is included in the net proceeds.

Market (Mkt) Price – The current fair value market price.

Market Value – The current fair value of an investment, as determined by transactions between willing buyers and sellers.

Maturity – The final date upon which principal of a security becomes due and payable.

Moody – The Moody's rating for the security.

Par – The face value or number of units held in the portfolio.

Par Value/Units – The face value or number of units held in the portfolio.

Percent (%) of Port. – The percentage of the portfolio that the security represents based on market value, including accrued interest.

Price – The price at which the transaction was executed, expressed as dollars per \$100 dollars of par value.

Purchase Date – The settlement date on which the security was purchased.

Quantity – Par value of bonds or units such as equity or mutual fund shares.

Glossary



S&P – The Standard and Poor’s rating for the security.

Security Description – The issuer name, coupon (annual interest paid on a bond) and maturity.

Settlement Date – The date on which an executed security trade must be settled. That is, the date on which a buyer must pay for the securities and the seller must deliver them.

Total Amount – The principal amount (i.e., units or par value x price) plus accrued interest purchased or sold.

Total Market Value – The market value plus accrued interest.

Total Rate of Return – A measure of a portfolio's performance over time. It is the internal rate of return that equates the beginning value of the portfolio with the ending value, including interest earnings and realized/unrealized gains and losses on the portfolio, adjusted by the amount and timing of contributions to and withdrawals from the portfolio.

Transaction Type – Purchase, sale, interest/paydown (principal), dividend, withdrawal, or contribution.

Agenda Item: 12A
Date: March 18, 2026

NOTE: This Staff Letter was provided to the Board and Public after hearing Closed Session Item 11A.

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN EXCHANGE WATER DELIVERY AGREEMENT WITH SAN DIEGO COUNTY WATER AUTHORITY

RECOMMENDATION:

Staff requests the Board of Directors:

1. Authorize the General Manager to execute an Exchange Water Delivery Agreement with the San Diego County Water Authority, allowing for non-substantial changes in the final document as determined by Western Water Legal Counsel.

EXECUTIVE SUMMARY:

Western Municipal Water District (Western Water) and the San Diego County Water Authority (Water Authority) have developed a historic long-term Exchange Water Delivery Agreement that advances regional collaboration and strengthens water supply reliability. The agreement builds on recent regional progress, including the 2025 settlement between the Water Authority and the Metropolitan Water District of Southern California (Metropolitan), and Metropolitan's framework for water exchanges, which together enable Western Water to secure a reliable long-term supply.

Under the agreement, Western Water will secure a minimum of 10,000 acre-feet per year (AFY) for at least 21 years, with opportunities to acquire additional supplies and extend the term. The agreement also includes a pre-purchase of 30,000 acre-feet, providing flexibility to meet future demands. Pricing for 2026 is set at \$1,304 per acre-foot for both the annual and pre-purchased water, ensuring cost certainty.

Board authorization will secure a reliable, drought-resilient water supply, enhance Western Water's supply diversity and represent a first-of-its-kind regional partnership in Southern California. This agreement is a strategic long-term investment that provides financial and water supply benefits across Riverside and San Diego counties.

BUDGET IMPACT:

Lower long-term water purchase rates under this Agreement with the Water Authority compared to imported water from Metropolitan are projected to generate \$49.1M in cumulative net present value savings for Western Water and its customers through 2047. The cost to purchase water from the Water Authority starts at \$1,304 per acre-foot (AF) in 2026 and escalates at an expected average rate of 4% annually. In comparison, Western Water's cost to purchase water from Metropolitan (currently at \$984 per AF) is expected to escalate between 9-10% over the next 10 years, and 5% thereafter.

The cost to purchase the annual 10,000 AF per year, or the 30,000 acre-feet of pre-purchased water, from the Water Authority was not anticipated in the fiscal year 2025-2026 budget. However, any water purchased under this agreement and delivered in the same year offsets the corresponding amount of imported water purchased from Metropolitan which is included in the current budget. In calendar year 2026, Western Water would pay an additional \$3.2M over what it would otherwise pay to Metropolitan for the 10,000 AF annual baseline purchase commitment.

Any year with net costs above Metropolitan rates would have the cost difference funded from General District (Fund 10) property taxes with the understanding that the incremental cost in the near-term was necessary to secure this agreement which provides a long-term water supply significantly enhancing the region's drought resiliency and an opportunity for Western Water's retail agency customer's to purchase water through Western Water at the favorable contract price. Funding any net incremental cost through property taxes also ensures that Western Water's retail water customers would not see any rate increases in the initial years before savings materialize. Once savings materialize, any savings will be passed through to Western Water's retail customers.

Based on Metropolitan's current 10-year financial rate forecast, there would be a net overall increased cost for water purchased under this agreement compared to purchasing from Metropolitan for the next five years until approximately 2031 when Metropolitan rates are projected to exceed the Water Authority agreement rate.

Western Water would also pay a total of \$39.12M for 30,000 AF in one-time pre-purchased water at the current year price of \$1,304 per AF, with payments broken out in four equal installments of \$9.78M starting on May 1st, of 2026 and ending January 1, 2029. Western Water would realize different levels of savings compared to Metropolitan rates based on when it elects to have the water delivered, with final deliveries required by 2047.

DETAIL:

Regional water agencies across Southern California have increasingly emphasized collaboration and local supply development as essential components of long-term water supply reliability. Metropolitan has recognized increasing challenges related to climate variability, hydrologic uncertainty, and evolving regulatory requirements affecting imported water supplies.

Metropolitan has developed the Local Supply Exchange Framework, approved in August 2025, to enable member agencies to exchange local water supplies. In parallel, the Water Authority and Metropolitan reached a settlement in June 2025 clarifying the terms for exchange water deliveries, providing Metropolitan member agencies a first right of refusal of available supplies. Together, these initiatives support cooperative approaches that enhance regional resilience.

Building on these efforts, Western Water and the Water Authority have developed a long-term Exchange Water Delivery Agreement. This agreement provides Western Water access to exchange water supplies through Metropolitan's system and reinforces a collaborative, regional approach to securing reliable water supplies.

Agreement Overview

The Exchange Water Delivery Agreement establishes a long-term arrangement under which the Water Authority will direct defined quantities of exchange water supplies for delivery to Western Water through Metropolitan's system.

All water delivered under the agreement will be characterized as "local water" under Metropolitan's ordinances, programs, and planning frameworks. As a result, these supplies are treated similarly to other local water supplies produced within the

Metropolitan service area for purposes of drought allocation planning and other operational programs. Local supplies—such as groundwater, recycled water, and this exchange water—are considered in calculating how much imported water an agency receives under a Metropolitan water supply allocation, but importantly, the local supplies themselves are not subject to allocation. Deliveries will be coordinated through Metropolitan’s connections and follow all operational requirements.

Key Agreement Terms:

- **Annual Baseline Supply:** Minimum 10,000 AFY of the Water Authority water exchanged through Metropolitan to Western Water.
- **Prepaid Supply Component:** Pre-purchasing 30,000 AF of additional exchange water, deliverable in future years, with a maximum of 10,000 AFY delivery.
- **Pricing Structure:** Water Authorities actual costs to acquire water through its agreements and exchange through Metropolitan (\$1,304 per AF in 2026).
- **Additional Water:** Opportunities to acquire additional exchange water supplies through the Water Authority’s annual process, including the option to match offers made by other agencies.
- **Access to Unallocated Water:** If supplies remain, the Water Authority may offer them to Western Water, and Western Water commits to purchase such water at the MWD full-service untreated rates.
- **Partner Agencies:** 120-day period in the first year for Western Water’s retail partner agencies to participate in additional exchange water opportunities through Western Water.
- **Reliability & Operations:** Water under this agreement is deliverable in both wet and dry years, through the term of the agreement.
- **Pricing Adjustment:** In 2035 a pricing reset occurs in the agreement between the Water Authority and the Imperial Irrigation District (IID), which is the basis for the commodity cost portion of the price for water under this agreement. Western Water may opt out at that time if the change in pricing exceeds 8% of the prior year’s price.

- **Term:** Effective on April 1, 2026, and continues through December 31, 2047. The agreement will automatically extend beyond 2047 if the underlying exchange agreements between the Water Authority, Metropolitan, and IID are extended.

Regional Collaboration and Exchange Agreement Benefits

The Exchange Water Delivery Agreement highlights strong regional collaboration between Western Water and the Water Authority, serving more than four million residents across Riverside and San Diego counties. Through this partnership, Western Water gains a reliable supply that diversifies its portfolio, strengthens drought resilience, and avoids the cost and risk of new infrastructure.

The agreement secures a minimum of 10,000 acre-feet per year of exchange water, with opportunities for additional supplies and a prepaid supply component of 30,000 acre-feet, enhancing operational flexibility. For the Water Authority and its member agencies, the agreement is a step towards ensuring nearly 30 years of investment in reliability provide maximum regional benefit and provide rate stability through new revenue.

More broadly, this Agreement demonstrates how regional collaboration delivers shared benefits for all—Western Water, the Water Authority, Metropolitan, partner agencies, and the communities they serve—strengthening water supply reliability, supporting long-term investments, and advancing efficient water management for generations to come.

The Exchange Water Delivery Agreement (Attachment 2) is in draft form; however, no substantive changes are expected. All modifications to the document will be reviewed by legal counsel. If legal counsel determines that the changes are significant, the staff will return to the Board for additional consideration.

Environmental Review

This proposed Agreement is not a “Project” under the California Environmental Quality Act (“CEQA”). Under CEQA, a “Project” is defined as the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (Cal. Code Regs. Tit. 14, § 15378). This Agreement is administrative in nature and does not authorize or approve any construction, operational changes, or activities that could otherwise result in a direct or reasonably foreseeable indirect physical change in the environment. Because this Agreement does not create a potential for environmental impacts, it does not constitute a “Project” under CEQA and is therefore not subject to environmental review.

REASON FOR ACTION:

Execution of the Exchange Water Delivery Agreement will secure reliable, long-term water supplies, provide flexibility through additional and prepaid water quantities, and strengthen regional collaboration to benefit Western Water's service area and the broader Southern California region.

SOLUTION:

Authorize the General Manager to execute the Exchange Water Delivery Agreement.

STRATEGIC PRIORITIES REFERENCE:

This action is in alignment with Western Water's Strategic Priorities of Resource Management, Superior Service, and Financial Stewardship.

LEGAL COUNSEL REVIEW:

Legal Counsel has reviewed the Exchange Water Delivery Agreement.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Exchange Water Delivery Agreement Presentation
2. Draft Exchange Water Delivery Agreement by and Between Western Municipal Water District and the San Diego County Water Authority (with select Exhibits).



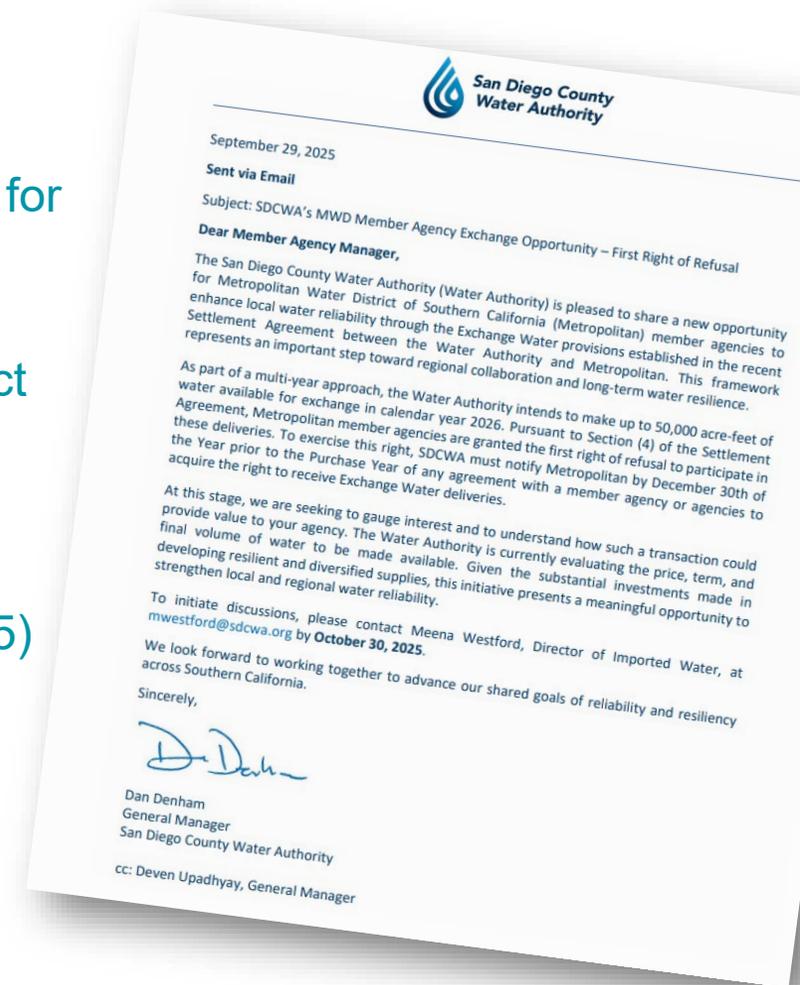
**EXCHANGE WATER DELIVERY AGREEMENT
WITH SAN DIEGO COUNTY WATER AUTHORITY**

March 18, 2026



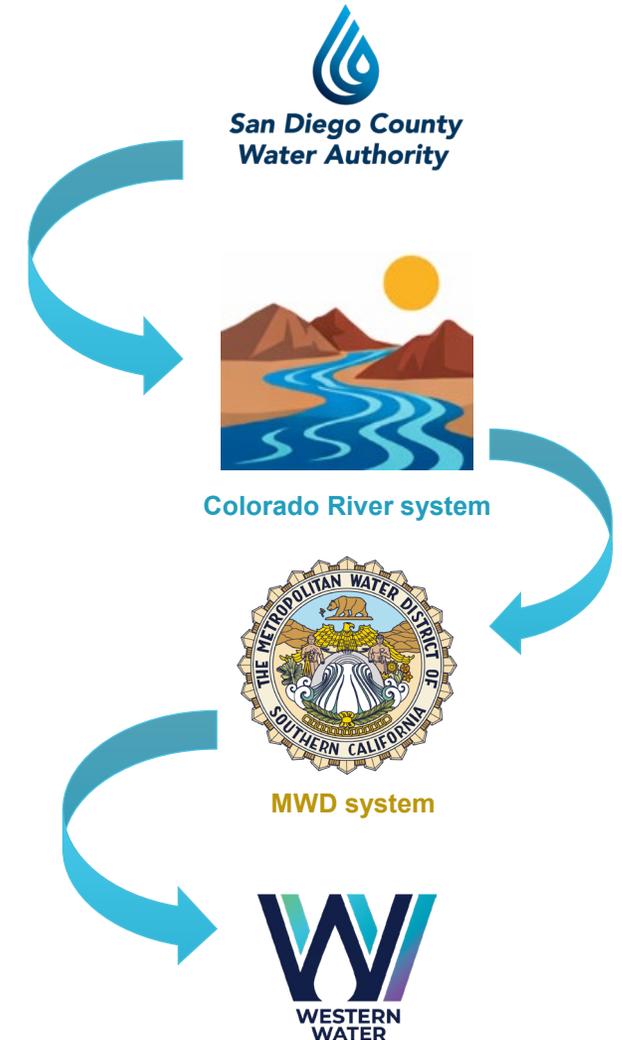
AGREEMENT FRAMEWORK

- Southern California agencies are now positioned for collaborative solutions for water supply reliability
- San Diego County Water Authority (SDCWA) and Metropolitan Water District (Metropolitan) reached a **settlement enabling water exchange** among Metropolitan member agencies (June 2025)
- Metropolitan adopted a **Local Supply Exchange Framework** (August 2025)
- Western and SDCWA began discussions in October 2025, leading to the proposed **Exchange Water Delivery Agreement (Agreement)**



HOW THE WATER EXCHANGE WORKS

- Agreement establishes the mechanism for exchanging water supplies from SDCWA to Western through Metropolitan's system
- Key elements include:
 - Exchange water from conserved Colorado River water supplies is held by SDCWA
 - Metropolitan facilitates exchange: including delivery coordination, accounting & billing, and system operations
 - Metropolitan utilizes existing facilities and service connections to deliver to Western
 - Exchange water is considered "local supply" under Metropolitan's programs, meaning the water itself is not subject to Metropolitan's drought allocation



KEY TERMS: *WATER EXCHANGE*

- **Annual Baseline Supply**

Minimum 10,000 Acre Feet (AF) per year of SDCWA's water exchanged through Metropolitan

- **Prepaid Supply Component**

Pre-purchasing 30,000 AF of additional exchange water, deliverable in future years, with a maximum of 10,000 AFY delivery, paid in four installments, at today's rate of \$1,304 per AF for a total of \$39.1M

- **Pricing Structure**

SDCWA's actual costs to acquire water through its agreements and exchange through Metropolitan, at the initial price of \$1,304 per AF in 2026

KEY TERMS: *WATER EXCHANGE*

- **Additional Water**

Opportunities to acquire additional exchange water supplies through the SDCWA's annual process, including the option to match offers made by other agencies

- **Access to Unallocated Water**

If supplies remain, SDCWA may offer them to Western, and Western commits to purchase such water at MWD full-service untreated rates

- **Partner Agencies**

120-day period in the first year for retail partner agencies to participate in additional exchange water opportunities through Western

- **Reliability & Operations**

Water under this agreement is deliverable in both wet and dry years, through the term of the agreement, subject to system operations

KEY AGREEMENT TERMS: *TERM & GOVERNANCE*

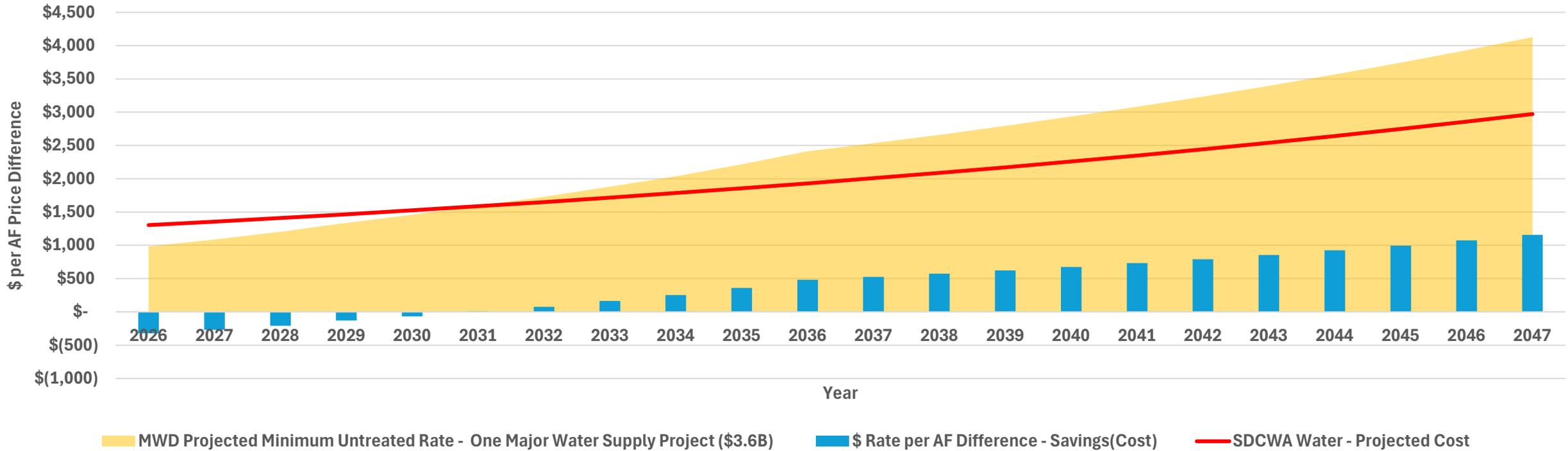
- **Co-Terminus with Imperial Irrigation District (IID) Agreement:** Agreement runs through 2047
- **Pricing Adjustment:** In 2035 a pricing reset occurs in the IID agreement. Western may opt out if the pricing reset exceeds 8% of the prior year's price
- **Automatic Extension with Safeguards:** If SDCWA extends its agreement with IID, this agreement is intended to extend automatically, subject to the following:
 - SDCWA extends its Exchange Agreement with MWD past 2047
 - Any reduction in water supplies available to SDCWA is shared proportionately with Western
 - Western may opt out if the new pricing exceeds 8%
- **Collaborative Performance:** Ongoing collaboration, meeting as needed to review operations, forecasts, and deliveries, and ensure smooth performance throughout the contract year and term of agreement

WESTERN'S FISCAL CONSIDERATIONS

- **Costs above MWD prices would be covered by Western property taxes rather than rates**
 - No retail rate impact
 - Maximum of \$3.2M in first year and then it reduces each year until savings materialize
- **Savings would be passed through to customers in retail rates once realized**
- **Near term investment to provide long-term substantial savings on Western's largest cost category**
 - Total cumulative savings estimated at \$49.1M by the end of the term in 2047
- **Helps provide rate stability and more certainty for long-term fiscal and infrastructure planning**
 - SDCWA rate adjusts annually based on underlying contracts with MWD/IID tied to inflation in contrast with uncertain MWD rate setting every two years

PROJECTED SAVINGS ANALYSIS (\$ PER AF) VS MWD PRICES SCENARIO- CURRENT MWD 10 YEAR RATE PROJECTION*

Projected Annual Water Cost Difference (Net Cost)/Savings – SDCWA** vs MWD Prices for Untreated Water

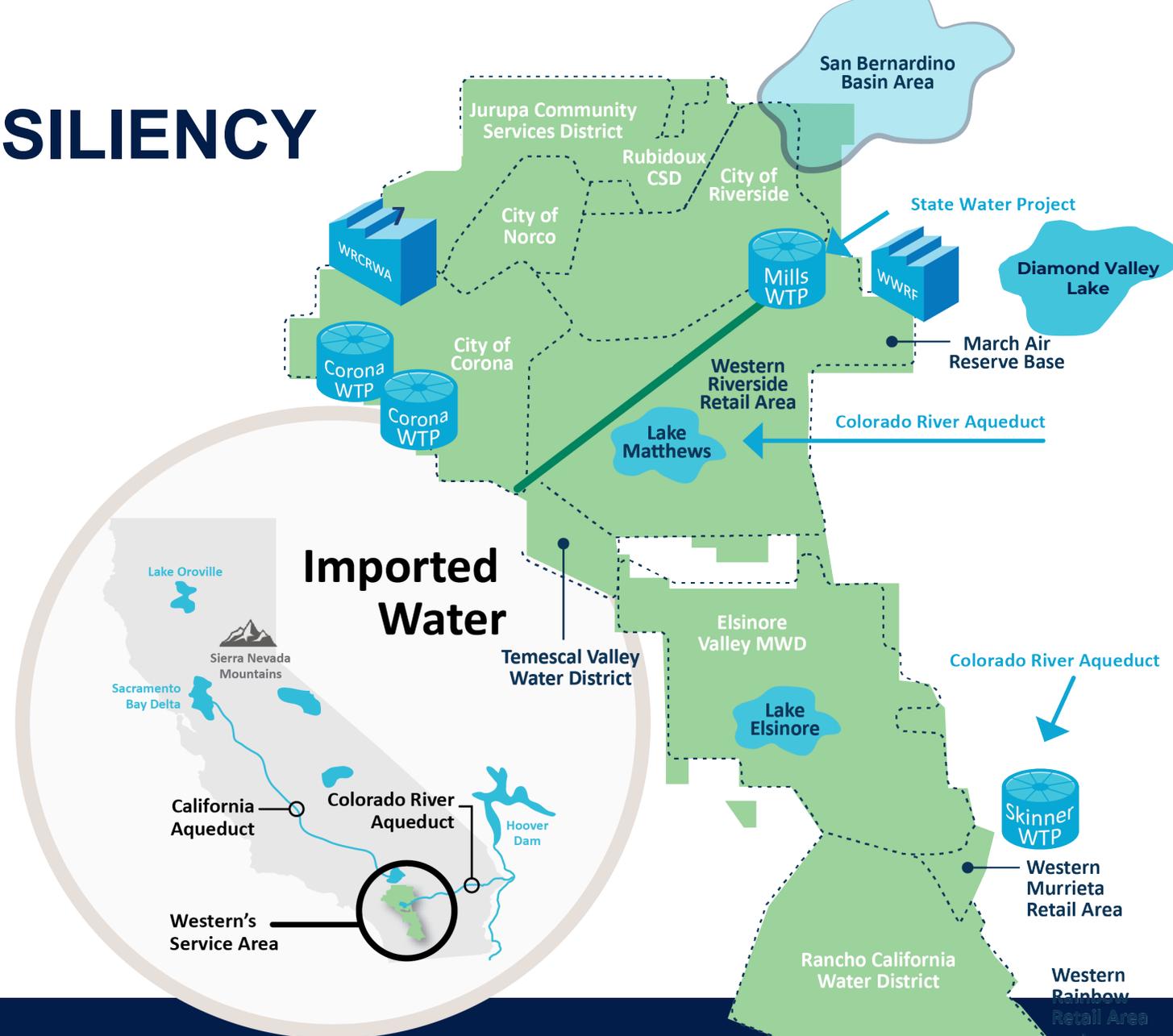


*Assumes one major water supply project (\$3.6B, 45MGD Pure Water Southern California)

**SDCWA rate assumed to increase 4% per year

ENHANCING WATER RESILIENCY

- ✓ Imported Water
- ✓ Groundwater Desalters
- ✓ Conveyance & Interties
- ✓ Recycled Water
- ✓ Groundwater Storage
- ✓ **Water Exchange**



REGIONAL BENEFITS: *WIN-WIN-WIN*

- **Western Water**

- Secures a reliable long-term water supply (minimum 10,000 AFY + 30,000 AF pre-purchase)
- Secured opportunity for our partner agencies to participate and share in benefits

- **Water Authority**

- Maximizes the value of available exchange water supplies within the region
- Generates over \$13 million annually and pre-purchase of nearly \$40 million

- **Metropolitan**

- Maximizes the value of existing investments in infrastructure and water resources
- Continue to receive full funding for the cost to transport water
- Supports long-term regional planning and drought resilience across Riverside and San Diego counties



RECOMMENDATION

Authorize the General Manager to execute an Exchange Water Delivery Agreement with the San Diego County Water Authority, allowing for non-substantial changes in the final document as determined by Western Water Legal Counsel.



Thank you

EXCHANGE WATER DELIVERY AGREEMENT BETWEEN SAN DIEGO COUNTY WATER AUTHORITY AND WESTERN MUNICIPAL WATER DISTRICT

This Agreement is entered into as of April 1, 2026 (the “Effective Date”), by and between the San Diego County Water Authority (“Seller” or “SDCWA”) and the Western Municipal Water District (“Buyer” or “Western”). As used herein, Seller and Buyer are each a “Party” and collectively the “Parties.”

RECITALS

- A. Seller is a county water authority incorporated under the California County Water Authority Act, Stats. 1943, Ch. 545, as amended, codified at Section 45-1 *et seq.* of the Appendix to the California Water Code.
- B. Buyer is a municipal water district organized and operating pursuant to the Municipal Water District Law of 1911 as set forth in Section 71000 *et seq.* of the California Water Code.
- C. MWD is a metropolitan water district incorporated under the Metropolitan Water District Act, Stats. 1969, Ch. 209, as amended, codified at Section 109.1 *et seq.* of the Appendix to the California Water Code. Buyer and Seller are each MWD member agencies.
- D. Seller is a party to the 2025 Settlement Agreement and 2025 Exchange Agreement, under which Seller will make available to MWD up to 277,700 AFY of Water and MWD will deliver Exchange Water to MWD member agencies in any year at the times, locations, and amounts as Seller requests, with a first right of refusal to MWD member agencies and a second right of refusal to MWD.
- E. Seller provided MWD member agencies the first right of refusal to receive Exchange Water in accordance with the 2025 Settlement Agreement and as announced in Seller’s September 29, 2025 notice to MWD member agencies.
- F. Buyer desires to purchase and receive such long-term Exchange Water supplies to enhance reliability and meet customer demands within Buyer’s service area, subject to the terms and conditions of this Agreement.
- G. Since October 2025, Seller and Buyer have engaged in discussions and negotiations on the terms identified herein, resulting in memorialized joint concepts on the delivery of Exchange Water to Buyer.
- H. The Parties intend that the Exchange Water deliveries herein will be scheduled and effected through MWD and/or other applicable conveyance, storage, and delivery facilities pursuant to the terms of this Agreement and the 2025 Exchange Agreement.

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- I. The Parties do not intend to and do not in any way transfer, assign, encumber, or grant any ownership interest in or control over any water rights under this Agreement. This Agreement does not impact or modify any other agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Definitions

- a. “Additional Quantity” means the amount of Exchange Water in excess of the current Contract Year’s Annual Quantity which Seller will direct MWD to deliver to Buyer in accordance with Section 5(b). Additional Quantity purchased by Buyer shall be added to Buyer’s Annual Quantity,
- b. "AF” and AFY” mean acre-feet and acre-feet per year, respectively.
- c. “Agreement” means this Exchange Water Delivery Agreement between Seller and Buyer, when standing alone.
- d. “Annual Quantity” means the minimum amount of Exchange Water Seller will direct MWD to deliver to Buyer during a Contract Year, as set forth in Section 5(a).
- e. “Available Supplies” means the amount of Exchange Water that Seller has available to direct MWD to deliver to MWD member agencies as a first right of refusal, or MWD as a second right of refusal, under the 2025 Exchange Agreement and 2025 Settlement Agreement.
- f. “Contract Year” means the period from January 1 through December 31 of any year during this Agreement. However, during the first year of the Agreement, Contract Year means April 1 through December 31.
- g. “Exchange Water” has the same definition as Exchange Water under Paragraph 3.2 of the 2025 Exchange Agreement. For the avoidance of doubt, all water delivered under this Agreement will be characterized as “local water” for purposes of MWD’s ordinances, plans, programs, rules and regulations, including any then-effective Water Surplus & Drought Management Plan, and for calculation of any MWD Readiness-to-Serve Charge share, in the same manner as for other local water of MWD’s member agencies.
- h. “MWD” means the Metropolitan Water District of Southern California.
- i. “MWD Exchange Costs” means the Exchange Unit Price as defined in Paragraph 5.2 of the 2025 Exchange Agreement.

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- j. “Option Quantity” means the amount of Exchange Water offered for purchase by another MWD member agency at terms matched by Buyer, then added to Buyer’s Annual Quantity, as set forth in Section 5(c).
- k. “Prepaid Quantity” means the 30,000 AF of Exchange Water that Seller will direct MWD to deliver to Buyer after payment of the Prepaid Quantity Price, which Buyer may then call upon for delivery at a maximum of 10,000 AF per Contract Year, as set forth in Section 5(e).
- l. “Regulatory Curtailment” means actions taken by the United States or State of California, or agencies and courts thereof, directly or indirectly reducing the Exchange Water supply of Seller.
- m. “Remainder Quantity” means the amount of Exchange Water that MWD has declined to purchase pursuant to its second right of refusal under the 2025 Exchange Agreement, and which Seller directs MWD to deliver to Buyer, up to an annual cumulative 50,000 AF, less then-current Annual Quantity and Option Quantity amounts of water, as set forth in Section 5(d).
- n. “Table 1 Price” means the price per AF or per unit for Annual Quantity which is equal to the price provided in Table 1 in Paragraph 3.2(d)(ii)(A) of the 2025 Exchange Agreement, notwithstanding any future amendments to the same by MWD and Seller. Table 1 Price does not apply to Option Quantity Price or Remainder Quantity Price, the prices of which are set forth in Section 8(a).
- o. “Term” means the initial term of this Agreement, as set forth in Section 4(a), together with any and all extensions effectuated under this Agreement, so that any such extension is deemed part of the Term.
- p. “Transfer Agreement” means the Agreement for Transfer of Conserved Water between Imperial Irrigation District (IID) and Seller, executed April 29, 1998, as amended.
- q. “2025 Exchange Agreement” means the Second Amended and Restated Agreement between MWD and Seller, executed June 2, 2025, which is attached hereto and incorporated herein as *Exhibit A*.
- r. “2025 Settlement Agreement” means the Final Settlement Agreement between Seller and MWD, dated June 2, 2025, which is attached hereto and incorporated herein as *Exhibit B*.

1.2 Rules of Construction

- a. Unless the context clearly requires otherwise:
 - i. The plural and singular forms include the other;

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- ii. “Shall,” “will,” “must,” and “agrees” are each mandatory;
 - iii. “May” and “can” are permissive;
 - iv. “And” is inclusive;
 - v. “Or” is not exclusive;
 - vi. “Includes” and “including” are not limiting; and
 - vii. “From,” “to,” and “until” include the ends of the identified range.
- b. Headings at the beginning of paragraphs and subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement, and will not be used in construing it.
 - c. Reference to any agreement (including this Agreement), document, or instrument means such agreement, document, instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof.
 - d. Except as specifically provided herein, reference to any law, statute, ordinance, regulation, or the like means such law as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including any rules and regulations promulgated thereunder.

2. PURPOSE; SCOPE

- a. Purpose. The purpose of this Agreement is to set forth the terms and conditions under which Seller will direct MWD to deliver, and Buyer will purchase and receive, Exchange Water, subject to inter-agency coordination and other limitations as detailed herein.
- b. Scope. Deliveries will be conducted through MWD’s facilities or other facilities as may be mutually agreed upon. The Parties will comply with all applicable MWD operational and scheduling protocols.

3. REPRESENTATIONS AND WARRANTIES

- a. Seller’s Representations.
 - i. Seller is a county water authority, duly organized, validly existing and in good standing under the laws of the State of California.
 - ii. Seller is a party to the 2025 Settlement Agreement and 2025 Exchange Agreement. Pursuant these agreements, Seller has the authority to offer to a MWD member agency, or agencies, the right

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to receive a specified amount of Exchange Water deliveries as provided in those Agreements.

iii. Seller has authority to perform its obligations hereunder on the terms set forth in this Agreement.

b. Buyer's Representations.

i. Buyer is a municipal water district organized and operating pursuant to the Municipal Water District Law of 1911 as set forth in Section 71000 *et seq.* of the California Water Code.

ii. Buyer has authority to perform its obligations hereunder on the terms set forth in this Agreement.

4. TERM

a. Term. The Term will commence on the Effective Date and continue through December 31, 2047, unless earlier terminated or extended as provided for herein.

b. Extensions. The Term will automatically extend to run coterminous to the 2025 Exchange Agreement upon satisfaction of the conditions set forth below:

i. Seller and IID have agreed to extend the term of the Transfer Agreement beyond 2047.

ii. Seller and MWD have agreed to extend the term of the 2025 Exchange Agreement beyond 2047.

c. If Seller's available Exchange Water supply is reduced under an extension to the 2025 Exchange Agreement, Buyer's Annual Quantity amount in the extended term will be proportionally reduced absent an alternative arrangement mutually agreed-upon by the Parties in writing.

d. Even if the conditions in subsections (b)(i) and (b)(ii) above are satisfied, Buyer may, at its discretion, elect not to extend the Term if the proposed Table 1 Price per AF of Exchange Water during the first contract year of the proposed extension term would be an 8% increase or more above the Table 1 Price during the prior Contract Year. In such event, Buyer will notify Seller of its decision not to extend this Agreement by October 1, 2047.

5. QUANTITY DIRECTED FOR DELIVERY

a. Annual Quantity. Seller agrees to direct MWD to deliver and Buyer agrees to purchase and receive delivery of 10,000 AFY of Exchange Water during

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each Contract Year of the Term, subject to the terms and conditions identified herein.

- b. **Additional Quantity.** Pursuant to the 2025 Settlement Agreement, Seller will notify Buyer and the other MWD member agencies each Contract Year if Seller has Available Supplies it wishes to make available for purchase during the following Contract Year. If Seller provides such annual notice, Buyer must notify Seller each Contract Year of its desire to purchase and receive delivery of Available Supplies and increase its Annual Quantity for the duration of the Term (e.g., 10,000 AFY of Annual Quantity + 2,000 AFY of Additional Quantity for a new Annual Quantity of 12,000 AFY). If Seller has Available Supplies and provides annual notice of the same, Buyer will be entitled to 20% of such Available Supplies to be purchased and received as Additional Quantity at the Table 1 Price (e.g., 2,000 AFY of 10,000 AFY of Available Supplies) if notification is made from Buyer to Seller within three (3) business days of Seller's annual notice electing to add that Additional Quantity, or if such notification from Buyer is made before other MWD member agencies make offers for quantities in excess of the remaining 80% of that Contract Year's Available Supplies. If Available Supplies remain after Buyer purchases the 20% share above, and the other MWD member agencies have the opportunity to purchase the remaining Available Supplies but decline to do so, Buyer may purchase any portion of the that Contract Year's remaining Available Supplies as Additional Quantity at the Table 1 Price. Additionally, Buyer may add any Available Supplies declined to be purchased by MWD per its second right of refusal as Additional Quantity at the Table 1 Price. The dates and processes governing this Additional Quantity notification procedure are set out in *Exhibit D*.
 - i. For the first Contract Year, Buyer will also have 120 days from the Effective Date (i.e., July 30, 2026) to notify Seller of Additional Quantity, up to 5,000 AF, to be added to its Annual Quantity for delivery beginning in Contract Year 2027, subject to Seller making Additional Supplies available in Contract Year 2026 for Contract Year 2027. Additional Quantity above 5,000 AF may be added by Buyer if mutually agreed to by Seller.
- c. **Option Quantity.** If Seller receives an offer from another MWD member agency for delivery of Exchange Water, Buyer will have the option to match that offer at the same price, quantity, quality, delivery terms, and reliability within twenty-one (21) days of receiving notice from Seller. If Buyer elects to match the offer, the annual Option Quantity AF amount will be delivered during each Contract Year thereafter through the end of the Term at the Option Quantity Price.
- d. **Remainder Quantity.** If Exchange Water is offered to MWD in accordance with Paragraph 3.2(d) of the 2025 Exchange Agreement, and MWD elects

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not to exercise its second right of refusal, Buyer agrees to accept delivery of the Remainder Quantity as directed by Seller at the Remainder Quantity Price (see Section 8(c) below) for the applicable contract year.

- e. Prepaid Quantity. Seller will sell and Buyer will make a one-time pre-purchase of 30,000 AF of future additional Exchange Water at the 2026 Table 1 Price, minus Seller's amortized historical litigation and mitigation costs, as provided below and as more particularly described in *Exhibit C*, which is attached hereto and incorporated herein by reference:
- i. Buyer will make four equal payments of \$9,780,000 by May 1, 2026, January 1, 2027, January 1, 2028, and January 1, 2029.
 - (i) The payments listed in this subsection are for the Prepaid Quantity. Payments for Buyer's Annual Quantity, Option Quantity, and Remainder Quantity will be made separately through regular monthly invoicing as detailed herein.
 - ii. After payment of all installments for the Prepaid Quantity, Buyer may request deliveries of the Prepaid Quantity pursuant to Section 6(a), up to a maximum of 10,000 AF per year.
 - iii. Subject to Section 5(e)(ii) above and Section 5(e)(iv) below, Prepaid Quantity may be requested for delivery during any Contract Year through 2047, including years with wet or dry hydrologic conditions.
 - iv. Buyer must request deliveries of the Prepaid Quantity as follows:
 - (i) no less than a cumulative total of 10,000 AF of Prepaid Quantity by September 1, 2043;
 - (ii) no less than a cumulative total of 20,000 AF of Prepaid Quantity by September 1, 2044; and
 - (iii) no less than a cumulative total of 30,000 AF of Prepaid Quantity by September 1, 2045.
 - v. Subject to Section 9 below, Seller must deliver the Prepaid Quantity, in coordination with Buyer, as follows:
 - (i) no less than a cumulative total of 10,000 AF of Prepaid Quantity by September 1, 2044;
 - (ii) no less than a cumulative total of 20,000 AF of Prepaid Quantity by September 1, 2045; and

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(iii) no less than a cumulative total of 30,000 AF of Prepaid Quantity by September 1, 2046.

- f. If Seller identifies other Exchange Water as available for potential purchase and delivery in future contract years, Seller may make Exchange Water available for pre-purchase in one or more transactions in a substantially similar manner as the Prepaid Quantity above. The Parties agree to meet-and-confer in good faith to attempt to negotiate a separate agreement for such transaction(s).

6. DELIVERY SCHEDULING

- a. **Annual Plan.** No later than October 15 of each Contract Year, the Parties will prepare an annual delivery and exchange plan identifying targeted monthly delivery volumes, flow rates, and operational assumptions of all Annual Quantity, Option Quantity (if any), Remainder Quantity (if any), and Prepaid Quantity (if any) volumes for the following Contract Year.
- b. **Priority and Conflicts.** In the event of conflicting constraints, the Parties will prioritize deliveries based on operational demands of Seller and MWD.
- c. **Scheduling Standards.** The Parties will adhere to MWD scheduling requirements.

7. POINT OF DELIVERY

- a. **Delivery Point.** The delivery point for all Exchange Water delivered under this Agreement will be through MWD service connections, or as coordinated between MWD, Seller, and Buyer.
- b. **Alternative Delivery Points.** Alternative delivery points may be used upon mutual written agreement of the Parties, subject to any applicable charges associated with the same.

8. PRICE AND PAYMENT

- a. **Annual Quantity Price.** The price for Annual Quantity will be the Table 1 Price, which will be computed on an annual basis, as more particularly described in *Exhibit C*. From the Effective Date through December 31, 2031, the Table 1 Price will exclude Seller's amortized historical transfer implementation costs of \$40/acre-foot. Notification of the Annual Quantity Price for the subsequent Contract Year will be provided from Seller to Buyer by November 1 on an annual basis, including the calculation for the rate.
- b. **Option Quantity Price.** The price for Option Quantity will be the price offered by the other MWD member agency, subject to Buyer's agreement to the same.

- c. **Remainder Quantity Price.** The price for Remainder Quantity will be the MWD full service untreated rate that is in place at the time of Buyer's purchase of the Remainder Quantity, as more particularly described in *Exhibit C*.
- d. **Third-Party Charges.** If Seller becomes subject to any charges from MWD for Exchange Water that are not in effect as of the Effective Date, the Parties agree to meet-and-confer to discuss potential amendments to this Agreement (if any) that may be needed to effectuate the terms of this Agreement.
- e. **Invoices.** Seller will invoice monthly in arrears for delivered Exchange Water volumes and applicable charges. Each invoice will show: (a) AF delivered by Seller to Buyer; (b) price; (c) third-party charges (if any), and (d) total amount due. Seller will invoice for Prepaid Quantity payments on an annual basis.
- f. **Payment Terms.** Seller will provide an invoice mailing no later than the 10th working day of the month following the invoice month. Buyer will pay undisputed amounts by 2:00 p.m. on the 10th business day of the month following invoice mailing. "Business day" means any day other than a Saturday, Sunday, a bank holiday, or a Party holiday.
- g. **Delinquency Charge.** Payment is to be made by the stated due date. The amount due will be delinquent if not received in investable funds in full by 5:00 p.m. on the due date. There will be a delinquency charge of two percent (2%) on the unpaid amount for each month, or any portion thereof, that the payment remains delinquent. If the delinquency does not exceed five (5) business days, the delinquency charge will be reduced to one percent (1%) of the delinquent amount. A payment remains delinquent and will continue to be assessed a delinquency charge on the unpaid amount so long as any portion of the original payment amount or of the delinquency charge, remains unpaid. Any protest of a payment must be filed concurrently with full payment of the amount due.

9. DELIVERY AND RELIABILITY SAFEGUARDS

- a. **Minimum Reliability/Year-Round Delivery Assurance.** Seller will use reasonable efforts to deliver scheduled water volumes in a timely manner pursuant to the Parties' agreed-upon schedule, subject to Sections 9.2 and 9.3 herein. Exchange Water made available under this Agreement is intended to be deliverable to Buyer in all Contract Years and in both wet and dry hydrologic conditions.
- b. **Regulatory Curtailments.** Regulatory Curtailments in any Exchange Water supplies imposed on Seller resulting in underdelivery of Exchange Water to Seller in a Contract Year will result in proportional reductions by Seller to

Buyer's Exchange Water for the same Contract Year unless an alternative arrangement is agreed to by the Parties in writing.

- c. **Operational Constraints and Shortfall Protocol.** If Seller or MWD forecasts a shortfall or experiences an operational constraint in advance of or during a Contract Year that will or may cause underdelivery of Water to Buyer, it will notify Buyer within five (5) business days of such a forecast, and the Parties will meet and confer on rescheduling deliveries within the same Contract Year, if feasible, or in future Contract Years, all subject to capacity and other limitations in this Agreement. In no event will Buyer be required to pay for Exchange Water not delivered. If feasible, Seller will direct delivery of Exchange Water to Buyer within three (3) years of Buyer's payment for the same, unless a longer timeframe is mutually agreed to by the Parties; if it cannot do so, Seller will refund Buyer the amounts paid within thirty (30) days of Buyer's request for the same. Such an event will not serve to terminate this Agreement or relieve either Party of its obligations herein.

10. ADJUSTMENTS FOR MWD RATE VARIABILITY

- a. **MWD Exchange Rate Adjustment.** If Seller and MWD amend the Exchange Agreement at any point in the future to raise the MWD Exchange Rate, Buyer will not be responsible for any increases above the Table 1 Price calculated based on the 2025 Exchange Agreement in effect as of the Effective Date, as provided herein.

11. PERIODIC REVIEWS

- a. **Periodic Review.** The Parties will meet throughout the Contract Year as necessary and/or reasonably requested by either Party to review operational performance, forecasts, deliveries, and related matters for the present and following Contract Year. If either Party learns of a material fact that will or may affect its performance under this Agreement, that Party will set a meeting with the other Party within thirty (30) days, or as soon thereafter as reasonably practicable, to discuss the matter and find a solution.

12. TRANSPARENCY AND DATA REQUIREMENTS

- a. **Operational Data.** Upon reasonable request, each Party will provide the other with monthly delivery logs, meter reads, scheduling confirmations, agency statements relevant to volumes and charges, and any other documents or information reasonably requested by either Party as they relate to this Agreement.
- b. **Cost Data.** Upon reasonable request, Seller will provide documentation sufficient to substantiate all amounts invoiced to Buyer, including those charges and adjustments that may arise from third parties like MWD.

- c. Audit Rights. Buyer may audit Exchange Agreement invoices and supporting data upon thirty (30) business days' notice, during normal business hours, at Buyer's expense.

13. FORCE MAJEURE

- a. Definition. Force Majeure means any event beyond the Parties' control that prevents performance under this Agreement despite reasonable efforts, including, without limitation, major damage to or destruction of essential infrastructure, natural disasters, pandemics, war, or terrorism.
- b. Suspension. Performance obligations impacted by a Force Majeure event are suspended for the duration of the event.
- c. Notice and Mitigation. However, the suspending Party will provide prompt notice, describe the reasons for the suspension, and use all reasonable efforts to mitigate the effects on the other Party and resume performance as quickly as possible.

14. THIRD-PARTY DISPUTES

- a. Third-Party Disputes. If litigation, protests, or administrative disputes materially affect deliveries under this Agreement, the Parties will meet and confer to adjust schedules or arrange substitute performance where feasible.
- b. Cost and Risk Allocation. Each Party bears its own internal costs from such disputes.

15. SUSPENSION AND TERMINATION

- a. Suspension for Cause. Either Party may suspend performance of this Agreement upon sixty (60) business days' written notice for a material breach by the other Party that remains uncured after sixty (60) days.
- b. Termination for Cause. Upon issuing the 60-day notice specified in Section 15(a), the Party in breach will have a 180-day cure period. Upon expiration of that 180-day cure period, if Party is still in breach, the other Party may terminate this Agreement upon written notice.
- c. 2035 Pricing Reset. The Parties acknowledge and agree that Seller's Exchange Water supplies may be subject to a price increase under the Transfer Agreement in or about 2035. If the Table 1 Price per AF of Exchange Water in Contract Year 2035 would be an increase of 8% or more from Contract Year 2034, Buyer may terminate its obligations to pay for Annual Quantity Exchange Water from 2035 through the end of the Term.
- d. Effect of Termination. Upon termination, undisputed amounts accrued through the termination date will be paid within 30 days. Surviving

provisions include Sections 14, 16, and 23, and any other provisions that by their nature should survive.

16. RISK OF LOSS/LIMITATION OF LIABILITY

- a. Risk of Loss. Buyer bears all risk of loss after Exchange Water is directed for delivery from Seller to Buyer to the MWD delivery point(s) identified in Section 7(a) and 7(b).
- b. Limitation of Liability. Seller will not be liable to Buyer for any monetary damages of any kind or nature whatsoever, whether based on contract, warranty, tort (including negligence or strict liability), or otherwise, resulting from a failure to deliver Exchange Water under this Agreement. The only remedy available to Buyer will be specific performance of Seller's obligations under this Agreement; however, if, in a Contract Year, Seller is unable to perform on its obligations under this Agreement due to Regulatory Curtailments or Operational Constraints under Sections 9.2 or 9.3 of this Agreement, Buyer's exclusive remedy, and Seller's sole liability, for Seller's breach of this Agreement will be a refund from Seller to Buyer of payments made for Exchange Water not delivered.

17. MEASUREMENT

- a. Metering. Measurement will be by certified meters at or upstream of the delivery point identified in Sections 7(a) and 7(b), in AF to two decimal places.
- b. Standards and Testing. Meters are MWD-owned and operated, and will be maintained, tested, and calibrated per their standards. Either Party may request testing upon five (5) business days' notice.
- c. Estimation. If measurement is unavailable, volumes will be estimated using corroborating records (e.g., inflow/outflow, SCADA logs) and mutually agreed-upon methodologies.

18. INVOICING DISPUTES

- a. Dispute Notice. Buyer will provide written notice of any invoice dispute within thirty (30) days of receipt, identifying disputed amounts and the basis.
- b. Undisputed amounts. Buyer will timely pay undisputed amounts.
- c. Resolution. Finance representatives will meet and confer within 10 business days to resolve disputes. Any unresolved dispute proceeds under Section 24.

19. COMPLIANCE WITH LAWS

- a. General Compliance. Each Party will comply with all applicable laws, regulations, permits, and orders, including Party-specific rules governing conveyance, exchange, and water quality, to the extent such rules are consistent with this Agreement.
- b. No Impairment. Neither Party will take actions that would knowingly cause the other Party to violate applicable laws or permits in connection with this Agreement.

20. NOTICES

- a. Method. Notices will be sent in writing and delivered by personal delivery, nationally recognized overnight courier, certified mail (return receipt), or email with confirmation, to the addresses below or as updated by notice.
- b. Addresses. Seller: San Diego County Water Authority, 4677 Overland Ave, San Diego, CA 92123, Attn: General Manager. Buyer: Western Municipal Water District, 14205 Meridian Pkwy, Riverside, CA 92518, Attn: General Manager.
- c. Effectiveness. Notices are effective upon receipt.

21. ASSIGNMENT

- a. No Assignment Without Consent. Neither Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other Party. Buyer may not transfer any Exchange Water purchased under this Agreement to any other MWD member agency without Seller's prior written consent.
- b. Binding Effect. Subject to the foregoing, this Agreement binds and benefits the Parties and their permitted successors and assigns.

22. INSURANCE

- a. Coverage. Each Party will maintain, at its expense, insurance with financially sound insurers: (a) Commercial General Liability with limits not less than \$2,000,000 per occurrence and \$4,000,000 aggregate; (b) Workers' Compensation as required by law; and (c) Automobile Liability with limits not less than \$1,000,000 combined single limit.
- b. Certificates. Upon request, a Party will provide certificates evidencing required coverage and endorsements naming the other Party as additional covered party for ongoing operations to the extent of contractual liabilities.

- c. Changes. A Party will provide thirty (30) days' prior notice of cancellation or material reduction in coverage, where available.

23. INDEMNITY

- a. Buyer shall indemnify, defend, and hold harmless Seller and its officers, directors, employees, and agents from and against third-party claims connected with or resulting from the delivery of Exchange Water, or the failure to deliver Exchange Water, under this Agreement, including claims related to water quality, wildfire, decreased property values, seismic events, emergency, or reduced agricultural production.
- b. Except for claims subject to Buyer's obligations in Section 23.1 above, each Party ("Indemnitor") will indemnify, defend, and hold harmless the other Party and its officers, directors, employees, and agents (collectively, "Indemnitees") from and against other third-party claims to the extent arising out of Indemnitor's negligence, willful misconduct, or breach of this Agreement. However, Seller's duty to indemnify, defend, and hold harmless Buyer will not extend to third-party claims arising from the performance of Seller's obligations under this Agreement once the Exchange Water has reached any MWD facility for delivery to Buyer.
- c. Exclusions. No Party will be liable for consequential, incidental, exemplary, or punitive damages, except to the extent awarded to a third party and subject to indemnity hereunder.
- d. Procedure. Indemnitees will provide prompt notice of any claim, and the Parties will cooperate in the defense to the extent there is no direct conflict of interest between the Parties. Indemnitor will control the defense subject to Indemnitee's right to participate with its own counsel at its expense.

24. DISPUTE RESOLUTION

- a. Informal Resolution. The Parties will first seek to resolve disputes through good faith negotiations between executive representatives.
- b. Mediation. If the dispute remains unresolved within thirty (30) days of negotiations beginning between executive representatives, either Party may demand nonbinding mediation with a mutually agreed-upon mediator in San Diego County, with costs shared equally between the Parties.
- c. Venue; Relief. If mediation fails, disputes will be resolved in accordance with law and if litigation is initiated, the Parties consent to jurisdiction and venue in the state or federal courts in San Diego County, State of California. Either Party may seek provisional or injunctive relief where appropriate.

25. MISCELLANEOUS

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- a. Entire Agreement. This Agreement constitutes the entire agreement and supersedes prior understandings regarding the subject matter.
- b. Amendments. Amendments must be in writing and signed by both Parties.
- c. No Third-Party Beneficiaries. Except as expressly provided, no third party is an intended beneficiary of this Agreement.
- d. Independent Public Agencies. The Parties are independent public agencies; this Agreement does not create a partnership, joint venture, or agency.
- e. Severability. If any provision is held invalid or unenforceable, it will be modified to the minimum extent necessary to be enforceable, and the remainder remains in effect.
- f. Waiver. No waiver is effective unless in writing. Failure to enforce any term of this Agreement is not a waiver of enforcement or future enforcement.
- g. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts and by electronic signatures, each deemed an original and together one instrument.
- h. Further Assurances. Each Party will execute further documents as reasonably necessary to effectuate the purpose of this Agreement.
- i. Governing Law. This Agreement is governed by the laws of the State of California, without regard to conflict of law rules.

26. COORDINATION

- a. Agency Coordination. The Parties will timely submit required forms, data, and confirmations to MWD and other applicable agencies for conveyance, delivery, storage, and exchange accounting.
- b. Records Retention. Each Party will retain relevant records for at least four (4) years after the Contract Year to which they relate.

27. EXHIBITS

Exhibit A: 2025 Exchange Agreement

Exhibit B: 2025 Settlement Agreement

Exhibit C: Pricing

Exhibit D: Scheduling Protocols

Exhibit E: Insurance Requirements and Certificate Form

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

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SELLER:

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Date: _____

BUYER:

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Date: _____

DRAFT

Exhibit C - Pricing

Table 1 Price

The price for Annual Quantity Exchange Water is the Table 1 Price, which is equal to the total annual Transfer Agreement actual costs to Seller, as documented by Seller (Conserved Water Costs as defined in Exhibit A) in the prior year plus the total annual Canal Lining actual costs to Seller, as documented by Seller (Canal Lining Water Costs as defined in *Exhibit A*) in the prior Contract Year, divided by the total Conserved Water available for transfer to Seller from IID and total Canal Lining Water allocated to Seller in the same Contract Year.

Annual Quantity Price Formula	Price \$ per acre-foot
$\frac{\text{(Conserved Water Costs + Canal Lining Water Costs)}}{\text{Total Conserved Water Available for transfer to Seller from IID} + \text{Canal lining water allocated to Seller in the same year}} + \text{MWD Exchange Unit Price}^1$	\$/ acre-foot

From the Effective Date through December 31, 2031, the Table 1 Price will exclude the Seller’s amortized historical transfer implementation costs of \$40/acre-foot. For the purposes of this Agreement, the historical transfer implementation costs (\$40/acre-foot) shall be included, not subject to inflation, from January 1, 2032 through December 31, 2045. The Table 1 Price for Year 1 will be \$1,304/acre-foot.

Remainder Quantity Price

The Remainder Quantity Price shall be the rate as adopted by MWD for the calendar year for which the Exchange Water is to be delivered.

Remainder Quantity Price – Formula

MWD Full Service Untreated Volumetric Cost² X Quantity of unallocated supply in af

Prepaid Quantity Price

May 1, 2026 – 7,500 af x \$1,304 = \$9,780,000

January 1, 2027 - 7,500 af x \$1,304 = \$9,780,000

January 1, 2028 -7,500 af x \$1,304 = \$9,780,000

January 1, 2029 -7,500 af x \$1,304 = \$9,780,000

¹ As outlined in Section 5.2 of the 2025 Exchange Agreement.

² Or the equivalent MWD rate in effect at the time of delivery.

Exhibit D – Scheduling Protocols

Schedule for Delivery Coordination in Contract Year 2026

1. By April 15 – Delivery Coordination Meeting
2. By May 1 – Western provides requested Delivery Schedule to SDCWA
3. By June 1 – SDCWA provides request to MWD of to modify delivery schedule

Schedule for Delivery Coordination in Contract Years 2027 – 2047¹

1. By September 15 – Periodic Review meeting, if necessary
2. By October 1 – Western provides requested Delivery Schedule to SDCWA
3. By November 1 – SDCWA provides notice to MWD of delivery schedule

Schedule for Notices and Quantity Periods

Approximate Dates²	Proposed Actions
March 1 – July 30 ³	Western to notice SDCWA if Additional Quantity is desired during current Contract Year and SDCWA will inform Western whether it may add Additional Quantity in accordance with Section 5(b) of the Agreement.
July 31	SDCWA to provide notice to MWD member agencies of Exchange Water to be made available commencing in the following Contract Year.
August 1- October 14	SDCWA to negotiate with interested MWD member agencies on potential Exchange Water delivery agreements.
October 15 – November 7	SDCWA to notice Western of MWD member agency offers and Western to exercise or not exercise its option to match in accordance with Section 5(c) of the Agreement.
November 8 – November 30	Western to notice SDCWA if Additional Quantity is desired and SDCWA will inform whether it may add Additional Quantity in accordance with Section 5(b) of the Agreement.
December 30 – February 28/29	SDCWA to notify MWD of any agreement with a MWD member agency to receive Exchange Water deliveries during following Contract Year per the Paragraph 3.2(d)(i) of the Exchange Agreement. SDCWA to notify MWD that it will offer available water for purchase by MWD per the Paragraph 3.2(d)(ii) of the Exchange Agreement.

¹ If the Parties extend the Agreement, this Exhibit D will coterminously extend.

² Approximate dates are for reference and informational purposes only. All dates in the Exchange Agreement are subject to change per Exchange Agreement Paragraph 3.2(d)(iii)

³ If not elected by Western to purchase additional quantity, SDCWA may, at its discretion, direct delivery of Remainder Quantity during this time period.

Exhibit D – Scheduling Protocols

	MWD to elect to exercise, or not exercise, its Second Right of Refusal per Paragraph 3.2(d)(ii)(B) of the Exchange Agreement. ⁴
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Notwithstanding the schedule noted above, the Parties may agree to different time periods for upon mutual written agreement of SDCWA's General Manager and Western's General Manager.

⁴ If not elected by Western to purchase additional quantity, SDCWA may, at its discretion, direct delivery of Remainder Quantity during this time period.