

WORKSHOP MEETING OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
BOARD OF DIRECTORS WITH METROPOLITAN DIRECTORS
18700 Ward Street, Conference Room 101, Fountain Valley, California
March 4, 2026, 8:30 a.m.

Teleconference Sites:
17420 Walnut Street, Fountain Valley, CA 92708
866 W Peachtree St NW, Atlanta, GA 30308

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Computer Audio: You can join the Zoom meeting by clicking on the following link:
<https://zoom.us/j/8828665300>

Telephone Audio: (669) 900 9128
Webinar ID: 882 866 5300#

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS

At this time members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present a unanimous vote).

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO THE MEETING

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than 72 hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Website, accessible at <http://www.mwdoc.com>.

NEXT RESOLUTION NO. 2169

PRESENTATION ITEM

- 1. METROPOLITAN BIENNIAL BUDGET OVERVIEW (PRESENTATION BY METROPOLITAN STAFF)**

Recommendation: Receive and file the presentation.

DISCUSSION ITEMS

2. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (Natural Resource Results)
- b. State Legislative Report (West Coast Advisors)
- c. Legal and Regulatory Report (Ackerman)
- d. County Legislative Report (Whittingham)
- e. MWDOC Legislative Matrix
- f. Metropolitan Legislative Matrix

Recommendation: Review and discuss the information presented.

3. QUESTIONS OR INPUT ON METROPOLITAN ISSUES FROM THE MEMBER AGENCIES/METROPOLITAN DIRECTOR REPORTS REGARDING METROPOLITAN COMMITTEE PARTICIPATION

Recommendation: Receive input and discuss the information presented.

ACTION ITEM

4. SENATE BILL 872 (McNERNEY) – CLIMATE CHANGE: FUNDING PRIORITIES

Recommendation: Adopt a support position on Senate Bill 872 (McNerney)

INFORMATION ITEMS

5. METROPOLITAN ITEMS CRITICAL TO ORANGE COUNTY

- a. Metropolitan’s Finances
- b. Metropolitan’s Water Supply Condition Update
- c. Metropolitan’s Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

6. METROPOLITAN BOARD AGENDA DISCUSSION ITEMS

- a. Summary regarding February Metropolitan Board Meeting
- b. Review items of significance for the Metropolitan Board Agenda

ADJOURNMENT

Note: Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting Angela Crespi, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at 18700 Ward Street, Unit B, Fountain Valley, CA 92708. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.



PRESENTATION ITEM

March 4, 2026

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Melissa Baum-Haley, Assistant General Manager
Jared Dawson, Water Resources Analyst

SUBJECT: METROPOLITAN BIENNIAL BUDGET OVERVIEW (PRESENTATION BY METROPOLITAN STAFF)

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive the presentation.

REPORT

Purpose

Municipal Water District of Orange County (MWDOC or District) staff invited Metropolitan Water District of Southern California (Metropolitan) Chief Financial Officer/Assistant General Manager Katano Kasaine, along with other key Metropolitan financial staff, to present on the Proposed Biennial Budget for Fiscal Years (FY) 2026-27 and 2027-28.

Background

Every two years, Metropolitan embarks on its Biennial Budget, along with the associated rates and charges, and prepares a ten-year forecast. The [Proposed Biennial Budget](#) is for FYs 2026-27 and 2027-28 and includes proposed water rates and charges for calendar year (CY) 2027 and CY 2028 to meet the revenue requirements, a ten-year financial forecast, and the Cost-of-Service Report supporting the proposed rates and charges.

The process of evaluating and considering the proposal began with [Workshop #1](#) on February 10 and [Workshop #2](#) on February 24. Two additional Board of Directors (Board) workshops and a public hearing are planned, with final consideration for adoption of the Biennial Budget on April 14, 2026.

Discussion

The Proposed Biennial Budget appropriates \$2.72 billion for FY 2026-27 and \$2.92 billion for FY 2027-28, requiring revenue from rates and charges of \$1.72 billion and \$1.83 billion in each year, respectively. Budget appropriations represent the total anticipated costs, while revenue requirements represent the amount to be recovered from rates and charges, after the application of property taxes, investment income, and other sources of revenue.

The proposed overall rate increase for CYs 2027 and 2028 are 9.5% and 9.5%, respectively, representing 19% over the two-year biennium. These increases are driven by funding of essential operations to maintain system reliability, supporting a growing and aging capital program, and providing funding for the 45 million gallon per day (MGD) Stage 1 Pure Water Southern California (Pure Water) project.

The rate and charges for increases of 9.5% effective on January 1, 2027, and 9.5% effective on January 1, 2028, are proposed to cover the costs in the Proposed Biennial Budget for FYs 2026-27 and 2027-28, meet financial policy guidelines apart from revenue bond coverage, and maintain steady rates for the future. The proposed increases in rates and charges ensure that Metropolitan continues to make progress toward meeting all coverage targets. The specific elements of the proposed rate increase effective January 1, 2027, and 2028 are shown in the table below.

The rates and charges for FY 2026-27 are based on the estimated revenue requirements of \$1.72 billion and are based on total water transactions of 1.21 million acre-feet (MAF), of which 621 thousand acre-feet (TAF) is treated full-service water, 367 TAF is untreated full-service water, and the remaining 227 TAF is projected exchange transactions with the San Diego County Water Authority (SDCWA).

The rates and charges for FY 2027-28 are based on the estimated revenue requirements of \$1.83 billion and are based on total water transactions of 1.29 MAF, of which 690 TAF is treated full-service water, 372 TAF is untreated full-service water, and the remaining 227 TAF is projected exchange transactions with SDCWA.

| Rates & Charges Effective January 1st | Current | | Proposed | | Proposed | | |
|--|----------------|----------------|---------------|---------------|----------------|--------------|--------------|
| | 2026 | 2027 | Inc | % Δ | 2028 | Inc | % Δ |
| Supply Rates (\$/AF) | \$313 | \$440 | \$127 | 40.6% | \$488 | \$48 | 10.9% |
| System Access Rate (\$/AF) | \$492 | \$493 | \$1 | 0.2% | \$560 | \$67 | 13.6% |
| System Power Rate (\$/AF) | \$179 | \$155 | (\$24) | (13.4%) | \$154 | (\$1) | (0.6%) |
| Full Service Untreated Volumetric (\$/AF) | \$984 | \$1,088 | \$104 | 10.6% | \$1,202 | \$114 | 10.5% |
| Treatment Surcharge (\$/AF) | \$544 | \$382 | (\$162) | (29.8%) | \$411 | \$29 | 7.6% |
| Full Service Treated Volumetric (\$/AF) | \$1,528 | \$1,470 | (\$58) | (3.8%) | \$1,613 | \$143 | 9.7% |
| Treatment Peaking Capacity Charge (\$/CFS) | | \$33,100 | | | \$21,800 | (\$11,300) | (34.1%) |
| Treatment Used Standby Capacity Charge (\$/AF) | | \$16 | | | \$148 | \$132 | 825.0% |
| Treatment Remaining Capacity Charge (\$/AF) | | \$75 | | | \$68 | (\$7) | (9.3%) |
| Capacity Charge (\$/CFS) | \$14,500 | \$17,900 | \$3,400 | 23.4% | \$21,400 | \$3,500 | 19.6% |
| Total Readiness-to-Serve Charge (\$M)* | \$188 | \$237 | \$49 | 26.1% | \$254 | \$17 | 7.2% |
| Overall Rate Increase | | | | 9.5% | | | 9.5% |

* Each member agency pays a portion of the Readiness-to-Serve Charge based on its proportionate share of the ten-year average of firm purchases.

Baseline Budget

Metropolitan's proposed rate increases for CY 2027 and CY 2028 begin with the baseline Biennial Budget, which reflects previously approved Metropolitan Board actions and updated assumptions. These include the 70% exceedance water sales methodology, the Second Amended and Restated SDCWA-Metropolitan Exchange Agreement updated pricing model, Department of Water Resources (DWR) credits, and zero-emission vehicle (ZEV) program financing. Subsequent refinements reflect revised water transactions, updated State Water Project (SWP) and Colorado River Aqueduct (CRA) power costs and post-2026 Colorado River supply assumptions, updated property tax revenue estimates, and refinements to the Local Resources Program and non-rate revenues.

| Calendar Year | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|------|------|------|------|------|------|------|------|------|------|
| Baseline Budget | 7.5% | 7.5% | 6.5% | 6.5% | 5% | 5% | 4.5% | 4.5% | 4% | 4% |
| Incremental Drivers | | | | | | | | | | |
| Proposed Increase Base CIP | 0.5% | 1.0% | 0.5% | 0.5% | 1% | 1% | 0.5% | 0.5% | 1% | 1% |
| Proposed Operating Equipment | 0.4% | | | | | | | | | |
| Proposed Staffing | 0.6% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | | | | |
| Proposed 45-MGD PWSC | 0.5% | 0.5% | 1.5% | 1.5% | 2.5% | 2.5% | 4% | 4% | 4% | 4% |
| Proposed Budget (Baseline + Incremental Drivers) | 9.5% | 9.5% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% |

Incremental Budget Drivers

Building on the baseline, Metropolitan staff incorporated incremental requirements to support ongoing operations, maintain reliability, and advance planned reinvestment and workforce needs. These incremental drivers result in proposed increases of 9.5% in CY 2027 and CY 2028 and fall into three primary categories:

Proposed Increase Base Capital Improvement Program (CIP). The Proposed Biennial Budget reflects \$950 million in funding for the base CIP over the biennium, consisting of \$450 million in FY 2026-27 and \$500 million in FY 2027-28, not including Pure Water project expenditures. This level of investment is driven by the need to maintain Metropolitan's existing infrastructure, address deferred refurbishment and replacement of aging assets, meet regulatory compliance requirements, and sustain reliable operation of Metropolitan's regional water system.

Proposed Staffing. The proposed budget for FYs 2026-27 and 2027-28 includes 87 Operations and Maintenance positions, ten Capital positions related to CIP refurbishment and replacement projects, and eight Capital positions for the Pure Water project. These positions were identified through a Staffing Needs Analysis that incorporated operational risk assessments, input from Metropolitan's Executive Team, historical unfunded position requests, the 2024 Workplace Assessment, and, where possible, feedback from Metropolitan's bargaining units.

The analysis also considered staffing needs extending beyond the current biennium and into the next two budget cycles.

Proposed 45-MGD Pure Water. The Proposed Biennial Budget assumes approval and construction of the 45-MGD Stage 1 Pure Water project over the ten-year financial forecast. Over the biennium, the proposed budget funds final design, permitting, and initial construction activities, with total biennial Pure Water expenditures estimated at \$150 million, or approximately \$58.2 million net of grant funding.

Beyond the biennium, Pure Water is reflected in Metropolitan's ten-year CIP forecast, with total capital expenditures for the 45-MGD Stage 1 project estimated at approximately \$3.6 billion before grants. Spending is relatively modest in the early years, increases significantly during peak construction in the early 2030s, and tapers as the facility approaches completion.

Budget Highlights

The following items represent key policy decisions and external factors that have shaped the Proposed Biennial Budget and are highlighted for the Board's awareness:

Colorado River Post-2026 Reductions. The expiration of the current Colorado River operating guidelines in 2026 and the transition to post-2026 operating rules are expected to reduce the reliability of Metropolitan's Colorado River supplies. The Proposed Biennial Budget reflects this updated outlook and assumes approximately 654 TAF of CRA diversions for FY 2026-27 and 558 TAF of CRA diversions for FY 2027-28, consistent with emerging post-2026 conditions.

Treatment Capacity Fixed Charges for Treated Water. In July 2025, the Metropolitan Board approved a treated water cost recovery rate structure to be used in developing the Biennial Budget and associated rates and charges. The approved structure transitions Metropolitan from a fully volumetric treatment surcharge to a hybrid framework that recovers up to 30% of treatment revenue requirements through fixed Treatment Capacity Charges, with the remaining approximately 70% recovered through volumetric charges based on treated water deliveries.

Water Sales Forecast Methodology. In July 2025, the Metropolitan Board adopted a policy to use a more conservative water sales forecast for budget development and rate setting, approving the use of a 70% exceedance level for the upcoming biennium and an 80% exceedance level thereafter. Setting an exceedance level means forecasting water transactions at an amount that Metropolitan anticipates will be met or exceeded at that probability level. At 70%, the water transactions forecast is projected to be met or exceeded 70% of the time. This approach reduces downside financial risk and lowers the likelihood of mid-biennium shortfalls, while increasing near-term unit costs because fixed costs are recovered over fewer projected sales.

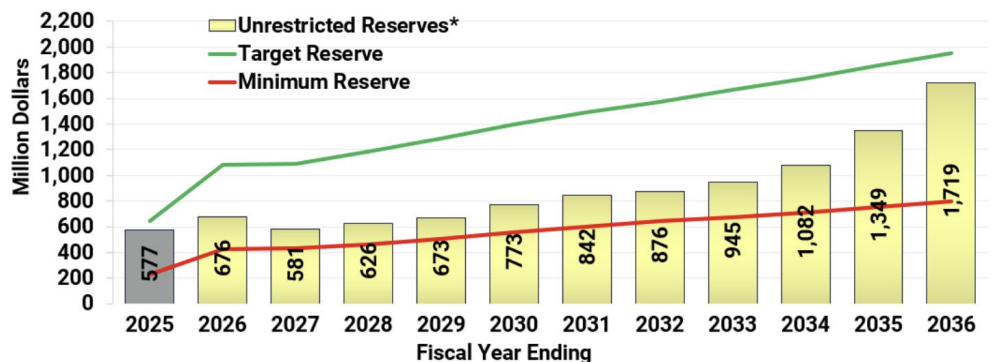
Ad Valorem Property Tax Revenues. The Proposed Biennial Budget keeps the assumed property tax rate unchanged at 0.007% of assessed valuation (approximately \$7 per \$100,000 of assessed value). The projected ad valorem property tax revenues are approximately \$407.7 million in FY 2026-27 and \$424.7 million in FY 2027-28. This compares to the FY 2025-26 budget of \$333.8 million and the latest FY 2025-26 projection of \$395.6 million. The increase reflects updated assessed valuation data within Metropolitan’s service area.

SDCWA-Metropolitan Exchange Agreement. Revenue assumptions in the Proposed Biennial Budget reflect the amended and restated Exchange Agreement between Metropolitan and SDCWA, effective June 2, 2025. Under the agreement, SDCWA makes a fixed baseline exchange payment set at the exchange unit price multiplied by 227 TAF, paid in equal monthly installments and due regardless of whether SDCWA takes the full baseline quantity in a given year. The Proposed Biennial Budget reflects this fixed baseline payment as a stabilizing non-rate revenue source. If SDCWA exchanges more than 227 TAF, and up to 277.7 TAF under the contract, it pays the exchange unit price, which is considered volumetric revenue for Metropolitan.

Ten-Year Financial Forecast

Overall rate increases over the ten-year forecast period reflect lower projected water transactions, higher projected costs, and the inclusion of Pure Water implementation costs beginning in FY 2026-27. Near-term Pure Water costs in the biennium are modest and substantially offset by grant funding, with larger financial impacts increasing over time as the project advances through peak construction. Metropolitan's annual expenditures are expected to increase from \$2.4 billion in FY 2026-27 to \$4.2 billion by FY 2035-36, representing an average annual increase of approximately 6 percent. Capital investments over the same period are expected to total approximately \$9.2 billion.

Proposed Budget (w/45 MGD Pure Water)
Projected Rate Increase and Financial Metrics



| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Overall Rate Inc. | 8.5% | 8.5% | 9.5% | 9.5% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% |
| Water Transaction (MAF) | 1.34 | 1.23 | 1.21 | 1.29 | 1.29 | 1.29 | 1.29 | 1.29 | 1.29 | 1.30 | 1.31 | 1.32 |
| Rev. Bond Cvg | 2.5 | 2.1 | 1.7 | 1.9 | 1.9 | 2.1 | 2.2 | 2.1 | 2.3 | 2.3 | 2.4 | 2.5 |
| CIP, \$M | 300 | 307 | 492 | 608 | 768 | 900 | 1,226 | 1,503 | 1,303 | 933 | 816 | 684 |
| PAYGO, \$M | 175 | 205 | 185 | 210 | 245 | 300 | 360 | 455 | 480 | 493 | 506 | 520 |
| Prop Tax Rate (%) | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 |

Next Steps

The following sets forth the proposed schedule for Metropolitan's Proposed Biennial Budget and revenue requirements for FYs 2026-27 and 2027-28, and proposed water rates and charges for CYs 2027 and 2028.

| Date | Related Activity |
|----------------|--|
| March 4, 2026 | MWDOC Joint Board Workshop – Metropolitan Staff Presentation on Budget |
| March 10, 2026 | Metropolitan Finance, Affordability, Asset Management, and Efficiency Committee (FAAME), Workshop #3 and public hearing on proposed rates and charges |
| March 24, 2026 | Metropolitan FAAME Committee, Workshop #4 |
| April 1, 2026 | MWDOC Joint Board Workshop – Metropolitan Budget Updates Item |
| April 14, 2026 | Metropolitan Board ACTION regarding Biennial Budget for FYs 2026-27 and 2027-28, rates and charges for CYs 2027 and 2028, and Ten-Year Financial Forecast |

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- Clarifying MWDOC's mission and role; defining functions and actions.*
- Balance support for Metropolitan's regional mission and OC values and interests.*
- Strengthen communication and coordination of messaging.*
- Work with member agencies to develop water supply and demand objectives.*
- Solicit input and feedback from member agencies.*
- Invest in workforce development and succession planning.*

Attachments/Links:

Link 1: Metropolitan Proposed Biennial Budget <https://go.mwdoc.com/GxBzry>

Link 2: Metropolitan Workshop #1 Presentation <https://go.mwdoc.com/dHiV9P>

Link 3: Metropolitan Workshop #2 Presentation <https://go.mwdoc.com/qNJMYD>



To: Board of Directors, *Municipal Water District of Orange County*
From: Natural Resource Results
RE: Monthly Board Report – March 2026

CA Water Legislation

Congressman Vince Fong (R-CA) is circulating a discussion draft of legislation that would modify certain aspects of California’s water system. The bill would:

- Direct the Bureau of Reclamation to operate the Central Valley Project (CVP) in a manner that maximizes water deliveries to contractors;
- Deem the Central Valley Project Improvement Act (CVPIA) complete;
- Establish a maximum end-of-year storage target of 1.9 million acre-feet in Lake Shasta; and
- Authorize \$1 billion for water infrastructure projects.

A section-by-section summary prepared by Congressman Fong’s office, is attached to this report.

Delta Conveyance Project (DCP)

A group of California Members of Congress recently sent a letter to the U.S. Army Corps of Engineers (Corps) urging the agency to deny federal permits for the Delta Conveyance Project (DCP) in its Record of Decision (ROD). The letter was signed by Representatives Harder (D-CA), Garamendi (D-CA), Bera (D-CA), Matsui (D-CA), and DeSaulnier (D-CA). A copy of the letter is attached to this report.

Additionally, Representative Garamendi raised the issue during a recent House Transportation and Infrastructure Committee hearing, where he again urged the Corps to deny the necessary permits. Lt. Gen. William H. “Butch” Graham, Jr., Chief of Engineers and Commanding General of the Corps, testified alongside Adam Telle, Assistant Secretary of the Army for Civil Works.

Lt. Gen. Graham responded that the Corps’ jurisdiction is limited to project impacts on Waters of the United States under its Section 404 permitting authority. He also committed to providing a timeline for the supplemental Environmental Impact Statement (EIS) for the DCP following the hearing.

Lower Colorado River Multi-Species Conservation Bill Passes Committee

On February 4, the Senate Committee on Energy and Natural Resources (ENR) advanced Sen. Padilla's bipartisan legislation to support Lower Colorado River Multi-Species Conservation Program (LCR MSCP) activities. The bill passed out of committee by voice vote without opposition. Rep. Ken Calvert (R-CA) introduced companion legislation in the House, which advanced through the House Natural Resources Committee last July.

The bill would increase the funding available for species conservation by creating an interest-bearing account at the Department of the Treasury for funds that the Colorado River Lower Basin states and the federal government contribute to the LCR MSCP.

DISCUSSION DRAFT H.R. ___

Section-by-Section

Sec. 1 – Central Valley Project And California State Water Project Operations

Like other provisions of statutes enacted by Congress, e.g. section 3406(b) of the Central Valley Project Improvement Act (Pub. Law 102-575, 106 Stat. 4714), this section provides congressional direction on how the Central Valley Project will be operated to meet various project purposes, including operations to provide water for irrigation, municipal and industrial use, and protection and propagation of fish and wildlife.

Sec. 1 (a) – Central Valley Project.

(A) This subsection provides that the Central Valley Project shall be operated to comply with the requirements of Water Rights Decision 1641, which was adopted by the California Water Resources Control Board to implement the water quality control plan adopted by the Water Board to protect the beneficial uses of water, including fish and wildlife protection.

(B) Under the legislation, the requirements of Decision 1641 may be modified only to the extent such modifications, based on a determination by the Secretary of the Interior (Secretary), (i) will not decrease the ability of the Central Valley Project to make water available for consumptive uses and, (ii) based on the best scientific and commercial data available, are not likely to jeopardize the continued existence of any species listed as endangered or threatened pursuant to section 4 of the Endangered Species Act.

(2) This section also provides direction to operate Shasta Dam, the largest reservoir in the Central Valley Project, to maximize water supply for consumptive uses, but authorizes the Bureau of Reclamation to target end of water-year storage in Shasta Reservoir levels to protect anadromous fish species up to 1.9 million acre-feet. In the event Shasta Dam is enlarged, the legislation provides that the additional storage will be managed for the protection of anadromous fish that spawn below Shasta Dam. Reclamation would also be authorized to increase the end of water year target storage by an amount equivalent to the additional volume of water stored in Shasta Reservoir as a result of the Dam's enlargement. Because the use of new storage created by the enlargement of Shasta Dam would be dedicated exclusively to fish and wildlife purposes, the costs associated with the planning and construction of the Shasta Dam enlargement project would be a nonreimbursable Federal expenditure;

(3) This section directs that releases of water from the Trinity Division for the preservation and propagation of fish and wildlife and to make water available under any contract executed pursuant to Section 2 of the 1955 Act authorizing construction, operation, and maintenance of the Trinity River Division shall not

exceed the schedule of flow established by the December 19, 2000, Trinity River Mainstem Fishery Restoration Record of Decision;

(4) This subsection limits releases from the Friant Division for the protection of fish and wildlife resources to the flow regimes approved by the Stipulation of Settlement, dated September 13, 2006, entered in the litigation entitled Natural Resources Defense Council, et al. v. Rodgers, et al., United States District Court, Eastern District of California, No. CIV. S-88-1658- LKK/GGH.

Sec. 1 (b) – California State Water Project.

Operations of the California State Water are coordinated with operations of the Central Valley Project pursuant to section 103 of Pub. Law 99-546 (100 Stat. 3051). Because of these coordinated operations, the California State Water project has complied with the Endangered Species Act of 1973 (16 U.S.C. §§ 1531, et seq.) by relying, as a co-applicant, on consultations conducted pursuant to section 7 of the Endangered Species Act by the Bureau of Reclamation for operations of the Central Valley Project. This legislation would provide that operations of the California State Water Project to comply with the requirements of Decision 1641 would satisfy the requirements of the Endangered Species and the Clean Water Act (33 U.S.C §§ 1251, et seq.). The legislation would not, however, limit the authority of the State of California from imposing new restrictions on operations of the State Water Project under state law. If new restrictions were imposed on operations of State Water Project, the operator of the State Water Project, the California Department of Water Resources, would be required to obtain a permit for continued operation of the Project pursuant to section 10 of the Endangered Species Act.

Sec. 2 – Allocations To Central Valley Project Water Contractors

This section of the legislation provides congressional direction to the Bureau of Reclamation concerning allocations of Central Valley Project water to agricultural water service or repayment contractors, municipal and industrial water service or repayment contractors, water rights settlement contractors, exchange contractors, and refuge contractors. It directs that, except as limited by section 1 of this Act, the Central Valley Project shall be operated to maximize the quantity of water to be made available to the contractors, under the terms related to the quantity of water to be made available of their respective contracts. date.

Sec. 2 (b) – Minimum Allocations.

Consistent with prior congressional enactments establishing minimum allocations for certain classes of contracts, (see Central Valley Project Improvement Act of 1992, section 3406(d)(1), (Public Law 102-575, 106 Stat. 4722)), this Act would prescribe minimum allocations in different water year types for Central Valley Project agricultural water service or repayment contractors. The legislation would ensure, however, that the direction concerning minimum allocations for Central Valley Project

agricultural water service or repayment contractors would not reduce the water supply of other contractors.

Sec. 2 (c) – Above Normal; Below Normal; Critical; Dry; Wet.

Water year types would be based on the historical classification of “Wet,” “Above Normal,” “Below Normal,” “Dry,” and “Critical” water years established by the Sacramento Valley Water Year Type (40–30–30) Index.

Sec. 3 – Compliance With The Central Valley Project Improvement Act

This subsection directs that operations of the Central Valley Project consistent with section 1(a) of the Act satisfies the fish and wildlife restoration purposes of sections 3406(b) and (c) of the Central Valley Project Improvements Act of 1992 (Public Law 102–575; 106 Stat. 4714, 4721).

Sec. 3 (b) – Water Conveyance Facilities.

This subsection directs that construction of water conveyance facilities and wells described in section 3406(d)(5) of the Central Valley Project Improvements Act of 1992 (Public Law 102–575; 106 Stat. 4723) shall be completed by a date certain and thereafter, the fish, wildlife and habitat mitigation and restoration actions under section 3406 of the Central Valley Project Improvement Act (Public Law 102-575; 106 Stat. 4714) shall be deemed complete. This would result in a reduction of restoration fund fees collected pursuant to section 3407(d)(2)(A), except for restoration fund fees collected from Friant Division contractors, which would remain at the levels established by section 10009 of the San Joaquin River Restoration Settlement Act (Public Law 111-11; 123 Stat. 1355).

Sec. 3 (c) – Secretarial Obligations.

This subsection provides that nothing in the Act is intended to affect the Secretary’s obligation to make water available to managed wetlands under section 3406(d) of the Central Valley Project Improvement Act (Public Law 102-575, 106 Stat. 4722).

Sec. 4 – Native Fish And Wildlife Conservation Actions

This section of the Act would authorize the Secretary to undertake actions that the Secretary determines are feasible, based on the best scientific and commercial data available, to contribute to the conservation of a listed species, to prevent the listing of a species, and to preserve the native fish and wildlife species in the Sacramento – San Joaquin Rivers Delta watershed. Consistent with sharing formulas for fish and wildlife enhancement actions authorized or directed by the Central Valley Project Improvement Act, this Act establishes a cost sharing formula with the State of California for costs associated with planning, construction, or other implementation

of fish and wildlife enhancement actions authorized by this Act. This section also provides that the fish and wildlife enhancement actions undertaken pursuant to this authority shall not reduce the delivery capability of the Central Valley Project, the California State Water Project, or water supply infrastructure operated by any water right holder in the State of California.

Sec. 5 – Authorized Appropriations And Reclamation Infrastructure Improvements

The Act would authorize appropriations of \$1,000,000,000 to carry out this Act, including construction and associated activities for the restoration or increase of the capacity or use of existing conveyance facilities constructed by the Bureau of Reclamation and the construction of facilities to increase the capacity of existing surface water storage facilities of the Bureau of Reclamation.

Sec. 6 – General Provisions

This section provides for: (a) the coordination of activities with public water agency that contracts for the delivery of water from the Central Valley Project; (b) a standard for scientific determinations to be made by the Secretary; (c) the protection of rights and obligations under the San Joaquin River Exchange Contract; (d) the preservation of flood control operations of the Central Valley Project; and, (e) the preservation of the authority of the State of California to impose restrictions on operations of the California State Water Project under State law.

Sec. 7 – Definitions

This section provides definitions for the terms “Decision 1641,” “Delivery Capability,” and “Secretary.”

Congress of the United States

Washington, DC 20515

February 3, 2026

Lieutenant General William H. Graham, Jr.
Chief of Engineers and Commanding General
U.S. Army Corps of Engineers
441 G Street NW
Washington, DC 20314

Dear Lieutenant General Graham,

As members of the Sacramento-San Joaquin Delta Congressional Delegation, we write today to urge the U.S. Army Corps of Engineers (Corps), in its forthcoming Record of Decision, to deny the federal permits required for the State of California's proposed Delta Conveyance Project, also known as the Delta Tunnel.

The Sacramento-San Joaquin Delta is the largest freshwater tidal estuary on the West Coast which supports irreplaceable agricultural lands, vital flood control infrastructure, and the livelihoods of millions of Californians. The Delta Tunnel would permanently alter this ecosystem through the construction of massive new intakes on the Sacramento River, extensive tunneling in Delta communities, and over a decade of disruptive construction activity. Even with proposed mitigation, the Final EIS acknowledges that the Delta Tunnel Project would result in significant adverse impacts, including permanent degradation of Delta landscapes, conversion of important agricultural lands, and substantial impacts to aquatic resources and habitats.

Of particular concern are the clear risks to the integrity and reliability of levees and other flood control features that protect Delta communities and the broader Central Valley from catastrophic flooding. Approving permits for a project harming water quality and flood control infrastructure stands in direct opposition to the Corps' statutory obligations. In addition to its environmental and public safety impacts, the Delta Tunnel Project is a major economic burden costing tens of billions of dollars without creating a single new drop of water for Californians. Instead, it would divert scarce resources away from more cost-effective, broadly supported water resilience strategies, such as levee improvements, groundwater recharge, and regional supply investments that enhance reliability without sacrificing the Delta.

It is clear that the Delta Tunnel Project would cause substantial and unavoidable harm to the Delta and its communities. Throughout this process, Delta residents, local governments, tribes,

farmers, and small businesses have consistently raised concerns that their voices have not been meaningfully incorporated into decision-making. For these reasons, we strongly urge the Army Corps of Engineers to deny the permits for the Delta Tunnel Project in its forthcoming Record of Decision.

Thank you for your time and consideration.

Sincerely,



Josh Harder
Member of Congress



John Garamendi
Member of Congress



Ami Bera, M.D.
Member of Congress



Mark DeSaulnier
Member of Congress



Doris Matsui
Member of Congress

**February 2, 2026****To:** Municipal Water District of Orange County**From:** Michael Boccadoro
Beth Olhasso**RE:** February Report

Overview:

A massive storm helped slow the early melt that was occurring in the sierras during “Dry January” as water managers are calling the precipitation-free month. While the storm brought upwards of 11 feet of snow to the sierras, overall snowpack is still in less than optimal condition. Currently, the snowpack sits at just 60 percent of April 1 average and 73 percent of normal for this date, with new storms expected as February comes to a close.

Reservoir levels remain strong, as much of the melting snow has been captured and reservoirs are being managed for flood control. Lake Oroville is sitting at 80 percent capacity, 126 percent of normal; Lake Shasta is sitting at 79 percent of capacity, 112 percent of average; while San Luis Reservoir is at 83 percent of capacity, 105 percent of average for this time of year.

The State Water Contractors have released its annual report highlighting targeted investments in research that will help more adaptively manage water throughout the state. Key projects included research on how pesticides are affecting juvenile salmon; river temperature forecasting; and fish movements near export facilities.

Good news is being shared on the Bay-Delta Plan Update. The State Water Resources Control Board has indicated that there are unlikely to be any major revisions to the long-awaited update. Adoption is on track for the fall.

For the third year in a row, the Governor proposed not only cutting staff positions funded by the General Fund, but also staff funded by “special funds,” or fee-based positions. The Legislature rejected many of these cuts in the 2025-26 budget, yet they are back again this year. The Legislative Analyst’s Office (LAO) has released a report outlining the risks of eliminating these positions.

The LAO has also revised its budget outlook after several months of significantly higher revenues coming into the state. While the revenues will not address all of the fiscal issues plaguing the state, the strong returns will help ease some of the cuts necessary to balance a budget.

A record low number of bills was introduced ahead of the February 20 bill introduction deadline. Legislation on Golden Mussels, Proposition 218, groundwater recharge, subsidence and conveyance repairs, low-income rate assistance and data centers will all start to work their way through the legislative process in the coming months. Bills must be in print for 30 days before they can be heard in committee.

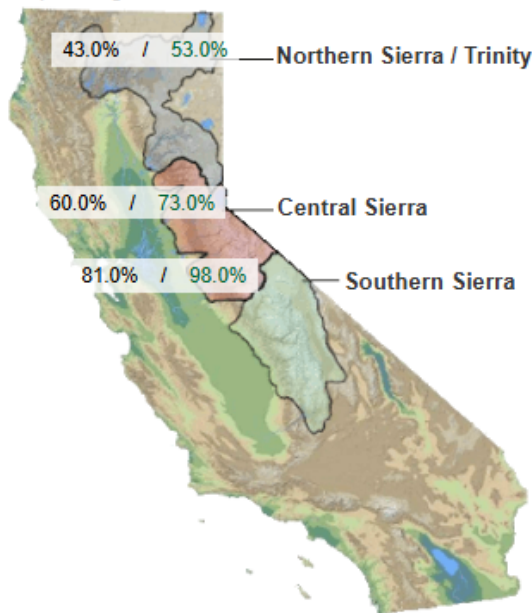
Municipal Water District of Orange County Status Report – February 2026

Water Supply Conditions

While the snowpack has rebounded to 73 percent of normal, most of that snow is in the Southern Sierra (98 percent normal). The northern Sierra, which replenishes the state’s major storage reservoirs, is at 53 percent of normal and just 43 percent of April 1 average. Another storm, this time a warmer atmospheric river, is predicted to hit the northern part of the state in coming days. Water managers are hoping it doesn’t melt too much snow.

Reservoirs are still being managed for flood control, as a result there is little room to store additional runoff should warm precipitation melt a lot of snow. San Luis reservoir is at 105 percent of historical average and 83 percent capacity. Lake Oroville is at 80 percent capacity, 126 percent of normal; Lake Shasta is sitting at 79 percent of capacity, 112 percent of average for this time of the year.

% Apr 1 Avg. / % Normal for this Date



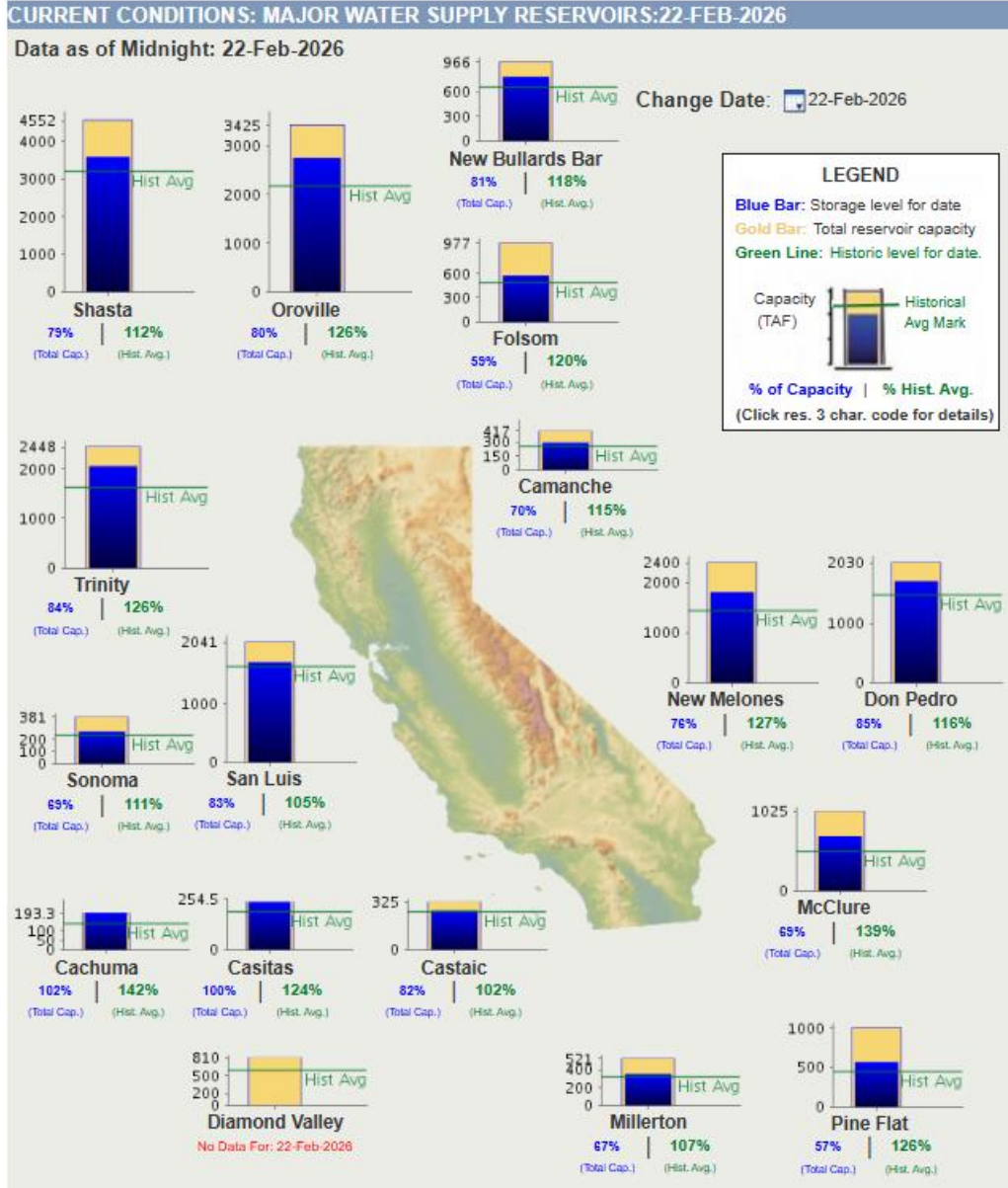
Change Date :

| NORTH | |
|---------------------------------|-------|
| Data For: 23-Feb-2026 | |
| Number of Stations Reporting | 33 |
| Average snow water equivalent | 11.6" |
| Percent of April 1 Average | 43% |
| Percent of normal for this date | 53% |

| CENTRAL | |
|---------------------------------|-------|
| Data For: 23-Feb-2026 | |
| Number of Stations Reporting | 54 |
| Average snow water equivalent | 16.7" |
| Percent of April 1 Average | 60% |
| Percent of normal for this date | 73% |

| SOUTH | |
|---------------------------------|-------|
| Data For: 23-Feb-2026 | |
| Number of Stations Reporting | 26 |
| Average snow water equivalent | 19.8" |
| Percent of April 1 Average | 81% |
| Percent of normal for this date | 98% |

| STATEWIDE SUMMARY | |
|---------------------------------|-------|
| Data For: 23-Feb-2026 | |
| Number of Stations Reporting | 113 |
| Average snow water equivalent | 16.0" |
| Percent of April 1 Average | 60% |
| Percent of normal for this date | 73% |



State Water Contractors Release Science Report

The State Water Contractors (SWC) has released its 2024–25 Science Report, highlighting another year of targeted investments in research designed to improve water management across California.

The annual report outlines how the SWC Science Program is advancing “actionable science” to inform operations of the State Water Project and support ecosystem health in the Sacramento-San Joaquin Delta. Since launching in 2018, the program has invested more than \$16 million in management-relevant research, with approximately \$3.2 million allocated this fiscal year alone. More than half of this year’s funding focused on habitat and ecology, with additional investments addressing non-operational stressors, Delta outflow, and science development. A smaller portion supported compliance-related efforts.

Among the featured projects:

- **Pesticides and Salmon Health:** Researchers are developing models to understand how mixtures of pesticides may affect juvenile Chinook salmon behavior and survival, particularly their vulnerability to predators.
- **River Temperature Forecasting:** New predictive tools aim to help managers anticipate temperature changes under current and future climate conditions—critical for temperature-sensitive fish species.
- **Fish Movement Near Export Facilities:** Studies are examining how environmental conditions influence salmon distribution and mortality near major water export pumps, providing insight into potential operational improvements.

Beyond research funding, the SWC Science Program continues to emphasize collaboration and transparency. Staff participated in scientific panels and conferences, supported partner initiatives such as those led by the Delta Stewardship Council, and worked to share findings with agencies and policymakers.

Looking ahead, the program plans to launch a new online Science Portal to make research more accessible, host a 2026 Spring Symposium focused on contaminants and ecological management, and roll out a new outreach series, “Nerdy by Nature,” to spotlight emerging science. Overall, the 2024–25 report underscores SWC’s continued commitment to bridging science and water management—ensuring that research directly informs decisions affecting both California’s water supply reliability and the health of its ecosystems.

Bay-Delta Plan on Track

A long-awaited update to California’s Bay-Delta Plan is moving toward potential adoption this fall, with no major changes expected from the proposal released in December.

State Water Resources Control Board staff are reviewing thousands of public comments to determine whether refinements to the basin plan amendment language or environmental analysis are needed. So far, staff have indicated that only technical refinements — not sweeping revisions — appear likely. Updated basin plan language will be released for public comment, but no new comments will be accepted on the staff report itself.

The board is aiming to complete its work in time for members to consider adoption in the fall, though specific release dates have not been finalized.

The proposal has highlighted ongoing tensions between environmental groups and regional water agencies. Conservation advocates argue the plan should establish firm, enforceable minimum flow requirements, while water agencies favor voluntary agreements as the primary implementation strategy. A recent three-day hearing underscored those divisions.

Although the formal public comment period has closed, staff remain open to meeting with stakeholders.

State officials have spent years working to update flow and habitat rules for the Sacramento River and Delta. The Sacramento–Delta portions of the Bay-Delta Plan have not been

significantly revised since the mid-1990s, and the San Joaquin River section was last updated in 2018.

Legislative Analyst Office Weighs in on Governor’s Staffing Cuts Proposal

Legislators are once again weighing a proposal from the Governor to eliminate hundreds of vacant environmental positions as part of the state’s 2026–27 budget — a move that could save tens of millions of dollars annually but raises concerns about long-term impacts to environmental programs and delay issuing of permits and other regulatory actions needed to move water and wastewater throughout the state.

In a new report, the Legislative Analyst’s Office (LAO) reviews the Governor’s proposal to permanently eliminate 349 unfilled environmental positions across multiple state departments. The administration estimates the change would save roughly \$45 million per year, including about \$19 million from the General Fund and \$25 million from special funds.

However, the Joint Legislative Budget Committee has already expressed reservations, declining to concur with the proposed eliminations. Lawmakers have raised concerns that even vacant positions can represent critical capacity — particularly in areas such as environmental permitting, pollution enforcement, and natural resource management.

The LAO notes that eliminating these roles could reduce the state’s flexibility to respond to future workload demands or statutory obligations. While some of the positions have remained unfilled for extended periods, they were originally authorized to support ongoing environmental protection efforts.

In its recommendations, the LAO advises the Legislature to maintain 216 positions funded through special funds, since preserving them would not directly affect the General Fund. For the remaining 133 General Fund-supported positions, the LAO suggests lawmakers weigh the value of maintaining environmental capacity against the state’s broader budget challenges. The debate underscores a familiar tension in Sacramento: balancing fiscal discipline with the state’s environmental commitments. As budget negotiations continue, lawmakers will need to decide whether near-term savings justify potential reductions in long-term program capacity.

State Revenue Update: Strong Tax Collections Lift Current Outlook — But Risks Loom

California’s revenue picture has brightened in the near term, according to a new forecast from the LAO, but long-term uncertainty remains a concern for state budget planners.

The updated outlook anticipates that revenues from the “Big Three” taxes — personal income, corporate, and sales taxes — are now likely to exceed the assumptions in the Governor’s 2026–27 Budget for the current fiscal year and align closely with expectations for the budget year. This improvement is driven primarily by strong income tax receipts, which surged thanks to a booming stock market and increased earnings, particularly in the tech sector.

Despite these gains, analysts caution that this strength may not last. Historically, revenue spikes tied to asset price booms — like those fueled by rapid stock market growth — have been followed by sharp downturns. The LAO notes that while recent collections have surprised on the

upside, the risk of a future revenue reversal remains high. Structural budget challenges could resurface as early as 2027-28, with projected deficits continuing unless broader fiscal strategies are adopted.

For lawmakers and budget watchers, the message is clear: near-term gains offer some breathing room, but long-term planning must remain cautious in light of California’s historically volatile revenue base.

Legislative Update

The 2026 California Legislative Session saw the lowest number of bill introductions in the past twenty years. This is the first 2-year Session in which the bill introduction limits were lowered to 35 bills per Member per 2-year Session. Previously, the Assembly limit was 50 bills per Member and the Senate was 40 bills per Member.

By contrast, the 2023 Legislative Session saw a higher number of bill introductions than normal, and the highest number in over a decade, while the 2024 Session returned those introduction numbers to more normal levels. In 2025, there were 2,350 bills introduced by the February 21 deadline. In 2026, there were 1,798 bills introduced by the February 20 deadline.

Some of the key bills introduced by statewide associations recently include:

ACWA Sponsored Legislation:

SB 1153 (Caballero) focuses on disaster preparedness for urban water suppliers and public water systems in the face of increasing wildfire risk. The bill would add wildfire readiness requirements to state law, aiming to help water utilities better anticipate, prepare for, and respond to wildfire-related emergencies that can disrupt service and threaten public health.

SB 899 (Grove) would authorize additions to California’s wildfire prevention law, tasking the Wildfire and Forest Resilience Task Force with work on reducing wildfire smoke impacts and improving forest resilience. Would authorize additions to California’s wildfire prevention law, tasking the Wildfire and Forest Resilience Task Force with work on reducing wildfire smoke impacts and improving forest resilience.

AB 2180 (Ward) attempts to address the “proportionality” issue raised in recent Proposition 218 court cases. This bill would authorize a local government to demonstrate the proportional cost of the service attributable to the parcel by any method that reasonably allocates the ascertainable cost of providing service to all parcels, if substantiated.

State Water Contractors Sponsored Legislation:

SB 872 (McNerney) has been amended into a major climate and water infrastructure funding bill.

Under the revised language, SB 872 would direct a portion of the state’s Greenhouse Gas Reduction Fund (GGRF) toward critical water system upgrades over the next two decades — beginning in the 2026–27 fiscal year through 2046–47.

Key provisions include:

- \$150 million annually to the California Department of Water Resources for capital improvements aimed at restoring original conveyance capacity in state water facilities affected by land subsidence — a growing problem as pumping lowers groundwater levels and damages canals.
- \$150 million annually to the Sacramento-San Joaquin Delta Conservancy for levee repairs and related projects in the Delta, strengthening flood protection and habitat conditions.

The bill also includes a restriction that these funds cannot be used for the design, construction, operation, mitigation, or maintenance of new Delta conveyance facilities beyond existing infrastructure.

The SWC are also expected to amend spot bills to address groundwater recharge and the State Water Project's accelerated carbon free energy requirements.

A matrix of priority bills is attached.

ACKERMAN CONSULTING

Legal and Regulatory

March 4, 2026

- 1. Less Salty Salt Water:** The University of Colorado has completed a study of how salty our oceans are and what the trends are. The average salinity of our oceans is 3.5%. That is about 1 ½ teaspoons of salt in a cup of water. Salinity is impacted by rainfall, evaporation, currents, climate change, wind and fresh water inflow. The Southern Indian Ocean, west of Australia, used to be one of the saltiest of all. Now, after 60 years of rising temperatures, changing wind currents which brought more fresh water, this area has greatly decreased its salinity by about 30%. This produces less dense water and can impact the entire ocean system worldwide. These changes impact plankton and sea grass and ultimately the entire food chain.
- 2. AOC and Water:** No, it is not Alexandria Ocasio-Cortez. It is assimilable organic carbon. This is a nutrient for bacteria found in groundwater that can carry disease. Some smaller water districts, primarily in rural areas, rely on untreated groundwater. When the AOC level increases, Legionnaires' disease and other infectious diseases can develop. Grand Rapids, Michigan has had two outbreaks in the last few years. A University of Minnesota study identified AOC as a test element to identify and cure these outbreaks. The cure is chloramines disinfection which has had a 100% success rate. AOC is not a factor that was commonly tested. Now it is.
- 3. Snow Soil Microbes:** When the ground is covered with snow, most plants and animals go to sleep or become less active. However, soil microbes go into high gear. The microbes break down organic material, which produce nutrients for plants. The process also produces nitrogen which is fertilizer for said plants and for release into the air. This one-two punch in normal times maximizes plant growth and health. When you have variations in weather patterns, which we seem to have all the time, this process can change. Sometimes those changes are for the better and sometimes for the worse. How organic nitrogen reacts in the soil is becoming a much more important element in forest management and predicting forest health. To the extent we are able to measure these actions we can do a better job at both management and health. This is particularly important in forest fires in the West and high fire risk areas.
- 4. Dredging the Delta:** Dredging the Delta used to be a regular occurrence until the 1970s. Litigation by environmental groups stopped it. Since then, silt has steadily built up reducing the volume of water in the Delta. Water flow was cut from 200,000 cubic feet per second to 130,000. This requires more water to be released from storage to meet enviro and fish needs. It is estimated that if channel depth was returned to normal, an additional 1-2 million acre feet of water would be available for storage or other use. Right now, during high flow rates, the water flows to the ocean. Deeper channels would also help fish, agriculture and environmental needs. This report (from AgNet West) also called for infrastructure enhancement and water abundance.

5. **Coastlands Retreat:** A study from Monash University in Australia shows that many developed areas around the world are moving away from the sea. With climate change and sea level rising, many communities are moving to higher ground. The study which looked at over 1000 coastal regions in 155 countries found that 56% are moving further inland, 28% are not moving and 16% are going close to the sea. The greatest changes were in South America and Asia with the least in North America. Risk and resources seem to be controlling factors. Storms, erosion and sea level rise have different impacts based on socio-economic status. High income groups are more likely to remain as evidenced in Europe and North America. They also observed some over confidence of significant investments in infrastructure in wealthy areas and questioned this as a long range strategy. They also noted in some areas where people have moved away from the sea, they were being replaced with lower income folks. This was a cheaper option for them than moving to safer areas which were more expensive. (Editor's note: I have not seen oceanfront property in Newport Beach going down in price.)

6. **Urban Drainage Solutions:** Much research is being done on sustainable urban drainage systems. The goal is to establish sustainable water flows to ease pressure on storm waters systems during heavy rain or flood conditions. Also, to aid in removal of contaminants. Two of the principal elements are phytomining plants and earthworms. These type of plants remove metals from contaminated soils. The worms break down organic pollutants and help restore the soil. These natural solutions are as effective as more expensive groundwater treatments and can regenerate themselves. The exact implementation of these systems is the key to its success.

7. **Abundance Gap:** A recent study from UC Berkley and UC Irvine said our State water problem is not water scarcity but distribution. Much of California is not connected to areas of greater supply. Areas that rely on groundwater do not have access to Northern Cal water. They are also concerned that many rural areas do not have safe drinking water. They also suggested: better recycling methods, better infrastructure for underserved communities and better water rate structures to reduce cost.

8. **Fluoride Update:** The EPA was ordered in 2024 in Federal court to increase fluoride regulation and review the risk to children of fluoride in drinking water. Since then, the debate has continued. Fluoride occurs naturally in water. Plus fluoride is added to many systems to improve dental health. The scientific data on this has been less than conclusive on all sides. Some showing greater health risk to children and some not. It has become a health and political football. The EPA has announced that it is conducting another review and will set forth standards on some timeline. The US Food and Drug Administration has announced it would take action to limit fluoride products for children. The American Dental Association claims fluoride is a positive tool in reducing tooth decay in children and adults.

9. **Tire Run-off:** Environmental groups have filed suit against tire manufacturers under the Endangered Species Act (ESA). This is a new tactic as most of these actions are filed under pollution causes of actions, EPA and the like. Their claim is that endangered fish are being put at risk or killed by chemicals associated with tires. The alleged culprit is 6PPD which is used in production of most tires. This chemical is left behind due to tire wear. When mixed with runoff and

other products, a toxic chemical can be produced. They are seeking a nationwide ban on 6PPD. The proximate cause evidence is somewhat convoluted and the courts thus far have shown reluctance. Whether the ESA is the appropriate act to file the action is a big question.

10. **Where Does Rain Come From:** The most common answer is the sky but the UC San Diego researchers are looking at where that water came from before it found its way to the sky. The two principle sources of rain water are the ocean and the land. Two thirds of rain is ocean based and usually travels great distances before it returns to earth as rain. One third of rain is land based and comes from crops, plants and related evaporation. The balance between these two sources can determine wet or drought periods and crop productivity. Ocean based rain is generally more predictable and can be heavier. Land based rain is less reliable and lesser in quantity. Clearing large forest areas can have a very negative impact of rain fall. The US Midwest and East Africa are both vulnerable areas as they are very dependent on land based rain. Both of these areas are susceptible to drought conditions. They must adopt water management strategies which include timing of crop, irrigation management to survive. Both areas are important to worldwide grain production. Planning your agricultural growth must include finding out where you rain comes from.

11. **Delta Opposition:** The following group have come out in opposition to the Delta Conveyance: Shingle Springs Band of Miwok Indians, The Winnemem Wintu Tribe, San Francisco Baykeeper, Center for Biological Diversity, Sportfishing Protection Alliance, Little Manila Rising, Friends of the River, California Indian Environmental Alliance, Sierra Club California, Restore the Delta.



TO: MWDOC Board of Directors

FROM: Whittingham Public Affairs Advisors

DATE: March 4, 2026

SUBJECT: March 2026 Local Legislative Report

Following are a few of the more notable developments and issues that have transpired in Orange County over the last several weeks:

- The Cypress City Council announced the appointment of Shannon DeLong at their meeting of February 24. Ms. DeLong currently serves as Assistant City Manager for the City of Whittier, a role she has held since June 2018, and prior to that she spent more than a decade with the City of Downey. She is scheduled to begin her role as the tenth City Manager, and first woman, in the City's history on March 30.
- Phase II of Orange County's Climate Action Plan, a comprehensive roadmap detailing potential projects and programs to reduce greenhouse gas and other emissions from various sources, was approved by the Board of Supervisors on February 24. Key initiatives within the CAP included increasing stormwater capture and infiltration, reducing the amount of organic waste going to landfills by 75 percent and improving edible food recovery by 20 percent, and exploring the feasibility of regional anaerobic digestion and conversion technology facilities. The County is required to have a completed CAP in order to apply for and secure Proposition 4 grants for these and other targeted programs, many of which are specific to disadvantaged and/or environmental justice communities.
- Orange County Local Agency Formation Commission (OC LAFCO) leadership will be participating in a meeting on March 24 with counterparts from Los Angeles, San Bernardino, and San Diego County LAFCOs. This initial meeting of the Alliance of Local Agency Formation Commissions (Alliance) will focus on relevant legislation and other matters of interest to the four agencies, which formed the Alliance in 2025 to provide better coordination on common issues and priorities than was being offered through CALAFCO.
- As was mentioned last month, County Supervisor Don Wagner was recently reappointed as the sole Board representative to OC LAFCO. Yorba Linda City Council member Peggy Huang's spot will come before the City Selection Committee this Spring; Derek McGregor's spot as Public Member will be voted

- upon by the other LAFCO Commissioners; and the election of two Special District Commissioners, currently held by Doug Davert (East Orange County Water District), and Alternate Commissioner Kathryn Freschley of El Toro Water District, will be initiated by OC LAFCO with notification letters emailed to each Special District by March 9.
- The County deferred a scheduled virtual community meeting on the proposed increase of the Prima Deshecha Landfill's daily maximum trash intake from 4,000 tons to 8,000 tons. The CEQA process for this proposed expansion began in 2023 and the project is necessitated by the planned closure in several years of Olinda Alpha Landfill near Brea.
 - The South Coast Air Quality Management District (SCAQMD) issued three Notices of Violation (NOVs) to Orange County Waste and Recycling's Frank R. Bowerman Landfill in Irvine. SCAQMD inspectors responded in the month of January to more than 100 public complaints of rotten, sour, garbage-type odors in the area. The inspectors confirmed the odors with community members and traced them back to operations at the landfill, and subsequently issued three NOVs on January 7, 25, and 26 for violations of the public nuisance rules.
 - The Board of Supervisors recently approved the official establishment of the South Orange County Beach Coalition as a decision-making body designed to protect the coastline between Newport Beach and San Clemente. A major component of the Coalition's emphasis will be sand replenishment, with the Sand Compatibility and Opportunistic Use Program, or SCOUP, streamlining sand placement permits for all cities and jurisdictions with beaches from various agencies, including the U.S. Army Corps of Engineers, California Department of Fish and Wildlife, and the State Lands Commission.
 - An audit report commissioned by the Board of Directors of CalOptima Health found no evidence of impropriety related to actions taken by former County Supervisor and Board Chair Andrew Do, who is currently serving a five-year sentence in federal prison for accepting bribes to direct more than \$10 million in COVID-19 funding to a charity affiliated with his daughter.
 - The operator of the Balboa Island Ferry reached a deal to receive more than \$10 million from the CA Air Resources Board and SCAQMD to convert its three-ship fleet to zero emission technologies. Seymour Beek, whose father began operating the ferry in 1919, signed an agreement with the two agencies to replace each of the three existing diesel-powered ferries with electric battery-powered vessels that will include a replica smokestack. It is possible that the first new ferry could be in operation by the end of 2026; the existing ferries have been in operation since the mid-1950's.

As part of our scope of work, Whittingham Public Affairs Advisors has continued to monitor the agendas of the 26 city and water district MWDOC members to identify items of relevance to MWDOC. We also continue to monitor activities at the South Coast Air Quality Management District and Orange County Water District.

It is a pleasure to work with you and to represent the Municipal Water District of Orange County.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Whittingham". The signature is fluid and cursive, with the first name "Peter" being more prominent than the last name "Whittingham".

Peter Whittingham

Municipal Water District of Orange County

Bill Tracking

| Measure | Author | Topic | Location | Brief Summary | Priority |
|----------------|--------------------|--|-----------------------------|---|----------|
| <u>AB 1772</u> | <u>Papan, D</u> | Fish and wildlife: aquatic invasive species: golden mussels. | 02/09/2026 - Assembly PRINT | Current law generally prohibits a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water within the state, invasive mussels and authorizes the Director of Fish and Wildlife or the director's designee to engage in various enforcement activities with regard to invasive mussels, as provided. Current law requires specified entities that own or manage a reservoir, as defined, where certain activities are permitted to monitor and prevent the introduction of invasive mussel species, as specified, and requires any entity that discovers invasive mussels in the state to report the discovery immediately to the department. This bill would provide that it is the intent of the Legislature to enact subsequent legislation to, among other things, address and prevent the spread of aquatic invasive species, including, but not limited to, the golden mussel, in California's waterbodies and water infrastructure systems. (Based on 02/09/2026 text) | Priority |
| <u>AB 2013</u> | <u>Bennett, D</u> | Fire risk areas: water suppliers: emergency preparedness plan. | 02/17/2026 - Assembly PRINT | Current law requires the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Current law requires a local agency to designate, by ordinance, moderate, high, and very high fire hazard severity zones in its jurisdiction within 120 days of receiving recommendations from the State Fire Marshal, as provided. This bill would require a water supplier that services more than 100 customers that are located in a moderate, high, or very high fire hazard severity zone, as specified, to establish an emergency preparedness plan for response to red flag warnings, extreme weather events, and other major power outages or emergencies that pose a potential threat to providing adequate water service. (Based on 02/17/2026 text) | Priority |
| <u>SB 872</u> | <u>McNerney, D</u> | Climate change: funding priorities. | 01/06/2026 - Senate Rules | The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Current law requires, beginning with 2026-27 fiscal year, that funds be allocated according to a specified priority, including, among other things, that the sum of \$1,000,000,000 be reserved for appropriation by the Legislature in the annual Budget Act or other statute. This bill would require, of that amount, beginning with the 2026-27 fiscal year and continuing through the 2046-47 fiscal year, the sum of \$150,000,000 be appropriated annually, to the Department of Water Resources for the purposes of supporting capital improvements to restore the original design water conveyance capacity for state water conveyance systems impacted operationally by land subsidence, and the sum of \$150,000,000 be appropriated annually to the Sacramento-San Joaquin Delta Conservancy for projects in the Sacramento-San Joaquin Delta to improve existing levees, as specified, thereby making an appropriation. (Based on 02/18/2026 text) | Priority |

| | | | | | |
|----------------|---------------------|---|--|--|----------|
| SB 1001 | Archuleta, D | Water utility workers: identification card program. | 02/18/2026 - Senate Emergency Management | Current law creates the Office of Emergency Services within the office of the Governor and sets forth its powers and duties, including establishing by rule and regulation various classes of disaster service workers, the scope and duty of each class, and the way disaster service workers of each class are to be registered. Current law authorizes officers of the Department of the California Highway Patrol, police departments, marshal's office or sheriff's office, and officers or employees of the Department of Forestry and Fire Protection or the Department of Fish and Wildlife designated as peace officers to close to all unauthorized persons an area where a menace to the public health or safety created by a calamity exists for the duration of the menace and the immediate area surrounding any emergency field command post or any other command post activated for the purpose of abating a calamity, riot, or other civil disturbance, as specified. This bill would require the Office of Emergency Services to develop a water utility worker identification program to issue identification cards to employees of a city, county, city and county, special district, water corporation, or mutual water company that provides water utility services to authorize access to an area during or following a flood, storm, fire, earthquake, or other disaster, for the purpose of protection of public health and safety, preservation of life and property, and repair and restoration of water service. This bill would require the application for a water utility worker identification card to be signed by a duly authorized representative of a water utility and include a certification by the water utility. (Based on 02/09/2026 text) | Priority |
| SB 1139 | Laird, D | Nonfunctional turf. noncompliance and enforcement. | 02/18/2026 - Senate Rules | Current law prohibits the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities, as specified. Current law requires a person or entity to be subject to civil liability or penalties by the State Water Resources Control Board, as prescribed, or to civil liability and penalties imposed by an urban water supplier, pursuant to a locally adopted ordinance or policy. Current law authorizes a public water system, city, county, or city and county to enforce the provisions relating to the prohibition, as specified. This bill would require a person or entity to be subject to civil liability or penalties imposed by a special district with water conservation enforcement authority pursuant to a locally adopted ordinance or policy. (Based on 02/18/2026 text) | Priority |
| SB 1153 | Caballero, D | Disaster preparedness: urban retail water suppliers and public water systems: wildfire. | 02/18/2026 - Senate Rules | The California Emergency Services Act requires all public water systems, as defined, with 10,000 or more service connections to review and revise their disaster preparedness plans in conjunction with related agencies, including, but not limited to, local fire departments and the Office of Emergency Services to ensure that the plans are sufficient to address possible disaster scenarios. A person, as defined, who violates the provisions of this act is guilty of a misdemeanor. This bill, beginning January 1, 2028, would require all urban retail water suppliers, as defined, serving a high or very high fire hazard severity zone to include incident-specified response procedures for wildfires as part of their disaster preparedness plans, including any applicable emergency response plan as required by federal law. The bill would require these plans to include mitigation actions, including actions, procedures, and equipment, that can obviate or significantly lessen the impact of a wildfire on the water system and the supply of drinking water provided by the water supplier. Because violation of these requirements by certain urban retail water suppliers would constitute a misdemeanor, the bill would expand the scope of a crime, thereby imposing a state-mandated local program. (Based on 02/18/2026 text) | Priority |
| Watch | | | | | |
| AB 1821 | Pacheco, D | California Public Records Act. | 02/11/2026 - Assembly PRINT | The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. This bill would make a nonsubstantive change to the provision establishing the title of the act. (Based on 02/11/2026 text) | Watch |

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|----------------|-------------------------|--|-----------------------------|---|-------|
| AB 1881 | Ramos, D | California Indian Freedom Act of 2026. | 02/12/2026 - Assembly PRINT | Current law establishes various protections for California Native American tribes, including prohibiting a public agency or private party using or occupying public property or operating on public property from interfering with the free expression or exercise of Native American religion as provided in the United States Constitution and the California Constitution. Current law also requires a local government to provide formal notification to each California Native American tribe that is traditionally and culturally affiliated with the project site as an invitation to consult on the proposed project, as provided. Existing law requires the local government, during the consultation, to give deference to the tribal information, tribal knowledge and customs, and the significance of the resource to the California Native American tribe. Current law prohibits any information, as described, that is submitted by a California Native American tribe during the environmental review process from being included in the environmental document or otherwise disclosed by the lead agency or any other public agency to the public, as specified, without the prior consent of the tribe that provided the information. This bill, the California Indian Freedom Act of 2026, would prohibit a governmental agency from substantially burdening a California Indian or California Native American tribe's exercise of religious beliefs or spiritual practices, including their access to and use of sacred sites and objects, and their ability to perform religious ceremonies and rites, even if the burden results from a rule of general applicability, unless the governing governmental agency demonstrates that application of the burden is in furtherance of a compelling governmental interest and is in the least restrictive means of furthering that interest. The act would apply to all state and local government actions, including, among others, permitting decisions, land use approvals, and enforcement actions. The bill would authorize a California Indian or tribe to assert a violation of these provisions as a claim or defense in any judicial or administrative proceeding, as specified. Before any governmental agency undertakes, approves, permits, funds, or authorizes a project that may impact a sacred site or cultural landscape, the bill would require the governmental agency to engage in early, meaningful and good-faith government-to-government consultation with an affected tribe. (Based on 02/12/2026 text) | Watch |
| AB 1894 | Rubio, Blanca, D | Fish and wildlife: aquatic invasive species: genus Caulerpa. | 02/12/2026 - Assembly PRINT | Current law generally prohibits the sale, possession, importation, transportation, transfer, live release, or giving away without consideration, of the salt water algae of the genus Caulerpa. Current law authorizes a person to possess, for bona fide scientific research, as determined by, and upon authorization of, the Department of Fish and Wildlife, salt water algae of the genus Caulerpa. This bill would make nonsubstantive changes to this law. (Based on 02/12/2026 text) | Watch |
| AB 1987 | Flora, R | Water: definition. | 02/13/2026 - Assembly PRINT | Current law establishes general laws that apply to the use of water in the state and provides definitions and interpretations that apply to those laws. This bill would make a nonsubstantive change to the definition of "water" for purposes of those provisions. (Based on 02/13/2026 text) | Watch |
| AB 2032 | Ransom, D | Fish and wildlife: restricted species permits. | 02/17/2026 - Assembly PRINT | Current law prohibits the importation, transportation, possession, or live release of specified wild animals, except under a revocable, nontransferable permit, known as a restricted species permit, issued by the Department of Fish and Wildlife, in cooperation with the Department of Food and Agriculture, and only if certain requirements are met. Current law requires a written application for a permit from a person desiring to import or transport a restricted species to contain specified information. This bill would make nonsubstantive changes to that written application provision. (Based on 02/17/2026 text) | Watch |

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| AB 2045 | Connolly, D | Habitat Restoration and Enhancement Act. | 02/17/2026 - Assembly PRINT | Under the Habitat Restoration and Enhancement Act, a habitat restoration or enhancement project is a project with the primary purpose of improving fish and wildlife habitat. The act requires the Director of Fish and Wildlife to approve a habitat restoration or enhancement project if the director determines that specified conditions are met. Under the act, the director's approval of a habitat restoration or enhancement project is in lieu of any other permit, agreement, license, or other approval issued by the Department of Fish and Wildlife. The act makes moneys in the Habitat Restoration and Enhancement Account available to the department, upon appropriation by the Legislature, for the purposes of administering and implementing the act. Current law repeals the act on January 1, 2027. This bill would extend the operation of the act indefinitely. (Based on 02/17/2026 text) | Watch |
| AB 2215 | Calderon, D | Urban water management planning. | 02/19/2026 - Assembly PRINT | The Urban Water Management Planning Act requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. This bill would make nonsubstantive changes to the provision of law naming that act. (Based on 02/19/2026 text) | Watch |
| AB 2218 | Kalra, D | Water policy: California Native American tribes. | 02/19/2026 - Assembly PRINT | Current law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water and the human right to water. This bill would declare that it is the established policy of the state to acknowledge and correct the inequities caused by state-sanctioned acts of termination, removal, and assimilation inflicted upon all California Native American tribes through compensation, legal recognition of rights, or replacement of benefits lost. The bill would require all relevant state agencies, including the Department of Water Resources and the State Water Resources Control Board, to consider and incorporate this policy when revising, adopting, or establishing rights, policies, regulations, permits, or grant criteria to address identified inequities. (Based on 02/19/2026 text) | Watch |
| AB 2322 | Papan, D | State Water Resources Control Board. | 02/19/2026 - Assembly PRINT | Current law establishes the State Water Resources Control Board in the Natural Resources Agency, and prescribes the membership, functions, and duties of the state board. This bill would make nonsubstantive changes in that provision. (Based on 02/19/2026 text) | Watch |
| AB 2381 | Johnson, R | Local Agency Public Construction Act: municipal water districts: sanitation districts: lowest responsible bidder. | 02/20/2026 - Assembly PRINT | The Local Agency Public Construction Act sets forth the requirements for competitive bidding on various types of contracts awarded by local agencies. Under current law, a municipal water district and a sanitation district, when letting a contract for \$35,000 or more, is required to let the contract to the lowest responsible bidder. This bill would increase that threshold dollar amount to \$220,000. The bill would require the Controller, commencing January 1, 2028, to adjust that amount annually to reflect the percentage change, as specified, and publish the adjusted amount on its internet website. (Based on 02/20/2026 text) | Watch |
| AB 2498 | Chen, R | Local government: open meetings. | 02/20/2026 - Assembly PRINT | The Ralph M. Brown Act requires that all meetings of a legislative body be open and public and that all persons be permitted to attend except as otherwise permitted by its provisions. The act defines a meeting for the purposes of its provisions and excepts certain interactions from its provisions. This bill would make nonsubstantive changes to those provisions. (Based on 02/20/2026 text) | Watch |
| AB 2568 | Johnson, R | Water district directors: compensation. | 02/20/2026 - Assembly PRINT | Current law authorizes a water district, as defined, to adopt an ordinance that provides compensation to members of the governing board, as specified. Current law prohibits a water district from adopting an ordinance that compensates members of the governing board for more than a total of 10 days in any calendar month. This bill would authorize a water district to adopt an ordinance that compensates members of the governing board for up to a total of 20 days in any calendar month. (Based on 02/20/2026 text) | Watch |

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| AB 2577 | Connolly, D | Safe Drinking Water and Toxic Enforcement Act of 1986. | 02/20/2026 - Assembly PRINT | The existing Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65), an initiative measure that may be amended by a 2/3 vote of the Legislature to further its purposes, generally prohibits any person, in the course of doing business, from knowingly discharging or releasing a chemical known to the state to cause cancer or reproductive toxicity into water or onto or into land where that chemical passes or probably will pass into any source of drinking water. This bill would make nonsubstantive changes to these provisions. (Based on 02/20/2026 text) | Watch |
| AB 2619 | Papan, D | Water resources: data centers. | 02/20/2026 - Assembly PRINT | Existing law authorizes the legislative body of an incorporated city and the county board of supervisors to license businesses carried on within their respective jurisdictions and to set license fees, as specified. This bill would require a person who owns or operates a data center, prior to applying to a city or a county for an initial business license, equivalent instrument, or permit, to provide its water supplier, under penalty of perjury, an estimate of the expected water use, the anticipated source of water, and the data center's projected water use volume for the maximum day, maximum month, and average year. When applying to a city or county for an initial business license, the bill would require a person who owns or operates a data center to report, under penalty of perjury, on the application, an estimate of the expected water use, the anticipated source of water, and the data center's projected water use volume for the maximum day, maximum month, and average year. When applying to a city or county for a renewal of a business license, equivalent instrument, or permit, the bill would require a person who owns or operates a data center to report, under penalty of perjury, on the application, the data center's annual water use for the preceding calendar year, including total water use, direct water use, and indirect water use, as prescribed. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would define terms for purposes of these provisions. This bill contains other related provisions and other existing laws. (Based on 02/20/2026 text) | Watch |
| AB 2630 | Bennett, D | Water diversion and use: adoption of regulations. | 02/20/2026 - Assembly PRINT | Current law authorizes the State Water Resources Control Board to adopt regulations requiring measurement and reporting of water diversion and use by persons, including, among others, those authorized to appropriate water under a permit, a license, a registration for small domestic, small irrigation, or livestock stockpond use, or a certificate for livestock stockpond use. For the initial regulations, current law requires that they be adopted as emergency regulations and provides that the emergency regulations remain in effect until revised by the state board. Current law also exempts the initial regulations from the California Environmental Quality Act. This bill would require that all further regulations adopted by the state board pursuant to these provisions be adopted as emergency regulations and remain in effect until revised by the state board, and would exempt them from the California Environmental Quality Act. (Based on 02/20/2026 text) | Watch |
| AB 2728 | Soria, D | Water delivery infrastructure. | 02/20/2026 - Assembly PRINT | Current law declares that California's water infrastructure continues to age and deteriorate and safeguarding California's supply of clean and safe water for homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for all Californians. This bill would state the intent of the Legislature to enact subsequent legislation related to water delivery infrastructure (Based on 02/20/2026 text) | Watch |

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| SB 986 | Seyarto, R | Major regulations. | 02/18/2026 - Senate Governmental Organization | Current law, known as the Administrative Procedure Act (APA), governs the procedures for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law (OAL). The APA requires a state agency proposing to adopt, amend, or repeal an administrative regulation to, among other things, assess the potential for adverse economic impact on California business enterprises and individuals, and requires a state agency proposing to adopt, amend, or repeal a major regulation to prepare and submit to the Department of Finance for review, a standardized regulatory impact analysis, as provided. The APA defines "major regulation," for purposes of the act, to mean any proposed adoption, amendment, or repeal of a regulation subject to review by the OAL that will have an economic impact on California business enterprises and individuals in an amount exceeding \$50,000,000, as provided. The APA provides exceptions for emergency regulations in the case of a situation that calls for immediate action to avoid serious harm to the public peace, health, safety, or general welfare. This bill would prohibit a major regulation from taking effect until the Legislature enacts a law to approve the regulation, except as provided for emergency regulations. (Based on 02/05/2026 text) | Watch |
| SB 994 | Cabaldon, D | Local government: nondisclosure agreements. | 02/18/2026 - Senate Judiciary | The legislative code of ethics prohibits Members of the Legislature from entering into, or requesting that another party enter into, a nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation. Current law also makes any nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation entered into after January 1, 2026, void and unenforceable. Current law provides an exception for nondisclosure agreements, or portions thereof, that prevent only the disclosure of trade secrets, financial information, or proprietary information, as specified. This bill would prohibit a local government official acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement relating to public business that precludes their ability to share information with fellow local government officials serving on the same council, board, commission, district, or agency. The bill would require a local government official in violation of that provision to, among other things, disclose the existence of the nondisclosure agreement, as specified, and would provide that these requirements imposed on a local government official also apply to a local government official acting in their official capacity who entered into, or requested that another individual enter into, a nondisclosure agreement described above before January 1, 2027. By imposing additional duties on local government officials, the bill would impose a state-mandated local program. The bill would also make any nondisclosure agreement relating to public business that precludes the ability of a local government official to share information with fellow local government officials serving on the same council, board, commission, district, or agency and that is entered into after January 1, 2027, void and unenforceable. (Based on 02/05/2026 text) | Watch |
| SB 1036 | Grayson, D | Mitigation Fee Act. | 02/18/2026 - Senate Local Government | The Mitigation Fee Act imposes various requirements with respect to the establishment, increase, or imposition of a fee by a local agency as a condition of approval of a development project, including requiring the local agency to identify the use to which the fee is to be put and determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. Current law also requires a local agency, upon receipt of a fee subject to these provisions, to deposit, invest, account for, and expend the fees as specified. This bill would additionally require any fee established, increased, or imposed to be based on the net impact on the need for the public facility being funded by the fee and account for whether the development project is removing or replacing an existing use or a previous use that existed at the time the fee was established, as specified. (Based on 02/11/2026 text) | Watch |

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| SB 1054 | Cabaldon, D | Unemployment insurance: reporting requirements. | 02/12/2026 - Senate Rules | Current law provides for unemployment compensation benefits for eligible individuals in the state who are unemployed through no fault of their own. Current law requires an employer, as defined, to make contributions for unemployment insurance premiums and to file specified reports with the Director of Employment Development, including, among other reports, a report of contributions, a quarterly return, and a report of wages paid, as specified. This bill would require the Employment Development Department to work with employers to enhance the reporting of employment and earning data, as specified, and, where feasible, to align and streamline definitions and requirements for the quarterly report of wages, deploy user-friendly application programming interfaces, and implement other means to simplify reporting processes. The bill would require, beginning July 1, 2027, every employer with 10 or more employees and every individual or organization that, as an agent, reports wages on a total of 10 or more employees, as specified, to include in the report of wages, information on total monthly wage, industry, occupation, worker type, and hours worked for each employee, as provided. This bill would require the department, on or before July 1, 2027, to adopt and develop appropriate procedures for the sharing of hours worked and other necessary employment data to support employment-related verifications for initial eligibility for, and ongoing receipt of, public benefits, as specified. (Based on 02/12/2026 text) | Watch |
| SB 1085 | Durazo, D | Water supply planning: California Environmental Quality Act determination. | 02/13/2026 - Senate Rules | The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to be responsible for determining whether a project is exempt from CEQA and whether an environmental impact report, a negative declaration, or a mitigated negative declaration is required. Current law requires a city or county that determines a certain type of project is subject to the requirements of CEQA to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment, as provided. This bill would instead require a city or county to make that identification of public water systems for certain projects that the city or county approves, without regard to whether the project is determined to be subject to the requirements of CEQA. (Based on 02/13/2026 text) | Watch |
| SB 1123 | Wiener, D | Administrative Procedure Act: major regulations. | 02/17/2026 - Senate Rules | The Administrative Procedure Act requires a state agency proposing to adopt, amend, or repeal an administrative regulation to assess the potential for adverse economic impact on California business enterprises and individuals and avoid the imposition of unnecessary or unreasonable regulations or reporting, recordkeeping, or compliance requirements. The act requires a state agency proposing to adopt, amend, or repeal a major regulation to satisfy additional requirements, including by requiring the state agency to prepare a standardized regulatory impact analysis in the manner prescribed by the Department of Finance, as specified, and requires the analysis to address certain items, including the creation or elimination of jobs within the state and the competitive advantages or disadvantages for businesses currently doing business within the state. This bill would require an agency, in estimating the economic impact of adopting, amending, or repealing a regulation, to identify and calculate any offsetting benefits, impacts, or savings that might result directly or indirectly from that adoption, amendment, or repeal and factor those benefits, impacts, or savings into its economic impact estimate. (Based on 02/17/2026 text) | Watch |
| SB 1125 | Menjivar, D | Public water systems: drinking water needs assessment. | 02/17/2026 - Senate Rules | Current law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Current law requires the State Water Resources Control Board to annually adopt a fund expenditure plan, as provided, and requires expenditures from the fund to be consistent with the fund expenditure plan. Current law requires the state board to base the fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment. This bill would require the board to, on or before May 1, 2027, and on or before May 1 of each year thereafter, develop a drinking water needs assessment, as specified. The bill would require the assessment to include an analysis of the funds necessary to make water service affordable for customers of community water systems with fewer than 3,000 service connections and would require this analysis to be updated at least every 3 years. (Based on 02/17/2026 text) | Watch |

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| SB 1187 | <u>Durazo, D</u> | Open meetings: majority. | 02/19/2026 - Senate Rules | Existing law, 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. Existing law defines "meetings" for these purposes to mean any congregation of a majority of the members of a legislative body at the same time and location, as specified, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body. This bill would define "majority" for purposes of the act to mean the number of members of the legislative body equaling more than half of the total number of seats on the legislative body. The bill would specify that if a seat on the legislative body is vacant, that seat is to still be counted as a seat on the legislative body. This bill contains other related provisions and other existing laws. (Based on 02/19/2026 text) | Watch |
| SB 1291 | <u>Gonzalez, D</u> | Drinking water: consolidation. | 02/20/2026 - Senate Rules | Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with, or extension of service from, a receiving water system if a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water or if a disadvantaged community is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water. Existing law makes related findings and declarations. This bill would make a nonsubstantive change to those findings and declarations. (Based on 02/20/2026 text) | Watch |

Total Measures: 31
Total Tracking Forms: 31

**Metropolitan Water District of Southern California State
Legislative Matrix: Second Year of Legislative Session
February 9, 2026**

| Bill Number and Author | Amended Date and Location | Title – Summary | Metropolitan Position | Effects on Metropolitan |
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| <p>AB 35 D. Alvarez (D – San Diego)</p> <p>Sponsor: San Diego County</p> | <p>Amended in Assembly Natural Resources Committee on 1/14/2026</p> | <p>Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.</p> <p>This bill exempts the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4) from the Administrative Procedure Act (APA), which establishes rulemaking procedures and standards for state agencies in California, to expedite funding allocations.</p> <p>Open meetings: local agencies: teleconferences.</p> | <p>Support</p> <p>Based on 2026 Legislative Policies and Principles.</p> | <p>AB 35 would streamline the funding process for Proposition 4 projects and allow Metropolitan, its member agencies, and partner agencies to access funds more quickly and accelerate project timelines. Proposition 4 funding includes multiple critical areas for Metropolitan, including funding for groundwater management, water recycling, Delta levees, and repairs to regional conveyance.</p> |
| <p>AB 259 B. Rubio (D – Baldwin Park)</p> <p>Sponsors: California Special Districts Association, Three Valleys Municipal Water District</p> | <p>Amended in Assembly Local Government Committee on 4/21/2025.</p> <p>Two-Year Bill</p> | <p>This bill eliminates the sunset on provisions added to the Brown Act by AB 2449, a bill that provided additional flexibility with Brown Act meeting procedures in the event of a board member’s physical absence in connection with a “just cause” or “emergency circumstances,” allowing those members to participate in the meeting remotely consistent with the process detailed in the bill.</p> | <p>Support</p> <p>Based on 2026 Legislative Policies and Principles.</p> | <p>By removing the sunset on the Brown Act provisions, AB 259 preserves flexibility for Metropolitan and Member Agency board members to meet remotely and continue providing the public with essential services.</p> |

**Metropolitan Water District of Southern California State
Legislative Matrix: Second Year of Legislative Session
February 9, 2026**

| Bill Number and Author | Amended Date and Location | Title – Summary | Metropolitan Position | Effects on Metropolitan |
|--|--|---|---|---|
| <p>AB 794 J. Gabriel (D – Encino) Sponsors: Clean Water Action, Environmental Working Group</p> | <p>Amended in Assembly Environmental Safety and Toxic Materials Committee on 4/10/2025. Two-Year Bill</p> | <p>California Safe Drinking Water Act: emergency regulations This bill would authorize the State Water Resources Control Board (SWRCB) to adopt an emergency regulation for water quality based on federal regulations 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 requirements that are more stringent than the requirements of the federal regulation. The bill would require, on or before January 1, 2026, the SWRCB to adopt an emergency regulation and to initiate a primary drinking water standard for perfluoroalkyl and polyfluoroalkyl substances (PFAS).</p> | <p>Oppose Unless Amended Based on 2026 Legislative Policies and Principles.</p> | <p>While AB 794 aims to protect public health, its approach circumvents the established regulatory process for setting Maximum Contaminant Levels (MCLs). Metropolitan’s Legislative Priorities and Principles call for using the best available science to protect public health and improve water quality when setting MCLs. The broad scope of this bill, which would allow the SWRCB to set through emergency action primary and secondary MCLs for any chemical with a federal MCL, sets a dangerous precedent and fails to align with well-established regulatory principles.</p> |

**Metropolitan Water District of Southern California State
Legislative Matrix: Second Year of Legislative Session
February 9, 2026**

| Bill Number and Author | Amended Date and Location | Title – Summary | Metropolitan Position | Effects on Metropolitan |
|---|--|--|--|--|
| <p>SB 601 B. Allen (D – Santa Monica)</p> <p>Sponsors: California Coastkeeper Alliance, Defenders of Wildlife</p> | <p>Amended in Assembly Environmental Safety and Toxic Materials Committee on 7/10/2025.</p> <p>Two-Year Bill</p> | <p>Water: waste discharge</p> <p>The intent of this bill is to restore Clean Water Act protections in California that were removed per the U.S. Supreme Court’s 2023 Sackett v. Environmental Protection Agency (EPA) decision. However, the bill goes beyond restoring statute and includes several provisions that expand regulatory requirements without the benefit of scientific analysis.</p> | <p>Oppose</p> <p>Based on 2026 Legislative Policies and Principles.</p> | <p>Currently, AB 601 poses risks to Metropolitan and its member agencies by: adopting EPA’s drinking water standards for PFAS/PFOs, bypassing the state rulemaking process; increasing costs of waste discharge requirements (WDRs) permits for discharges of water when dewatering or operating water supply infrastructure, potentially requiring all such water to be recycled regardless of cost to comply; exposing Metropolitan and its Member Agencies to citizen suits in state court, and, for certain nexus waters, both state and federal court; and creating uncertainty in discharge permitting as the bill’s ambiguous provisions and implications are likely to be litigated.</p> |



ACTION ITEM
March 4, 2026

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Heather Baez, Director of Government Affairs

SUBJECT: SENATE BILL 872 (MCNERNEY) - CLIMATE CHANGE: FUNDING PRIORITIES

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt a support position on Senate Bill 872 (McNerney).

REPORT

Purpose

The purpose of this item is for the Board of Directors (Board) to consider adopting a support position on Senate Bill (SB) 872, which directs \$300 million annually in Greenhouse Gas Reduction Fund (GGRF) dollars toward levee improvements in the Sacramento-San Joaquin Delta and subsidence repairs along State Water Project (SWP) canals.

Background

The Sacramento-San Joaquin River Delta and the SWP together form California's primary water infrastructure, delivering freshwater supplies to 27 million people, businesses, and farms across the Central Valley, the Bay Area, and Southern California. The SWP accounts for approximately 30% of Southern California's water supply.

The Delta is the largest estuary on the West Coast and the hub of California's water supply system. Its 1,100 miles of levees protect freshwater supplies from saltwater intrusion, provide flood protection for more than 500,000 people, and support a regionally significant ecosystem. Many of these levees date to the 1800s and no longer meet U.S. Army Corps

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| Budgeted: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A | | Budgeted amount: | |
| Core: <input type="checkbox"/> | Choice: <input type="checkbox"/> | Movement between funds: <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| Action item amount: | | | |

of Engineers safety standards. The Delta Stewardship Council estimates total levee improvement costs at approximately \$3.24 billion, an investment that would protect an estimated \$22 billion in state assets.

Land subsidence along the California Aqueduct presents an equally pressing challenge. Decades of groundwater over-pumping have caused significant land sinking along key portions of the SWP, reducing the system's water-carrying capacity. Subsidence repairs are estimated to cost over \$3 billion, and without intervention, the damage is projected to reduce SWP delivery capacity by 87% by 2040, with costs ultimately borne by California ratepayers.

Discussion

SB 872 is directly relevant to the Municipal Water District of Orange County (MWDOC or District) and its member agencies, given the SWP's role in providing approximately 30% of Southern California's water supply. Sustained investment in Delta levees and SWP canal integrity is essential to long-term regional water reliability.

Beginning in Fiscal Year 2026-27 and continuing through 2046-47, the bill would require the following annual appropriations from the GGRF:

- \$150 million annually to the Department of Water Resources (DWR) for capital improvements to restore the original design water conveyance capacity of state water conveyance systems impacted by land subsidence (e.g., the California Aqueduct)
- \$150 million annually to the Sacramento-San Joaquin Delta Conservancy for levee improvement projects in the Delta

Funds provided under this bill may not be used for the design, construction, operation, mitigation, or maintenance of any new Sacramento-San Joaquin Delta conveyance facilities.

SB 872 has attracted a broad coalition of supporters spanning water agencies, environmental organizations, and local governments:

State Water Contractors
Restore the Delta
Antelope Valley Easter Kern Water Agency
Coachella Valley Water District
Crestline-Lake Arrowhead Water Agency
Defenders of Wildlife (*support in concept*)
Delta Counties Coalition
Desert Water Agency
Dudley Ridge Water District
Kern County Water Agency
Metropolitan Water District of Southern California
Mojave Water Agency

Napa County Flood Control and Water Conservation District
Palmdale Water District
San Bernardino Valley Municipal Water District
San Gabriel Valley Municipal Water District
San Geronio Pass Water Agency
Santa Clara Valley Water District
Solano County Water Agency
Zone 7 Water Agency

There is no opposition on file.

Next Steps

Staff recommends the Board select Option #1, adopt a support position on SB 872 (McNerney).

MWDOC staff will work with our state advocates, West Coast Advisors, to ensure our position on this legislation is communicated with the Orange County delegation, the bill author, and relevant committees throughout the legislative process.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- Clarifying MWDOC's mission and role; defining functions and actions.*
- Balance support for Metropolitan's regional mission and OC values and interests.*
- Strengthen communication and coordination of messaging.*
- Work with member agencies to develop water supply and demand objectives.*
- Solicit input and feedback from member agencies.*
- Invest in workforce development and succession planning.*

BOARD OPTIONS

Option #1: Adopt a support position on Senate Bill 872 (McNerney).

Fiscal Impact: If signed into law, SB 872 will appropriate the following amounts of GGRF dollars annually over 20 years:

- \$150 million annually to the DWR for capital improvements to restore the original design capacity of state water conveyance systems impacted by land subsidence
- \$150 million annually to the Sacramento-San Joaquin Delta Conservancy for levee improvement projects

Option #2: Take no action.

Fiscal Impact: Regardless of the Board's support, the fiscal impact remains the same as above.

| Attachments/Links: |
|--------------------------------|
| Attachment 1: SB 872 Full Text |

AMENDED IN SENATE FEBRUARY 18, 2026

SENATE BILL

No. 872

Introduced by Senator McNerney

January 6, 2026

~~An act to amend Section 6203 of the Water Code, relating to water resources.~~ *An act to amend Section 39719.4 of the Health and Safety Code, relating to climate change, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 872, as amended, McNerney. ~~Department of Water Resources: supervision of dams and reservoirs.~~ *Climate change: funding priorities.*

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Existing law requires, beginning with 2026–27 fiscal year, that funds be allocated according to a specified priority, including, among other things, that the sum of \$1,000,000,000 be reserved for appropriation by the Legislature in the annual Budget Act or other statute.

This bill would require, of that amount, beginning with the 2026–27 fiscal year and continuing through the 2046–47 fiscal year, the sum of \$150,000,000 be appropriated annually, to the Department of Water Resources for the purposes of supporting capital improvements to restore the original design water conveyance capacity for state water

conveyance systems impacted operationally by land subsidence, and the sum of \$150,000,000 be appropriated annually to the Sacramento-San Joaquin Delta Conservancy for projects in the Sacramento-San Joaquin Delta to improve existing levees, as specified, thereby making an appropriation. The bill would prohibit funds provided by these provisions from being expended to pay the costs of the design, construction, operation, mitigation, or maintenance of any additional Sacramento-San Joaquin Delta conveyance facilities, as provided.

~~Existing law prohibits the construction of any new dam or reservoir or the enlargement of any new dam or reservoir until the owner has applied for and obtained from the Department of Water Resources written approval of plans and specifications. Existing law authorizes the department, in connection with approving a dam or reservoir, to require certain data, investigations, reports, and any other appropriate information as may be necessary.~~

~~This bill would make a nonsubstantive change in these provisions.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *Climate change continues to have an immense impact on*
- 4 *California’s water systems and changing precipitation patterns,*
- 5 *increasing flood and drought risks, sea level rise, and aging*
- 6 *infrastructure are all combining to cause significant risks to our*
- 7 *ability to protect water quality in the Sacramento-San Joaquin*
- 8 *Delta (Delta), protect flood-vulnerable communities, maintain*
- 9 *water deliveries, and ensure climate-responsive water operations.*
- 10 (b) *Before passage of the Sustainable Groundwater Management*
- 11 *Act (Part 2.74 (commencing with Section 10720) of Division 6 of*
- 12 *the Water Code), groundwater pumping and other factors resulted*
- 13 *in significant land subsidence in the San Joaquin Valley. According*
- 14 *to the State Water Project Adaptation Strategy, this subsidence*
- 15 *threatens to reduce the water carrying capacity of the State Water*
- 16 *Project by 87 percent by 2040 if not repaired, putting drinking*
- 17 *water for 27,000,000 residents and 750,000 acres of farmland in*
- 18 *California at risk.*

1 (c) *The State Water Project is the single largest energy user in*
2 *state, using about 3 percent of total statewide consumption, and*
3 *with subsidized canals increasing the energy it takes to move water,*
4 *if these subsidence impacts to the State Water Project are not*
5 *addressed, there will be unnecessary increased energy usage and*
6 *associated costs.*

7 (d) *Each public water agency contracted with the Department*
8 *of Water Resources is obligated to pay the capital and operation*
9 *and management costs of the State Water Project in order to*
10 *participate in the State Water Project, and the Department of*
11 *Water Resources is authorized to issue bonds for the capital costs*
12 *under the Central Valley Project (Part 3 (commencing with Section*
13 *11100) of Division 6 of the Water Code) that each state water*
14 *contractor repays along with other expenses billed by the*
15 *Department of Water Resources, including annual operation and*
16 *maintenance costs.*

17 (e) *Damage to the State Water Project due to subsidized canals*
18 *is largely caused by groundwater pumping actions done outside*
19 *of the public water agencies' service areas. Obligations to pay the*
20 *costs of repair of the canals would significantly increase annual*
21 *costs to public water agencies and their ratepayers.*

22 (f) *The Delta supports local communities, businesses, and more*
23 *than 400,000 acres of farmland, 80 percent of which is considered*
24 *United States Department of Agriculture prime farmland, and it*
25 *is also a national heritage site, a site of critical cultural importance*
26 *to several indigenous tribes, and a thriving ecosystem supporting*
27 *several native species of plants and animals.*

28 (g) *The Delta is also experiencing the impacts of climate change,*
29 *including, but not limited to, increasing droughts, more extreme*
30 *precipitation events, earlier snowmelt, and sea level rise that all*
31 *create concerns for how to manage the dynamic ecosystem in a*
32 *way that continues to support human life and natural ecosystems.*

33 (h) *The Delta is supported by 1,100 miles of levees that provide*
34 *protection to residences, businesses, agricultural lands, tribal*
35 *cultural sites, and infrastructure and help ensure fresh drinking*
36 *water supply to millions of Californians. However, many levees*
37 *date back to the 1800s and no longer meet the United States Army*
38 *Corps of Engineers' standards. If levees are breached, human life*
39 *and property in the Delta would be at risk, and saltwater intrusion*
40 *into the fresh water that feeds the state and federal water projects*

1 could threaten the drinking water sources for over one-half of the
2 people in the state.

3 (i) The Sacramento-San Joaquin Delta Reform Act of 2009
4 required, among other things, that the Delta Stewardship Council
5 establish a plan to reduce flood risk and guide prioritization of
6 state investments in the Delta. The resulting Delta Levees
7 Investment Strategy (DLIS) is a risk-based prioritization for levee
8 investments in the Delta adopted by the Delta Stewardship Council
9 as part of the Delta Plan on January 1, 2024. The goal is to
10 maximize flood protection for people, property, water supply, the
11 delta ecosystem, and infrastructure, for the benefit of all
12 Californians. While the strategy provides a risk-based prioritization
13 of levee repairs in the Delta, it does not currently have funding
14 sources to meet its goals.

15 (j) The Sacramento-San Joaquin Delta Reform Act of 2009 also
16 established that it is state policy to reduce reliance on the Delta
17 in meeting the state's future water supply needs by investing in
18 improved water use efficiency, water recycling, advanced water
19 technologies, and other regional water supply projects. These
20 alternative water supplies will continue to be critical to protecting
21 and preserving the overall health of the Delta, and critical to the
22 protection of a diverse clean water supply for the people of
23 California.

24 SEC. 2. Section 39719.4 of the Health and Safety Code is
25 amended to read:

26 39719.4. Beginning with the 2026–27 fiscal year, moneys in
27 the funds shall be allocated in the following priority:

28 (a) (1) Amounts described in Sections 4210 to 4214, inclusive,
29 of the Public Resources Code to replace the revenues generated
30 by the State Responsibility Area fire prevention fee authorized by
31 Section 4212 of the Public Resources Code.

32 (2) Amounts appropriated by subparagraph (A) of paragraph
33 (3) of subdivision (g) of Section 6377.1 of the Revenue and
34 Taxation Code.

35 (3) The sum of three million dollars (\$3,000,000) for the
36 establishment of the Legislative Counsel Climate Bureau.

37 (b) After the amounts specified in subdivision (a) are fully
38 allocated, as determined by the Department of Finance, the
39 remaining moneys in the fund shall be allocated as follows:

1 (1) Notwithstanding Section 13340 of the Government Code
2 and subject to Section 39719.3, the sum of one billion dollars
3 (\$1,000,000,000) is continuously ~~appropriated~~ *appropriated* without
4 regard to fiscal year to the High-Speed Rail Authority for the
5 following components of the initial operating segment and Phase
6 I Blended System as described in the 2012 business plan adopted
7 pursuant to Section 185033 of the Public Utilities Code:

- 8 (A) Acquisition and construction costs of the project.
- 9 (B) Environmental review and design costs of the project.
- 10 (C) Other capital costs of the project.
- 11 (D) Repayment of any loans made to the authority to fund the
12 project.

13 (2) (A) The sum of one billion dollars (\$1,000,000,000) is
14 reserved for appropriation by the Legislature in the annual Budget
15 Act or other statute.

16 (B) It is the intent of the Legislature that the amount reserved
17 pursuant to subparagraph (A) is allocated in the following amounts
18 for the 2026—27 fiscal year:

19 (i) The sum of one hundred twenty-five million dollars
20 (\$125,000,000) for transit passes.

21 (ii) The sum of twenty-five million dollars (\$25,000,000) for
22 seed funding for a University of California Climate Research
23 Center.

24 (iii) The sum of fifteen million dollars (\$15,000,000) for
25 rebuilding Topanga Park.

26 (iv) The sum of eighty-five million dollars (\$85,000,000) for
27 an entity chosen by the Legislature to support climate-focused
28 technological innovation, related research, and the deployment of
29 climate solutions identified in the scoping plan prepared pursuant
30 to Section 38561.

31 (C) *Notwithstanding subparagraph (A) and of the amount*
32 *described in therein, both of the following are appropriated*
33 *annually, beginning with the 2026–27 fiscal year and continuing*
34 *through the 2046–47 fiscal year:*

35 (i) *The sum of one hundred fifty million dollars (\$150,000,000)*
36 *to the Department of Water Resources for the purposes of*
37 *supporting capital improvements to restore the original design*
38 *water conveyance capacity for state water conveyance systems*
39 *impacted operationally by land subsidence. The department shall*
40 *prioritize projects based on the volume of water capacity they can*

1 restore to the state water system, and shall provide priority to
2 projects where the surrounding groundwater basin is implementing
3 best management practices aligned with the goals of the
4 Sustainable Groundwater Management Act (Part 2.74
5 (commencing with Section 10720) of Division 6 of the Water Code),
6 or the equivalent as determined by the department, to manage land
7 subsidence, as determined by the department.

8 (ii) The sum of one hundred fifty million dollars (\$150,000,000)
9 to the Sacramento-San Joaquin Delta Conservancy for projects
10 in the Sacramento-San Joaquin Delta to improve existing levees,
11 including multibenefit levee projects that protect, enhance, or
12 restore habitat, and improve water quality. The Conservancy shall
13 prioritize projects that improve the sustainability of local or state
14 water supplies, and projects that improve instream, riparian, flood
15 plain, and wetland habitat. For purposes of this subdivision,
16 “Sacramento-San Joaquin Delta” has the same meaning as
17 described in Section 12220 of the Water Code.

18 (D) Funds provided by this subdivision shall not be expended
19 to pay the costs of the design, construction, operation, mitigation,
20 or maintenance of any additional Sacramento-San Joaquin Delta
21 conveyance facilities. Those costs shall be the responsibility of the
22 water agencies that benefit from the design, construction,
23 operation, mitigation, or maintenance of those facilities.

24 (c) (1) After the amounts specified in subdivisions (a) and (b)
25 are fully allocated, as determined by the Department of Finance,
26 the remaining moneys in the fund, notwithstanding Section 13340
27 of the Government Code, are continuously appropriated, without
28 regard to fiscal year, as follows:

29 (A) The sum of eight hundred million dollars (\$800,000,000)
30 to the Strategic Growth Council for the Affordable Housing and
31 Sustainable Communities Program created by Part 1 (commencing
32 with Section 75200) of Division 44 of the Public Resources Code.
33 Of the amount appropriated in this subparagraph, no less than 10
34 percent of the annual proceeds of the fund shall be expended for
35 affordable housing, consistent with the provisions of that program.

36 (B) The sum of four hundred million dollars (\$400,000,000) to
37 the Transportation Agency for the Transit and Intercity Rail Capital
38 Program created by Part 2 (commencing with Section 75220) of
39 Division 44 of the Public Resources Code.

1 (C) The sum of two hundred fifty million dollars (\$250,000,000)
2 to the State Air Resources Board for community air protection
3 programs and allocated for financial incentives to reduce mobile
4 and stationary sources of criteria air pollutants or toxic air
5 contaminants consistent with community emissions reduction
6 programs developed pursuant to Section 44391.2 and for support
7 for local air districts' implementation of Chapter 136 of the Statutes
8 of 2017.

9 (D) The sum of two hundred million dollars (\$200,000,000) to
10 the Transportation Agency for the Low Carbon Transit Operations
11 Program created by Part 3 (commencing with Section 75230) of
12 Division 44 of the Public Resources Code. Moneys shall be
13 allocated by the Controller, according to requirements of the
14 program, and pursuant to the distribution formula in subdivision
15 (b) or (c) of Section 99312 of, and Sections 99313 and 99314 of,
16 the Public Utilities Code.

17 (E) The sum of two hundred million dollars (\$200,000,000) to
18 the Department of Forestry and Fire Protection and allocated as
19 follows:

20 (i) Eighty-two and one-half percent for healthy forest and fire
21 prevention programs and projects that improve forest health and
22 reduce emissions of greenhouse gases caused by uncontrolled
23 wildfires.

24 (ii) Seventeen and one-half percent for the completion of
25 prescribed fire and other fuel reduction projects through proven
26 forestry practices consistent with the recommendations of the
27 California Forest Carbon Plan, including the operation of
28 year-round prescribed fire crews and implementation of a research
29 and monitoring program for climate adaptation.

30 (F) The sum of one hundred thirty million dollars
31 (\$130,000,000) is transferred to the Safe and Affordable Drinking
32 Water Fund established pursuant to Section 116766 for the
33 purposes of Chapter 4.6 (commencing with Section 116765) of
34 Part 12 of Division 104.

35 (2) (A) Moneys appropriate pursuant to paragraph (1) shall be
36 used for the purpose of facilitating the achievement of reductions
37 of greenhouse gas emissions in this state in accordance with the
38 requirements of Section 39712 or to improve climate change
39 adaptation and resiliency of disadvantaged communities or

1 low-income households or communities, consistent with Division
2 25.5 (commencing with Section 38500).

3 (B) For purposes of the moneys appropriated pursuant to
4 paragraph (1), a state agency may comply with the requirements
5 of paragraphs (2) and (3) of subdivision (a) of Section 16428.9 of
6 the Government Code by describing how each proposed
7 expenditure will improve climate change adaptation and resiliency
8 of disadvantaged communities or low-income households or
9 communities.

10 (3) If, for any fiscal year the Department of Finance determines
11 that, after fully allocating the amounts pursuant to subdivisions
12 (a) and (b), there are insufficient annual proceeds to fully provide
13 for the appropriations specified in paragraph (1) in addition to any
14 state operations costs appropriated in the annual Budget Act, the
15 amounts specified in paragraph (1) shall be proportionally reduced
16 as determined by the Department of Finance.

17 (d) Any amounts in the fund not needed to fully fund the
18 amounts pursuant to subdivisions (a), (b), and (c) in a fiscal year
19 are available to be appropriated by the Legislature in the annual
20 Budget Act or other statute.

21 ~~SECTION 1. Section 6203 of the Water Code is amended to~~
22 ~~read:~~

23 ~~6203. The department may also require the following:~~

24 ~~(a) Data concerning subsoil and foundation conditions and the~~
25 ~~materials entering into construction of the dam or reservoir.~~

26 ~~(b) Investigations of, and reports on, subsurface conditions,~~
27 ~~involving such matters as exploratory pits, trenches and adits,~~
28 ~~drilling, coring, geophysical surveys, tests to determine leakage~~
29 ~~rates, and physical tests to measure in place the properties and~~
30 ~~behavior of foundation materials at the dam or reservoir site.~~

31 ~~(c) Investigations of, and reports on, the geology of the dam or~~
32 ~~reservoir site and its vicinity, possible geologic hazards, availability~~
33 ~~and quality of construction materials, and other pertinent features.~~

34 ~~(d) Any other appropriate information as may be necessary in~~
35 ~~a given instance.~~

O



INFORMATION ITEM

March 4, 2026

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Melissa Baum-Haley, Assistant General Manager
Kevin Hostert, Senior Water Resources Analyst
Jared Dawson, Water Resources Policy Analyst

SUBJECT: METROPOLITAN ITEMS CRITICAL TO ORANGE COUNTY

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file the information.

REPORT

This report provides a brief update on the status of the following key Metropolitan Water District of Southern California (Metropolitan) issues that may affect Orange County:

- a. Metropolitan's Finances
- b. Metropolitan's Water Supply Condition Update
- c. Metropolitan's Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- Clarifying MWD OC's mission and role; defining functions and actions.*
- Balance support for Metropolitan's regional mission and OC values and interests.*
- Strengthen communication and coordination of messaging.*
- Work with member agencies to develop water supply and demand objectives.*
- Solicit input and feedback from member agencies.*
- Invest in workforce development and succession planning.*

| |
|---------------------------|
| Attachments/Links: |
|---------------------------|

| |
|--------------------------------|
| Attachment 1: Issue Briefs A-E |
|--------------------------------|

Issue Brief A

SUBJECT: Metropolitan Finances

RECENT ACTIVITY

Water Transactions for February 2026 (for water delivered in December 2025) totaled 119.2 thousand acre-feet (TAF), which was 11.6 TAF higher than the budget of 107.6 TAF. This translates to \$136.9 million in receipts for February 2026, which were \$24.0 million higher than the budget of \$112.9 million.

Year-to-date water transactions through February 2025 (for water delivered in May 2025 through December 2025) were 928.1 TAF, which was 51.5 TAF lower than the budget of 979.6 TAF.

Year-to-date water receipts through February 2026 were \$1.083 billion, which was \$21.8 million lower than the budget of \$1.105 billion.

FY 2025/26 Cash Water Transactions and Revenues Budget vs Actual (Preliminary, subject to change)

| Month | | Acre-Feet (AF) ¹ | | Variance | | Revenue (\$) ² | | Variance | |
|---------------------|-----------------------|-----------------------------|----------------|-----------------|------------|---------------------------|----------------------|---------------------|------------|
| Delivered/Billed In | To be Collected in | Budget | Actual | AF | % | Budget | Actual | \$ | % |
| May | July | 110,834 | 104,802 | (6,032) | -5% | 122,873,672 | 134,899,988 | 12,026,316 | 10% |
| June | August | 117,893 | 105,957 | (11,936) | -10% | 150,194,358 | 117,905,817 | (32,288,541) | -21% |
| July | September | 130,799 | 117,324 | (13,475) | -10% | 149,512,493 | 134,297,129 | (15,215,364) | -10% |
| August | October | 133,060 | 121,437 | (11,623) | -9% | 152,486,828 | 153,574,498 | 1,087,670 | 1% |
| September | November | 125,227 | 131,836 | 6,609 | 5% | 141,365,920 | 150,893,965 | 9,528,045 | 7% |
| October | December | 126,161 | 123,200 | (2,961) | -2% | 139,251,899 | 132,150,366 | (7,101,533) | -5% |
| November | January ³ | 128,056 | 104,335 | (23,721) | -19% | 136,399,566 | 122,602,949 | (13,796,617) | -10% |
| December | February ³ | 107,621 | 119,244 | 11,623 | 11% | 112,940,009 | 136,943,652 | 24,003,643 | 21% |
| YTD Total | | 979,651 | 928,136 | (51,516) | -5% | 1,105,024,746 | 1,083,268,364 | (21,756,382) | -2% |
| January | March | 90,739 | - | - | 0% | 105,775,733 | - | - | 0% |
| February | April | 78,856 | - | - | 0% | 91,212,001 | - | - | 0% |
| March | May | 84,484 | - | - | 0% | 98,206,004 | - | - | 0% |
| April | June | 110,200 | - | - | 0% | 129,990,583 | - | - | 0% |
| FY Total | | 1,343,930 | 928,136 | N/A | N/A | 1,530,209,068 | 1,083,268,364 | N/A | N/A |

¹ AF reflected does not include non-member agency transactions.

² Includes Water Sales, Exchanges, and Wheeling for member agency and non-member agency.

³ Information is presented on an accrual basis; corresponding cash data is not yet available.

Budget Process

Metropolitan is currently developing its biennial budget for Fiscal Years 2026-27 and 2027-28. The biennial budget process establishes Metropolitan's financial framework for the two-year period. This includes the Capital Investment Plan and revenue requirements for fiscal years 2026-27 and 2027-28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026-27 and 2027-28; a ten-year financial forecast; and a Cost of Service Report.

In February, Metropolitan staff will hold two budget workshops for the Metropolitan Board, followed by two more budget workshops in March, prior to the adoption of the budget in April.

MWDOC staff have also invited Metropolitan staff to present their proposed budget at our March 4, 2026, Joint Board Workshop meeting.

ISSUE BRIEF B

SUBJECT: Metropolitan's Supply Condition Update

RECENT ACTIVITY

The 2025-26 Water Year (WY) officially started on October 1, 2025. Thus far, Northern California accumulated precipitation (8-Station Index) reported **38.8 inches or 114% of normal as of February 24**. The Northern Sierra Snow Water Equivalent was **11.9 inches on February 24**, which is **48% of normal** for that day. The Department of Water Resources (DWR) has increased the initial State Water Project (SWP) **"Table A" allocation for WY 2025-26 to 30%**.

The Upper Colorado River Basin has accumulated precipitation of **12.18 inches, or 110% of normal, as of February 24**. Snowpack is measured across four states in the Upper Colorado River Basin, encompassing the Colorado River system. The Upper Colorado River Basin Snow Water Equivalent was **8.56 inches as of February 24**, which is **70% of normal** for that day. Due to below-average inflows into Lake Powell over the past several years, the U.S. Bureau of Reclamation **declared a shortage at Lake Mead that has been ongoing since January 1, 2022 (below the 1,075-foot storage level)**. As of February 2026, **there is a 100% chance of shortage continuing in Calendar Year (CY) 2026, a 93% chance in CY 2027, and a 97% chance in CY 2028. Additionally, there is a 13% chance of a California shortage (below a 1,045-foot storage level) in 2028.**

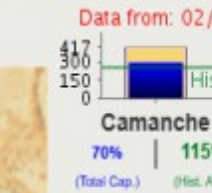
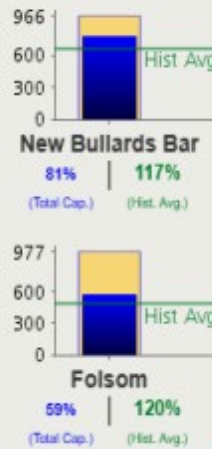
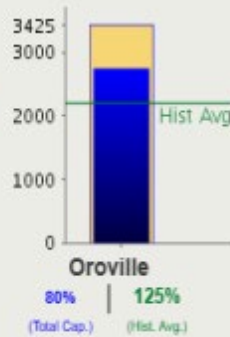
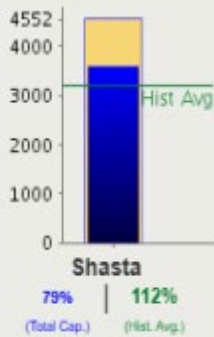
As of February 23, Lake Oroville storage is at **80% of total capacity and 125% of normal**. Additionally, as of February 23, San Luis Reservoir is at **84% of its total capacity and is 105% of normal**.

With CY 2026 estimated total demands and losses of 1.486 million acre-feet (MAF) and with a 30% SWP Table A Allocation, Metropolitan is projecting that demands will equal supply levels in CY 2026. Based on this, the estimated total dry-year storage for Metropolitan at the end of **CY 2026 will be approximately 3.8 MAF**. A projected dry-year storage supply of **3.8 MAF would be approximately 2.8 MAF above the typical level where Metropolitan enters Water Supply Allocations**. A significant factor in maintaining high water storage levels is lower-than-expected water demands. We are seeing regional water demands reaching a 40-year low. **However, with a majority of Metropolitan's water supplies stored in Lake Mead, which still projects a 5-year shortage, there remains considerable uncertainty about future supply balances. The Colorado River Basin States failed to meet the February 14, 2026, deadline to negotiate new, post-2026 operations at Glen Canyon Dam, located at Lake Powell, and Hoover Dam, located at Lake Mead.**

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:23-FEB-2026

Data as of Midnight: 23-Feb-2026

Change Date: 23-Feb-2026



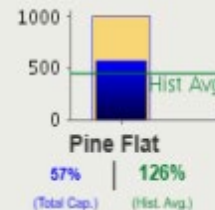
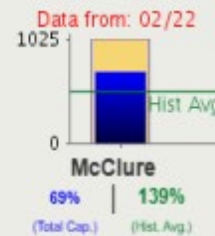
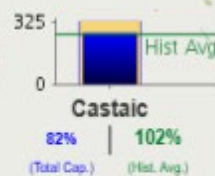
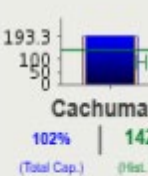
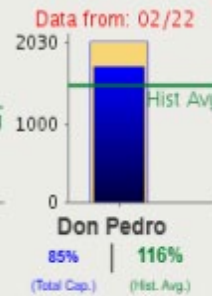
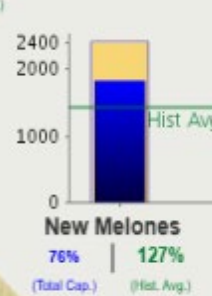
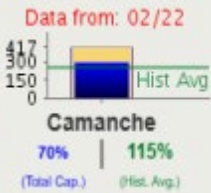
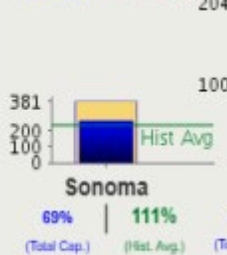
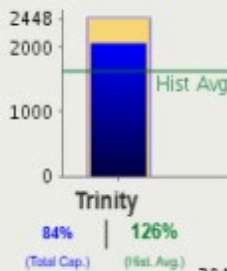
LEGEND

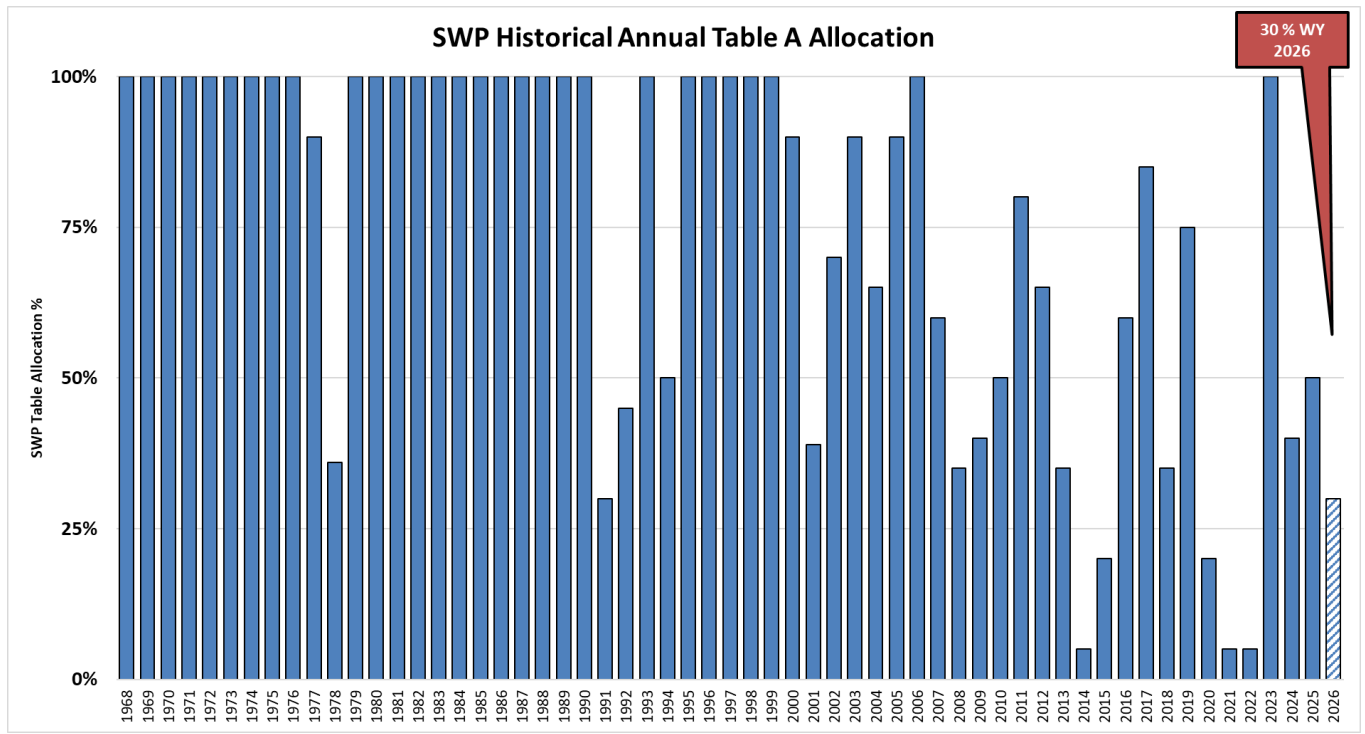
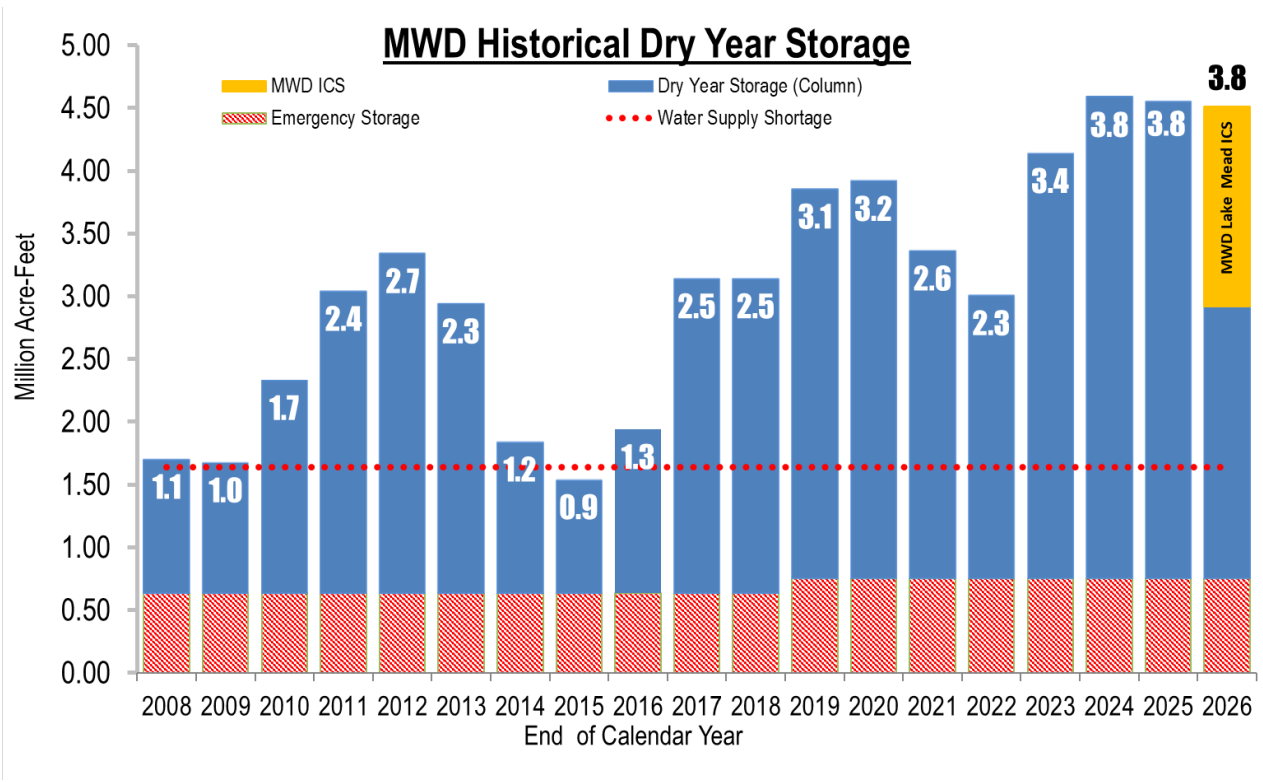
- Blue Bar: Storage level for date
- Gold Bar: Total reservoir capacity
- Green Line: Historic level for date.

Capacity (TAF) | Historical Avg Mark

% of Capacity | % Hist. Avg.

(Click res. 3 char. code for details)





2026 WSDM Storage Detail

| | 1/1/2026 Estimated Storage Levels ¹ | CY 2026 Take Capacity ² | 2026 Total Storage Capacity |
|--|---|---------------------------------------|--------------------------------|
| WSDM Storage | | | |
| Colorado River Aqueduct Delivery System | 1,568,000 | 124,000 | 1,622,000 |
| Lake Mead ICS | 1,568,000 ³ | 124,000 ⁴ | 1,622,000 ³ |
| State Water Project System | 1,265,000 | 769,000 | 2,401,000 |
| MWD and DWCV SWP Carryover | 473,000 ⁵ | 473,000 | 592,000 ⁶ |
| MWD Articles 14(b) and 12(e) | 0 | 0 | 0 |
| Castaic and Perris DWR Flex Storage | 219,000 | 219,000 | 219,000 |
| Arvin-Edison Storage Program | 100,000 | 0 | 350,000 |
| Semitropic Storage Program | 237,000 | 45,000 | 350,000 |
| Kern Delta Storage Program | 142,000 | 32,000 | 250,000 |
| Mojave Storage Program | 19,000 | 0 | 330,000 |
| AVEK Storage Program | 30,000 | 0 | 30,000 |
| AVEK High Desert Water Bank Program | 45,000 | 0 | 280,000 |
| In-Region Supplies and WSDM Actions | 1,042,000 | 633,000 | 1,151,000 |
| Diamond Valley Lake | 760,000 | 503,000 | 810,000 |
| Lake Mathews and Lake Skinner | 204,000 | 92,000 | 226,000 |
| Conjunctive Use Programs (CUP) | 77,000 | 38,000 | 115,000 |
| Other Programs | 684,000 | 54,000 | 1,181,000 |
| Other Emergency Storage | 381,000 | 0 | 381,000 |
| DWCV Advanced Delivery Account | 303,000 | 54,000 | 800,000 |
| Total | 4,558,000 | 1,580,000 | 6,355,000 |
| Emergency | 750,000 | 0 | 750,000 |
| Total WSDM Storage (AF) ⁷ | 3,808,000 | 1,580,000 | 5,605,000 |

¹ Preliminary start of year balances, subject to DWR adjustments and USBR final accounting in May 2026.

² Take capacity assumed under a 10 percent SWP Table A Allocation. Storage program losses included where applicable.

³ This amount is net of the water Metropolitan stored for IID in Lake Mead in an ICS sub-account.

⁴ Take capacity is based on planned maintenance activities and current CRA supply estimate.

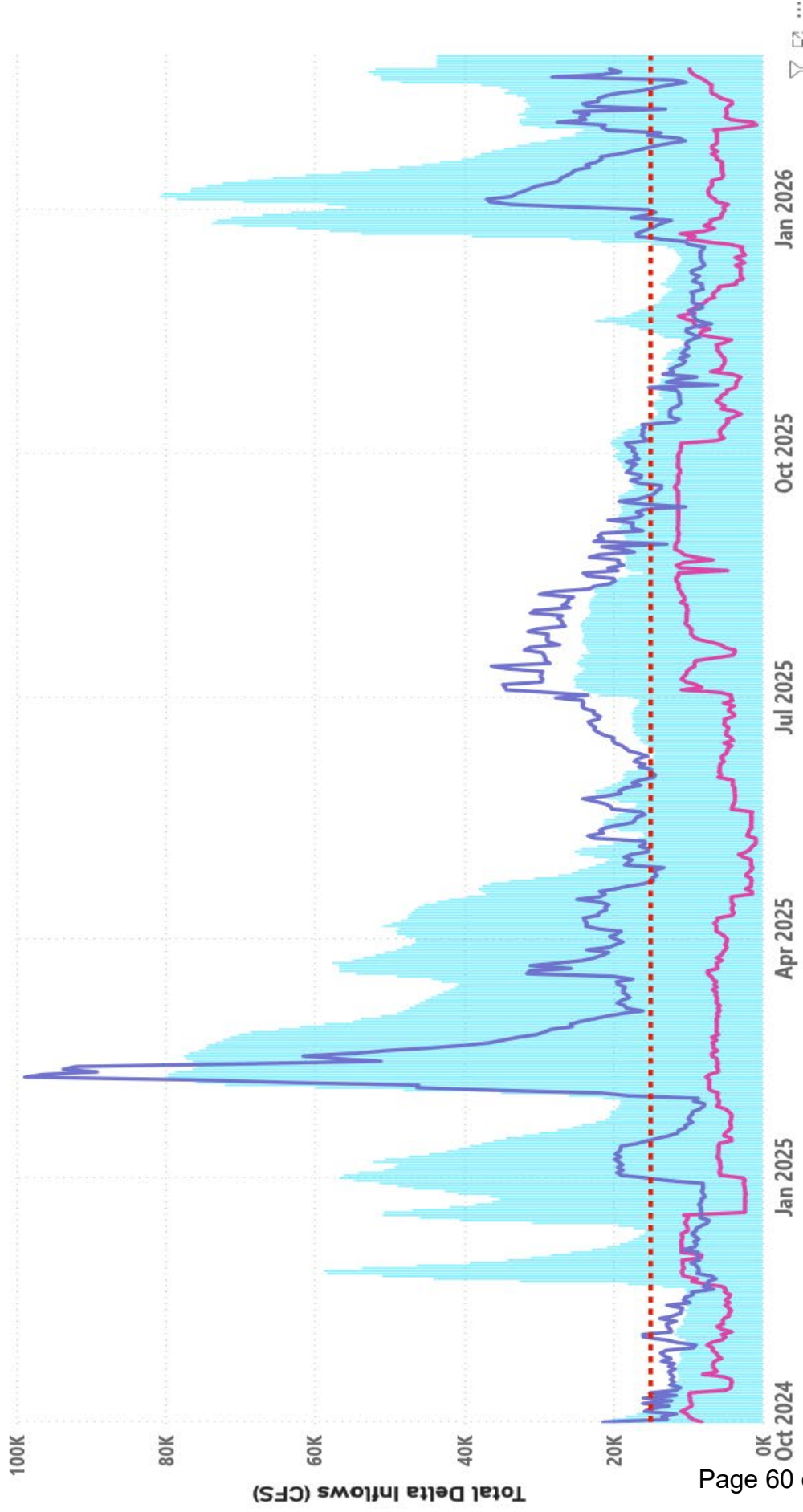
⁵ The carryover beginning balance is subject to change based on actual December 2025 conditions.

⁶ Total storage capacity varies year-to-year as the contractual annual storage limit, based on the current SWP Table A allocation of 10 percent, is combined with the remaining balance from the previous year. There is a potential risk that Metropolitan's stored water may be converted to SWP contractor water if the San Luis Reservoir approaches full capacity. Metropolitan is actively monitoring the storage in San Luis Reservoir and has plans to manage carryover supply should the reservoir fill.

⁷ Total WSDM Storage level subject to change based on accounting adjustments. Total may not sum due to rounding.

Bay Delta Daily Historical Water Operations

● Total Delta Inflows (CFS) — Total Delta Diversion (CFS) — Shasta + Folsom + Oroville Outflows (CFS) - - - MAX Delta Diversion (CFS)



ISSUE BRIEF C

SUBJECT: Metropolitan's Water Quality Update

RECENT ACTIVITY

Water System Operations

Metropolitan member agency water deliveries are projected to be 74,200 acre-feet (AF) for January 2026, with an average of 2,390 AF per day, which is about 220 AF per day lower than in December 2025. Treated water deliveries were 9,600 AF lower than in November for a total of 49,100 AF, or 66 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) projected diversions for January 2026 are 25,700 AF . SWP imports averaged 1,690 AF per day, totaling about 52,400 AF for the month. The target SWP blend is currently 50 percent at the Weymouth, Diemer, and Skinner plants.

With the end of 2025 marking another record storage level of over 3.8 million AF, Metropolitan has sufficient imported supplies and storage to meet demands in 2026. Water continues to be managed according to Water Surplus and Drought Management (WSDM) principles and operational objectives with an emphasis on positioning SWP supplies to meet future demands in the SWP-dependent area. The SWP allocation is 30 percent, and Metropolitan is managing the use of Table A and carryover supplies to guard against potential drought conditions while minimizing the risk of carryover storage converting back to SWP supply if the San Luis Reservoir completely fills.

The Metropolitan Water District of Southern California

Weekly Operations Plan



For additional information, please contact Miluska Propersi at MPropersi@mwdh2o.com

02/19/2026 - 02/26/2026

Colorado River Aqueduct:
0-pump flow
Currently in CRA Shutdown

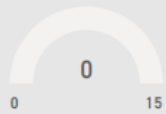
Total Member Agency Demands

1,460 AF/Day

Forecast
February
 Deliveries to
 Member Agencies

63 TAF

Hydroelectric Generation:
0.0 MW
0 plant(s) in operation



Change in Member Agency Demands*

▼ -620 AF/Day

East Branch SPW Imports

| | | |
|---------------------------|-------------------|---|
| Rialto Pipeline | <u>420</u> AF/day | ▼ |
| Santa Ana Valley Pipeline | <u>40</u> AF/day | ▼ |
| Inland Feeder | <u>440</u> AF/day | ▶ |

Water Quality

| Plant Name | Targeted Blend (% SPW) | TDS (mg/L) | TTHMs (µg/L) |
|------------|------------------------|------------------------|-----------------------|
| | As of <u>2/18/2026</u> | As of <u>2/18/2026</u> | As of <u>2/2/2026</u> |
| Weymouth | 50 | 446 | 25.0 |
| Diemer | 50 | 423 | 22.0 |
| Skinner | 50 | 389 | 20.0 |
| Jensen | 100 | OOS | 13.0 |
| Mills | 100 | 278 | 28.0 |

West Branch SPW Imports

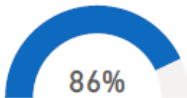
| | | |
|-----------------------|-------------------|---|
| Castaic Lake | <u>350</u> AF/day | ▲ |
| SCVWA (formerly CLWA) | <u>0</u> AF/day | ▼ |

Terminal Reservoirs

as of 2/17/2026

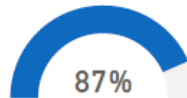
Lake Mathews

155,700 AF
 ▼ -2,300 AF*



Lake Skinner

38,100 AF
 ▲ 200 AF*



Diamond Valley Lake

759,100 AF
 ▲ 500 AF*



* = data from 2/12/2026

ISSUE BRIEF D

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Post-2026 Operational Guidelines Draft Environmental Impact Statement Issued

The U.S. Bureau of Reclamation (Reclamation) issued the Draft Environmental Impact Statement (DEIS) for the post-2026 operations of Lake Powell and Lake Mead, marking a significant milestone in the development of new Colorado River operational guidelines. Issuance of the DEIS represents a key step in the National Environmental Policy Act process to replace the 2007 Interim Guidelines, which expire at the end of 2026. The DEIS sets out Reclamation's preliminary analysis of five alternatives for releases from Lake Powell and shortage and surplus determinations at Lake Mead, and evaluates potential effects on water supplies, reservoir elevations, hydropower production, environmental resources, and other system interests. Publication of the DEIS launches the formal public review and comment period, providing Metropolitan and other stakeholders an opportunity to evaluate the proposed alternatives and submit input as Reclamation moves toward preparing a Final Environmental Impact Statement and a Record of Decision.

The range of alternatives evaluated in the DEIS was designed to be sufficiently comprehensive to allow Reclamation to consider and adopt a Colorado River Basin States (Basin States) consensus approach within the bounds of the completed environmental analysis. The Basin States continue to meet with the goal of reaching consensus on the operations of Lake Powell and Lake Mead for the post-2026 period by Reclamation's deadline of February 14, 2026. Metropolitan staff plan to submit comments on the DEIS by the deadline of March 2, 2026.

Develop Post-2026 Guidelines and Negotiate Implementation Agreements: Provide Input that Shapes the U.S. Bureau of Reclamation's Selected Alternative

The Basin States are meeting regularly to develop an agreement on the key operational elements of the Post-2026 Guidelines, including criteria for releases from Lake Powell, Lower Basin reduction triggers, storage in Lake Mead, and whether and under what conditions the Upper Basin will reduce water uses. Metropolitan staff participate in these meetings as advisors to California's principal representative in the Basin States negotiations, JB Hamby, in his role as Chair of the Colorado River Board of California. Several work groups have been formed to answer questions raised by the principals, including questions about needed flexibility in accessing Intentionally Created Surplus supplies from Lake Mead. Metropolitan staff participate in each of the work groups. The Basin States have regular discussions to meet a February 14 deadline established by the Interior Department to reach agreement on the criteria noted above. Staff will provide an update during Metropolitan's February One Water and Adaptation Committee Meeting.

ISSUE BRIEF E

SUBJECT: Delta Conveyance Activities and State Water Project Issues

RECENT ACTIVITY

Decide on Sites Reservoir and Bay-Delta Interests

Delta Conveyance Project

In November 2025, the U.S. Army Corps of Engineers (USACE) issued the Delta Conveyance Project Final Programmatic Environmental Impact Statement. USACE is the lead agency under the National Environmental Policy Act, and cooperating federal agencies include the U.S. Fish and Wildlife Service (USFWS), National Marine Fisheries Service, U.S. Environmental Protection Agency, and U.S. Bureau of Reclamation. The public comment period closed in January 2026. A Record of Decision is expected in 2026.

Bring Sites Reservoir Analyses and Options to the Board for Consideration

The Sites Reservoir Committee recommended, and the Authority Board approved, a voluntary reassignment of 6,234 acre-feet of storage capacity from Wheeler Ridge–Maricopa Water Storage Replenishment District to Santa Clara Valley Water District at the December 19, 2025, Joint Reservoir Committee and Authority Board Meeting.

Advance Science and Multi-Benefit Solutions that Improve the Sustainability of the Delta and Inform Regulation

Metropolitan staff reviewed the draft Restoration Management Permit and submitted revisions to the California Department of Fish and Wildlife (CDFW) related to the Webb Tract Wetland Restoration Project (Webb Tract Project). A follow-up consultation meeting with CDFW is scheduled. Metropolitan staff expect the permit to be issued in late January 2026.

The USACE initiated formal consultation with the USFWS under the Endangered Species Act and the State Historic Preservation Officer under the National Historic Preservation Act on the Webb Tract Project.

The completed Basis of Development package for the Webb Tract Project is expected to be released in early February 2026.

Installation of water diversion meters on Bacon Island commenced in early January. Completion of meter installations on all Metropolitan Delta Island agricultural diversions is expected to be completed by the end of March 2026.

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Board of Directors - Final

March 10, 2026

2:00 PM

| |
|--|
| Tuesday, March 10, 2026 Meeting Schedule |
| 08:30 a.m. FAAME 11:30 a.m. BREAK 12:00 p.m. LEGAL 02:00 p.m. BOD |

Written public comments received by 3:00 p.m. the business day before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: <https://mwdh2o.legistar.com/Legislation.aspx>.

The listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference and in-person. To provide public comment by teleconference dial 1-833-548-0276 and enter meeting ID: 815 2066 4276 or to join by computer [click here](#).

Disclaimer: Written and oral public comments are received in compliance with the Ralph M. Brown Act. Please note that Metropolitan does not endorse or ensure the accuracy or reliability of the information provided as public comment or by third parties.

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

1. **Call to Order**
 - a. Invocation: TBD
 - b. Pledge of Allegiance: Director Barry D. Pressman, City of Beverly Hills
2. **Roll Call**
3. **Determination of a Quorum**
4. **Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code §54954.3(a))**

PUBLIC HEARING

- a. Public Hearing regarding the proposed water rates and changes for calendar years 2027 and 2028 necessary to meet the revenue requirements for fiscal years 2026/27 and 2027/28 [21-5504](#)
- b. Public Hearing to receive staff and recognized employee organizations presentations on the status of job vacancies and recruitment/retention efforts, as required by Government Code Section 3502.3 (Assembly Bill 2561), and to receive public comment [21-5452](#)

5. OTHER MATTERS AND REPORTS

- A. Report on Director's Metropolitan Expenses [21-5459](#)
- B. Chair's Monthly Activity Report [21-5460](#)
- C. General Manager's summary of activities [21-5455](#)
- D. General Counsel's summary of activities [21-5461](#)
- E. General Auditor's summary of activities [21-5456](#)
- F. Ethics Officer's summary of activities [21-5457](#)
- G. Presentation of 5-year Service Pin to Director Dennis Erdman, Municipal Water District of Orange County [21-5501](#)
- H. Presentation of 5-year Service Pin to Director Adán Ortega, San Fernando [21-5502](#)
- I. Presentation of Commendatory Resolution for Director Jeffrey D. Armstrong, Eastern Municipal Water District [21-5535](#)

**** CONSENT CALENDAR ****

6. BOARD CONSENT ITEMS

- A. Approval of the Minutes of the Special Joint Meeting of the Executive Committee and Board of Directors of November 18, 2025 and December 9, 2025; and Board of Directors of January 13, 2026 and February 10, 2026 [21-5458](#)

Attachments: [03102026 BOD 6A \(11182025 - Exec and BOD\) Minutes](#)
[03102026 BOD 6A \(12092025 - Exec and BOD\) Minutes](#)

- B. Approve Committee Assignments [21-5523](#)

7. BOARD LETTERS CONSENT

- 7-1 Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC) [21-5446](#)
- 7-2 Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC) [21-5507](#)
- 7-3 Authorize an increase in the maximum amount payable under contract with Van Ness Feldman, LLP, for legal advice on Colorado River matters by \$250,000 to an amount not-to-exceed \$500,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC) [21-5450](#)

**** END OF CONSENT CALENDAR ITEMS ****

8. BOARD LETTERS ACTION

- 8-1 Authorize the General Manager to develop and enter into an Agreement with the Los Angeles Department of Water and Power and the Los Angeles County Department of Public Works for Multi-Benefit Program Funding Pilot; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWA) [21-5451](#)
- 8-2 Report on litigation in Systems Integrated, LLC v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 21STCV18292 and consider authorizing settlement [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Government Code Section 54956.9(d) (1)] (LC) [21-5518](#)

- 8-3** Report on litigation in Encarnacion Gutierrez v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 23STCV11052; and authorize an increase in the maximum amount payable under contract for legal services with BDG Law Group, APLC, in the amount of \$TBD for a total amount not to exceed \$TBD; and consider options for settlement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Government Code Section 54956.9(d)(1)] (LC) [21-5506](#)

9. BOARD INFORMATION ITEMS

- 9-1** Capital Investment Plan Quarterly Report for period ending December 2025 (EOT) [21-5454](#)
- 9-2** Equal Employment Opportunity activities [21-5519](#)
- 9-3** Diversity, Equity, and Inclusion activities [21-5505](#)

10. OTHER MATTERS

NONE

11. FOLLOW-UP ITEMS

NONE

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE: Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item, e.g. (EOT). Board agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
February 10, 2026**

CONSENT CALENDAR OTHER ITEMS - ACTION

Approved Committee Assignments and appointed:

Director Paule as a member of the Special Committee on Ag and Tribal Partnerships. (**Agenda Item 6B**)

CONSENT CALENDAR ITEMS – ACTION

Awarded a \$767,063 construction contract to Western Pump Inc. for procurement and installation of a new 6,000-gallon aboveground diesel fuel tank and dispensing system at the Lake Mathews facility. (**Agenda Item 7-1**)

Reviewed and considered the Mitigated Negative Declaration adopted by the Lead Agency for the project, and authorized the General Manager to grant a non-exclusive permanent easement to West Valley Water District for access purposes on Metropolitan fee-owned property in the city of Fontana and identified as County of San Bernardino Assessor Parcel Number 1107-262-16. (**Agenda Item 7-2**)

Set a public hearing on March 10, 2026, regarding the proposed water rates and charges for calendar years 2027 and 2028 necessary to meet the revenue requirements for fiscal years 2026/27 and 2027/28. As amended to reflect the August 18, 2026 date for the future Board action regarding fixing the ad valorem property tax for FY2026/27. (**Agenda Item 7-3**)

Amended the Metropolitan Water District Administrative Code to conform Employer-Paid Member Contributions for unrepresented employees to CalPERS requirements. (**Agenda Item 7-4**)

OTHER BOARD ITEMS - ACTION

Certified the Final EIR and take related CEQA actions as described, and approve PWSC for CEQA purposes. (**Agenda Item 8-1**)

Authorized an increase in the maximum amount payable under contract for legal services with Sheppard Mullin Richter & Hampton, in the amount of \$250,000 for a total amount not to exceed \$500,000. (**Agenda Item 8-3**)

Amended the Metropolitan Administrative Code regarding contracting provisions and reporting requirements. (**Agenda Item 8-4**)

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

All current month materials, and materials after July 1, 2021 are available on the public website here: <https://mwdh2o.legistar.com/Calendar.aspx>

This database contains archives from the year 1928 to June 30, 2021:
<https://bda.mwdh2o.com/Pages/Default.aspx>