



AGENDA

EAST ORANGE COUNTY WATER DISTRICT
(EOCWD)
Thursday, May 28, 2026
East Orange County Water District
185 N. McPherson Road, Orange CA 92869
4:00 p.m.

1. **Call Meeting to Order; Pledge of Allegiance – Vice President Thoms**
2. **Addition of Items Arising After Posting of Agenda Requiring Immediate Action**
(Requires 2/3 vote or unanimous vote if less than 2/3 of members are present)
Recommendation: Determine by motion need to take immediate action on item(s) and that the need for action came to the District's attention after posting of the Agenda and that such item(s) be added to the Agenda.
3. **Public Communications to the Board:** Opportunity for members of the public to comment on agendaed and non-agendaed items. Each speaker and comment is limited to three minutes. Interested speakers who verbally indicate their desire to speak during this item shall be afforded an opportunity to address the Board. At the discretion of the Board President, comments on a particular agendaed item may be deferred until that item is heard

CONSENT CALENDAR (Items 4-9) All matters on the Consent Calendar are to be approved by one motion, without separate discussion on these items, unless a Board member or District staff request that specific items be removed from the Consent Calendar for separate consideration.

4. Minutes of Regular Board Meeting held April 23, 2026.
Recommendation: Approve minutes as presented.
5. Wholesale and Retail Water Usage Report
Recommendation: Informational.

Items reviewed by Administration & Finance Committee

6. Schedule of Disbursements
Recommendation: Receive and File.
7. Financial Statements
Recommendation: Receive and File.
8. 457(B) Matching Program
Recommendation: Informational.

Item reviewed by Engineering & Operations Committee

9. Portable Water Pump Trailer
Recommendation: Authorize General Manager to purchase for \$150,825



MATTERS FOR CONSIDERATION

- 10. 2025 Urban Water Management Plan and Water Shortage Contingency Plan
Recommendation: Conduct Public Hearing and Adopt Resolution No. 25/26.03
- 11. Annual Budget
Recommendation: Review and Approve FY 2026/27 Budget, and Adopt Resolution No. 25/26.04
- 12. General Manager’s Report
Recommendation: Receive and File

MISCELLANEOUS ITEMS

- 13. Monthly Legislative & Outreach Report
Recommendation: Receive and File.
- 14. Directors’ reports on meetings attended at District expense (Government Code Section 53232.3) and Directors’ comments. Directors or staff may ask questions for clarification, make brief announcements, and make brief reports on their own activities. Directors may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning a matter, or direct staff to place a matter on a future agenda (Government Code § 54954.2)

RECESS TO CLOSED SESSION

- 15. *Conference with Legal Counsel – Anticipated Litigation (Gov. Code § 54956.9(d)(2))*
Number of matters: one.

RECONVENE IN OPEN SESSION

ADJOURNMENT

Adjourning to the next Regular Meeting scheduled for **June 25, 2026** at 4:00 p.m., at East Orange County Water District, 185 N. McPherson Orange, CA 92869 or as noticed pursuant to findings of the Board.

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the East Orange County Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board are available for public inspection in the District’s office, 185 N. McPherson Road, Orange, California (“District Office”). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available at the reception desk of the District Office during business hours at the same time as they are distributed to the Board members, except that if such writings are distributed less than one hour prior to, or during, the meeting, they will be available in the meeting room of the District Office.



Disability-related accommodations: The East Orange County Water District Board of Directors meeting room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.) please contact Sylvia Prado in the District Office at sprado@eocwd.com or (714) 538-5815 during business hours at least twenty-four (24) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to Sylvia Prado in the District Office, at least seventy-two (72) hours prior to the scheduled meeting.



MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE EAST ORANGE COUNTY WATER DISTRICT (EOCWD)

April 23, 2026

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District, held at the District Office, located at 185 N. McPherson Road in the City of Orange, California, was called to order by President GEORGE MURDOCH at 4:00 p.m. on Thursday, April 23, 2026. President MURDOCH led the Pledge of Allegiance. JEFF HOSKINSON, Secretary, recorded the minutes of the meeting.

The following Directors attended the meeting: DOUGLASS DAVERT, KARIN MARQUEZ, GEORGE MURDOCH, JOHN SEARS, and MARILYN THOMS.

Also present were:

DAVID YOUNGBLOOD
JERRY MENDZER
BOBBY YOUNG
SYLVIA PRADO
RAMON GALLEGOS
JEFF HOSKINSON
CHAD WANKE
CHRIS DEAL

General Manager
Operations Manager
Engineering Manager
Office Manager
GIS Manager
District Secretary and Legal Counsel
Orbis Public Affairs (Consultant)
Best, Best & Krieger (Special Counsel)

Other staff and members of the public may have attended but are not listed above.

2. Addition of Items Arising After Posting of Agenda Requiring Immediate Action.
(Requires 2/3 vote or unanimous vote if less than 2/3 of members are present).

ACTION TAKEN: None.

3. Public Communications to the Board. None.

CONSENT CALENDAR. The Board, on motion from DAVERT, seconded by SEARS, approved the Consent Calendar by a unanimous vote as follows:

- 4. Minutes of Regular Board Meeting held March 26, 2026:** THE BOARD APPROVED THE MINUTES AS PRESENTED;
- 5. Wholesale and Retail Water Usage Report:** THE BOARD RECEIVED AND FILED THE WHOLESALE AND RETAIL WATER USAGE REPORT;
- 6. Schedule of Disbursements:** THE BOARD RECEIVED AND FILED THE SCHEDULE OF DISBURSEMENTS;



7. **Financial Statements:** THE BOARD RECEIVED AND FILED THE FINANCIAL STATEMENTS;

***** ITEM 10 HEARD OUT OF ORDER**

MISCELLANEOUS ITEMS.

10. Monthly Legislative & Outreach Report. Chad Wanke of Orbis Public Affairs presented his report, including various area political entity updates.

ACTION TAKEN: The Board, on motion by DAVERT, seconded by SEARS, by unanimous vote determined to receive and file the Monthly Legislative and Outreach Report.

***** RETURN TO BALANCE OF THE AGENDA**

MATTERS FOR CONSIDERATION.

8. Geographic Information System (GIS) & Work Order Management Presentation. General Manager Youngblood introduced the item and turned the presentation over to GIS Manager Ramon Gallegos, who provided a brief update to the Board on the status of the GIS and Asset Management Systems and an overview of the new Esri Software-based system.

ACTION TAKEN: No action taken. Information only

9. General Manager's Report. General Manager Youngblood highlighted key elements of his report, including updates on the budget process, PFAS settlement payments, the status of the automated metering infrastructure (AMI) project, and community outreach related to potential septic-to-sewer conversion projects.

ACTION TAKEN: The Board, on motion by DAVERT, seconded by MARQUEZ, by unanimous vote received and filed the report.

MISCELLANEOUS ITEMS.

11. Directors' reports on meetings attended at District expense (Government Code Section 53232.3) and Directors' comments. The Directors reported attendance as set forth in the agenda, as follows:

President Murdoch

3/18 EOCWD Engineering & Operations Committee

3/19 ACWA Region Chair/Vice Chair Leadership Meeting

3/20 ACWA Board Meeting – Sacramento, CA

3/23 ACWA Board of Directors Meeting - Executive Director Recruitment

3/25 ACWA State Legislative Committee – Region 10 Prep (TP Leads)



3/26 EOCWD Regular Board Meeting
3/30 ACWA Board of Director's Closed Session Meeting; Executive Director Candidate Interviews

Vice President Thoms

3/3 ISDOC Executive Committee Meeting
3/6 Water Advisory Committee of Orange County (WACO)
3/18 EOCWD Engineering & Operations Committee
3/26 EOCWD Regular Board Meeting

Director Davert

3/26 EOCWD Regular Board Meeting

Director Sears

3/2 Foothill Communities Association (FCA) Annual Meeting
3/6 Water Advisory Committee of Orange County (WACO)
3/26 EOCWD Regular Board Meeting

Director Marquez

3/26 EOCWD Regular Board Meeting

Director SEARS reported on the most recent WACO meeting, summarizing a presentation relative to the Bay Delta.

Vice-President THOMS noted that the next ISDOC luncheon will be on April 30, 2026.

President MURDOCH provided an update on ACWA, including discussions relative to ACWA's new policies on taking positions on projects of significance. President MURDOCH also discussed a presentation on the future of PFAS and various related compounds potentially coming in the future.

No additional Director or staff comments were offered.

CLOSED SESSION (Convened at 4:45pm).

12. Conference with Legal Counsel - Existing Litigation (Govt Code § 54956.9(d)(1))- *East Orange County Water District v. Pacific Bell, et. al.* (Orange County Superior Ct. Case No. 30-2022-01290371-CU-OR-CJC)

Report Out: The Board reconvened in open session at approximately 5:20pm, with General Counsel Hoskinson reporting that no reportable action was taken in closed session.



ADJOURNMENT.

The Board adjourned the meeting at approximately 5:20 p.m. to a regular meeting to be held at 4:00 p.m. on Thursday, May 28, 2026, at the District Office located at 185 N. McPherson Road, Orange, California 92869.

Respectfully submitted,

Jeffrey A. Hoskinson

DRAFT



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER *[Signature]*
SUBJECT: WHOLESALE AND RETAIL WATER USAGE REPORT
DATE MAY 28, 2026

Background

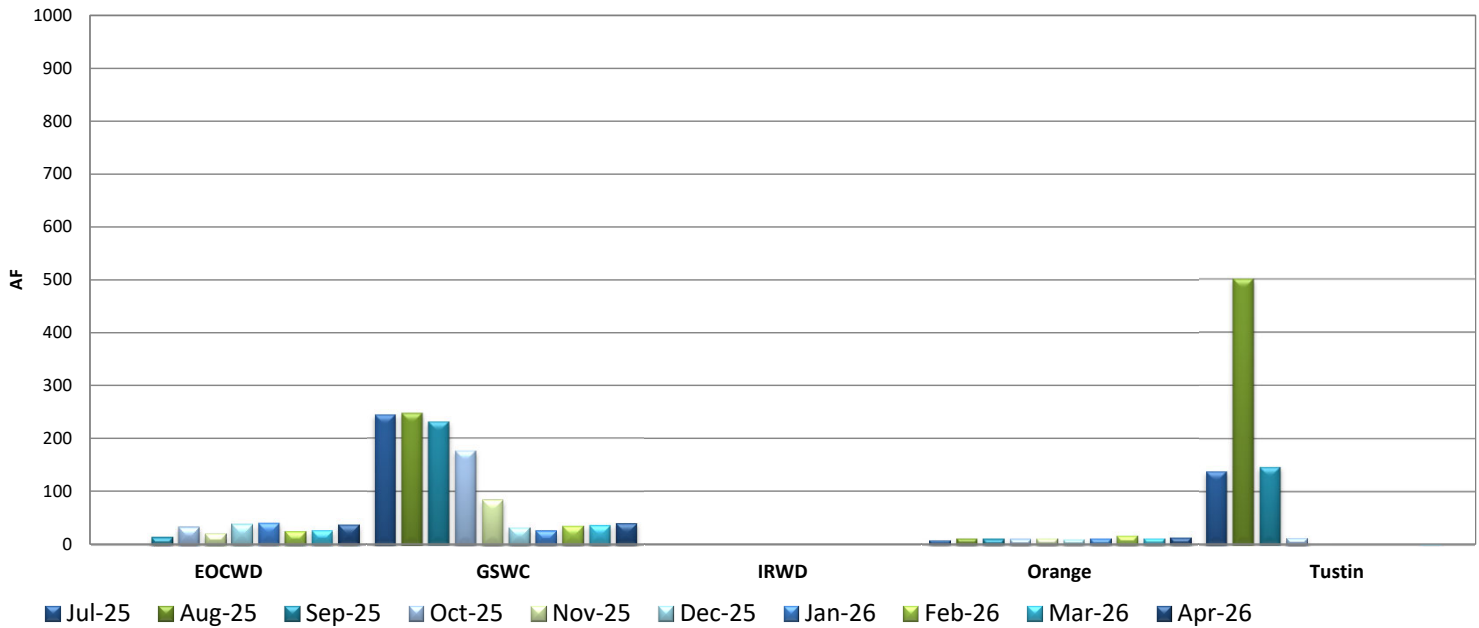
Monthly report on wholesale and retail water usage for the fiscal year through April 2026.

Recommendation

Informational.

Attachment(s): Wholesale and Retail Usage Reports
East Well Levels Report

Wholesale Zone Water Demand
Total Monthly Sales for April 2026 = 92.4 AF
 Total YTD Sales for July 2025 - June 2026 = 2,319.8 AF



EOCWD IMPORTED WATER DELIVERY BALANCE - FY25/26
 (Acre-feet)

	OC-43	OC-48				OC-70						TOTAL DELIVERIES BY AGENCY					
	MWD Tustin	Retail Zone	Golden State	Tustin	MWD Total	IRWD Jamboree	Orange	Retail Zone	Golden State	Tustin	MWD Total	IRWD OPA	Orange	Retail Zone	Golden State	Tustin	
JUL	3.1	0.0	31.3	105.5	136.8	0.0	8.7	0.0	213.4	30.4	252.5	0.0	8.7	0.0	244.7	139.0	
AUG	148.0	0.0	34.0	317.2	351.2	0.0	12.2	0.5	213.6	36.0	262.3	0.0	12.2	0.5	247.6	501.2	
SEP	31.6	0.0	28.6	89.9	118.5	0.0	11.3	14.3	202.8	25.6	254.0	0.0	11.3	14.3	231.4	147.1	
OCT	1.2	0.0	27.2	2.3	29.5	0.0	11.2	32.4	149.8	9.9	203.3	0.0	11.2	32.4	177.0	13.4	
NOV	0.3	20.6	7.2	0.0	27.8	0.0	11.4	0.0	78.1	0.2	89.7	0.0	11.4	20.6	85.3	0.5	
DEC	0.2	22.3	3.6	0.5	26.4	0.0	10.1	15.1	29.7	0.0	54.9	0.0	10.1	37.4	33.3	0.7	
JAN	0.4	21.6	0.0	0.4	22.0	0.0	11.5	18.4	27.6	0.0	57.5	0.0	11.5	40.0	27.6	0.8	
FEB	0.3	17.2	0.0	0.0	17.2	0.0	16.8	7.3	36.4	0.0	60.5	0.0	16.8	24.5	36.4	0.3	
MAR	0.4	16.2	0.0	1.2	17.4	0.0	12.0	10.5	37.9	0.0	60.4	0.0	12.0	26.7	37.9	1.6	
APR	0.3	20.5	0.0	0.3	20.8	0.0	13.5	16.4	41.5	0.0	71.3	0.0	13.5	36.9	41.5	0.6	
MAY																	
JUN																	
Total	185.8	118.4	131.9	517.3	767.6	0.0	118.7	114.9	1030.8	102.1	1366.4	0.0	118.7	233.3	1162.7	805.2	

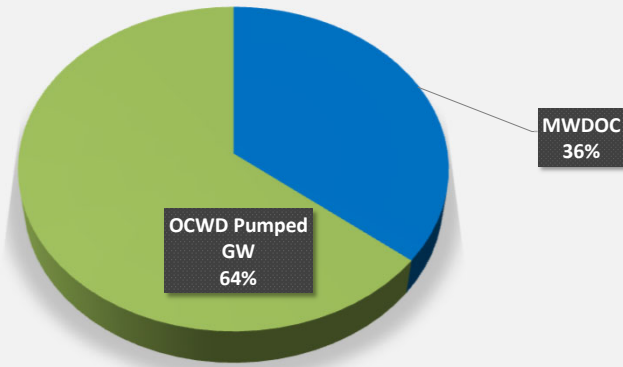
East Orange County Retail Zone Water Usage Report

East Orange County Retail Zone Overview of Usage FY 2025-26 Monthly Water Use

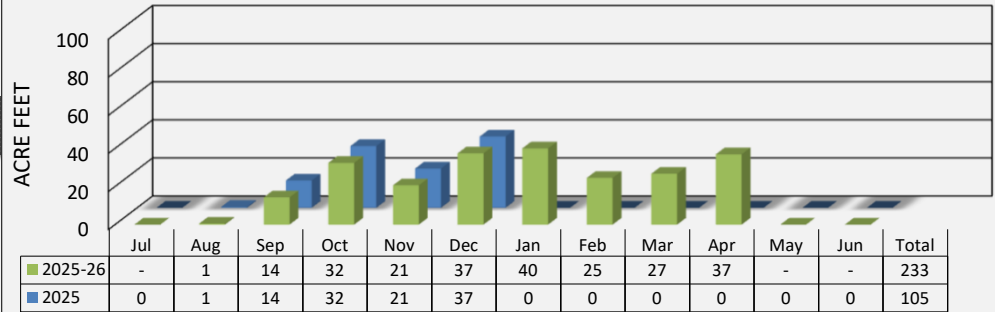
Type of Supply	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWDOC	-	1	14	32	21	37	40	25	27	37	-	-	233
OCWD Pumped GW	85.3	85.7	66.9	40.0	32.1	12.5	6.2	25.4	37.20	27.8	-	-	419
Total	85	86	81	72	53	50	46	50	64	65	-	-	652

2025 MWDOC Usage	July	August	September	October	November	December	January	February	March	April	May	June	Total
	0	1	14	32	21	37	0	0	0	0	0	0	105

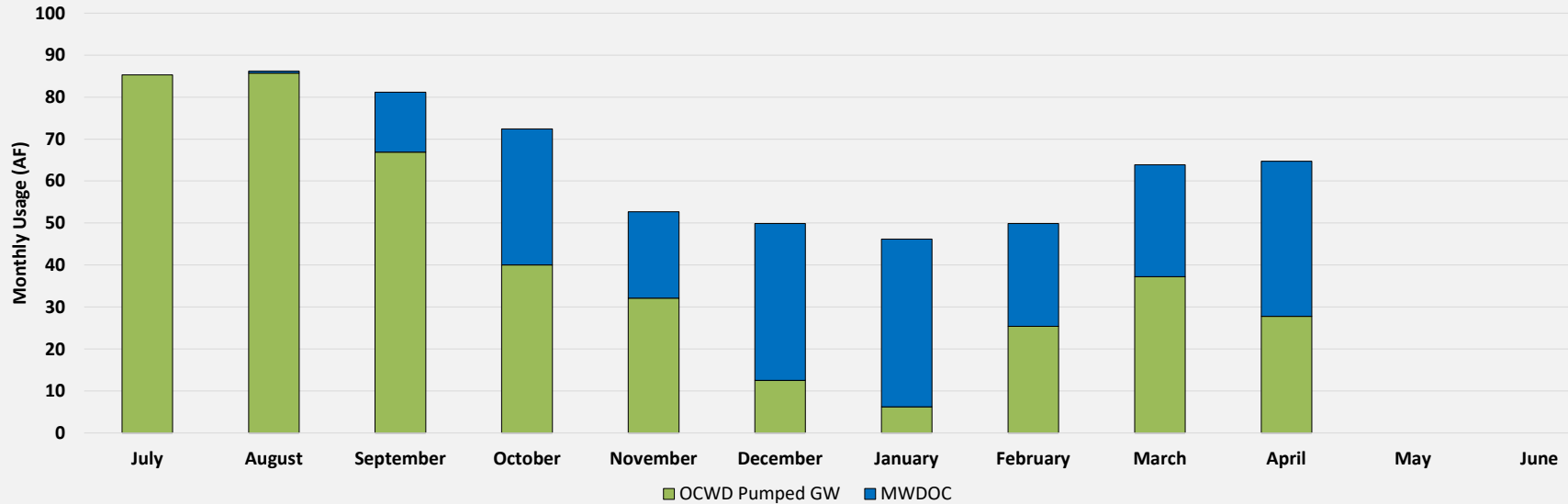
2025-26 Sources of Water



MWDOC Calendar Year and Fiscal Year Purchases



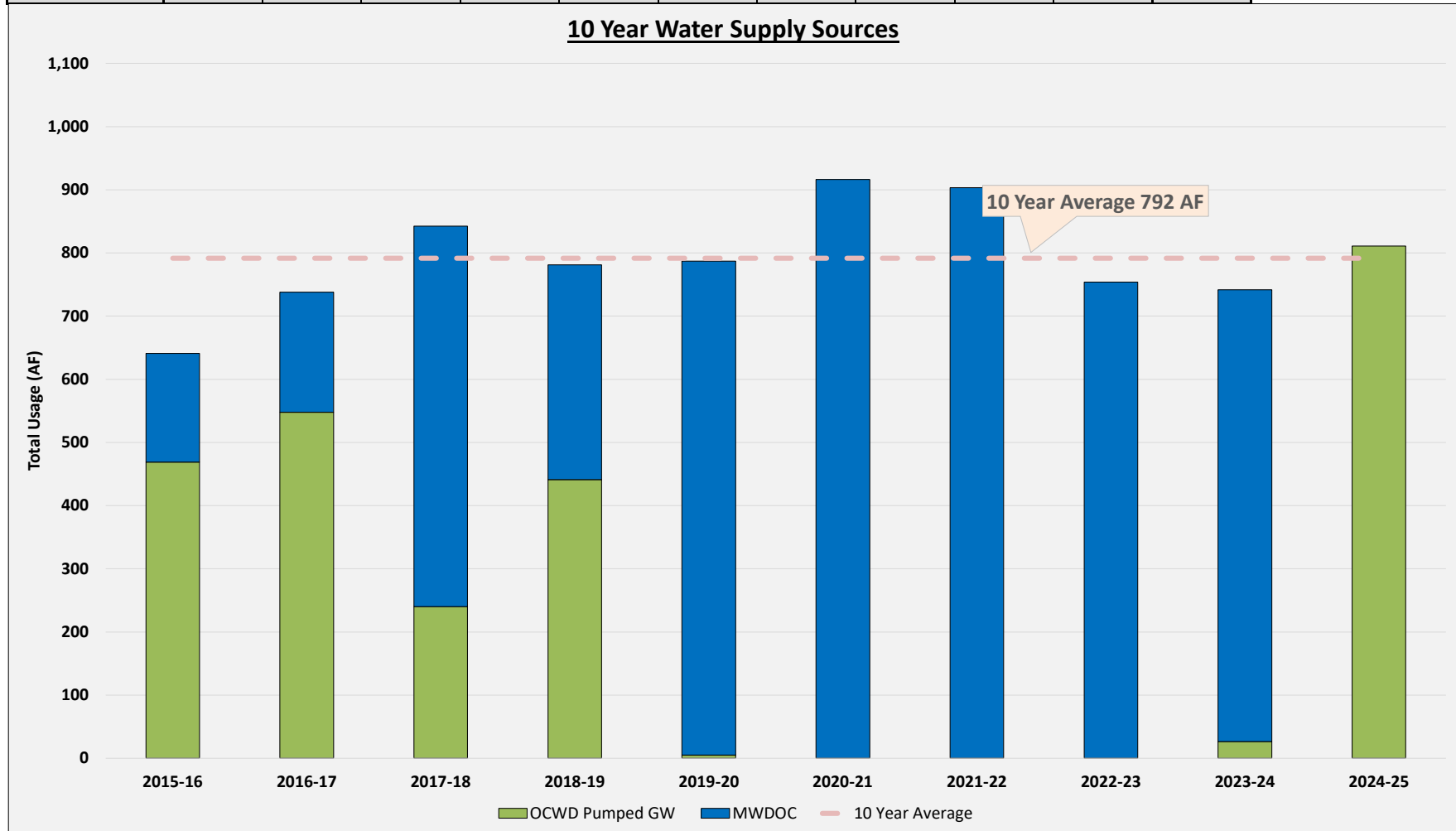
2025-26 Monthly Water Supply Sources



East Orange County Retail Zone Water Usage Report

Annual Water Usage

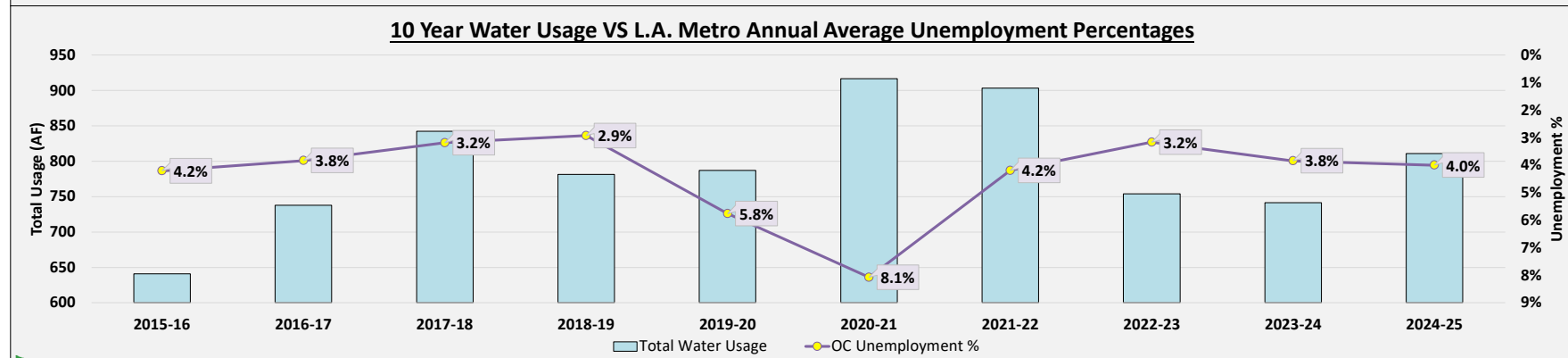
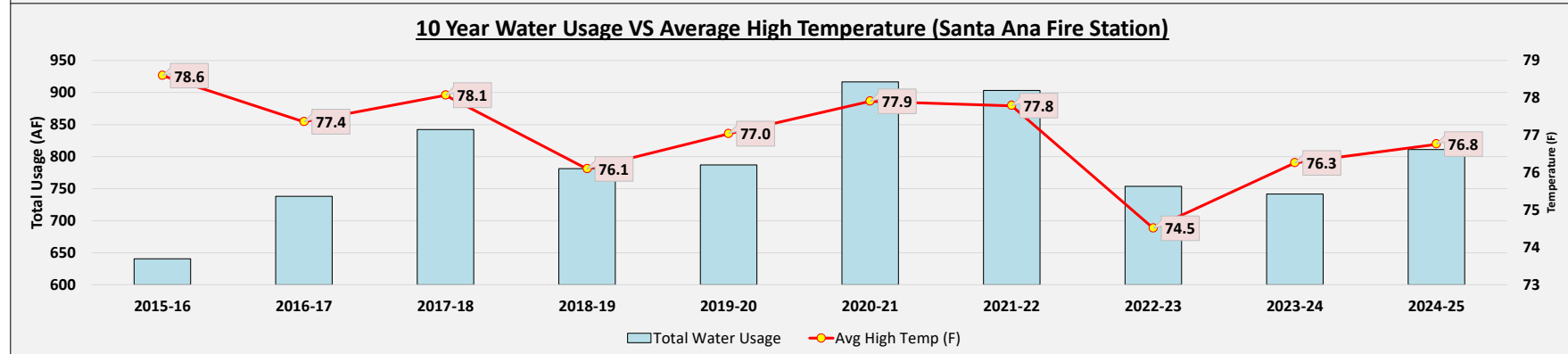
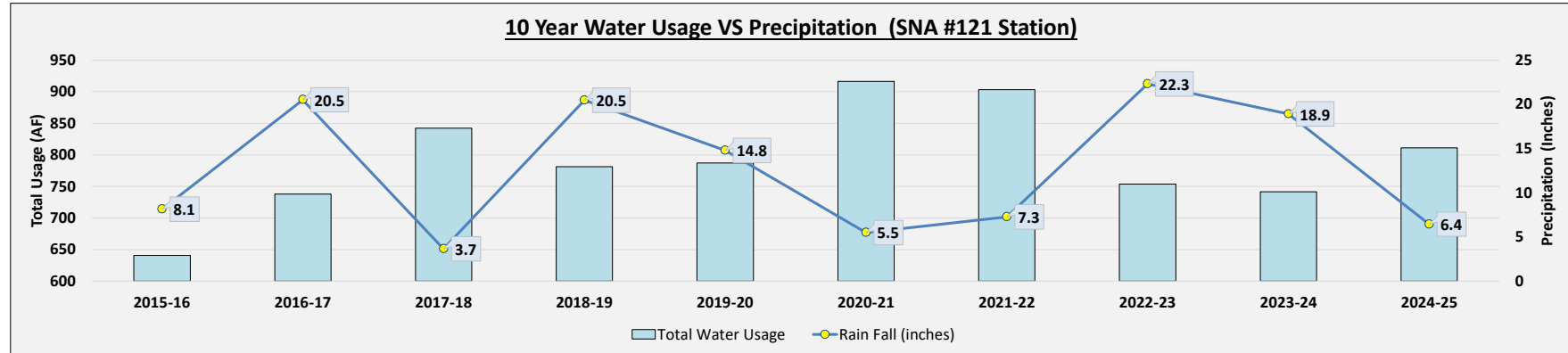
Type of Supply	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Average
MWDOC	172.1	190.2	602.1	340.0	781.8	916.4	903.3	753.9	715.3	0.0	537.5
OCWD Pumped GW	468.8	547.8	240.2	441.3	5.2	0.0	0.0	0.0	26.3	811.0	254.1
Total	641	738	842	781	787	916	903	754	742	811	792



East Orange County Retail Zone Water Usage Report

Water Usage Variables

Type of Supply	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Average
Rain Fall (inches)	8.1	20.5	3.7	20.5	14.8	5.5	7.3	22.3	18.9	6.4	12.8
Avg High Temp (F)	78.6	77.4	78.1	76.1	77.0	77.9	77.8	74.5	76.3	76.8	77.0
OC Unemployment %	4.2%	3.8%	3.2%	2.9%	5.8%	8.1%	4.2%	3.2%	3.8%	4.0%	4.3%
Total Water Usage	641	738	842	781	787	916	903	754	742	811	792



East Orange County Retail Zone Water Usage Report

East Orange County Retail Zone Detailed Usage Historical Monthly Potable Usage (Fiscal Year, July-June)

Fiscal Year	July	August	September	October	November	December	January	February	March	April	May	June	Total
2019-20 Usage	82	87	86	83	68	46	47	56	38	52	67	76	787
2020-21 Usage	90	99	93	90	74	68	62	54	43	64	84	95	916
2021-22 Usage	100	102	89	76	73	48	55	62	69	72	78	79	903
2022-23 Usage	84	87	81	68	57	53	39	45	38	60	70	72	754
2023-24 Usage	82	85	76	77	65	57	38	35	39	48	66	73	742
2024-25 Usage	79	95	81	72	62	61	59	49	43	64	70	77	811
Average of Last 6 FYs	86	93	84	78	67	55	50	50	45	60	72	79	819
Monthly Usage Percentage	11%	11%	10%	10%	8%	7%	6%	6%	6%	7%	9%	10%	100%

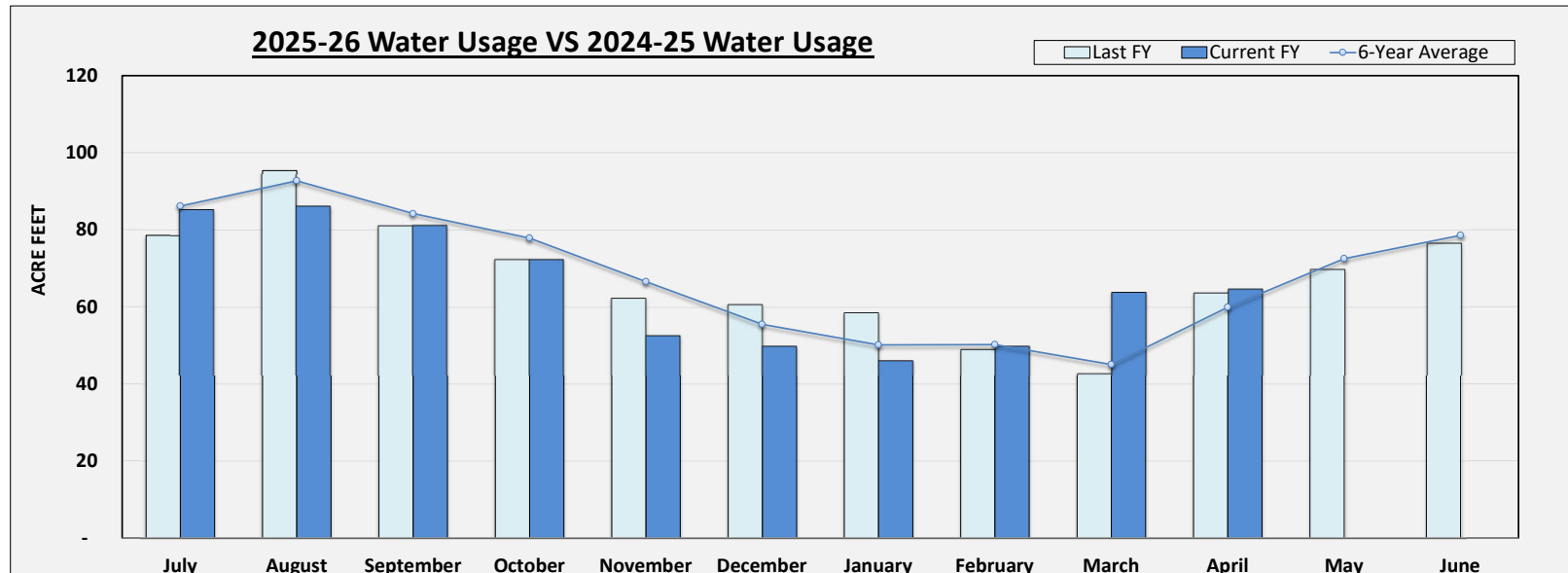
Water Usage By Source

Imported	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWD via EO Wholesale	-	0.5	14.3	32.4	20.6	37.4	40.0	24.5	26.7	36.9	-	-	233.3
Water from IRWD during OC-70 shutdown	-	-	-	-	-	-	-	-	-	-	-	-	-
CPTP	-	-	-	-	-	-	-	-	-	-	-	-	-
MWD In-Lieu*	-	-	-	-	-	-	-	-	-	-	-	-	-
Imported Total	-	1	14	32	21	37	40	25	27	37	-	-	233.3

*In-lieu totals are subtracted from imported totals

Local	July	August	September	October	November	December	January	February	March	April	May	June	Total
OCWD Pumped GW	85.3	85.7	66.9	40.0	32.1	12.5	6.2	25.4	37.2	27.8	-	-	419.1
Less Fill up Reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-
Less CPTP	-	-	-	-	-	-	-	-	-	-	-	-	-
OCWD to Tustin	-	-	-	-	-	-	-	-	-	-	-	-	-
OCWD to GSWC	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Total (minus reservoir)	85.3	85.7	66.9	40.0	32.1	12.5	6.2	25.4	37.2	27.8	-	-	419.1

Total Usage 2025-26	85	86	81	72	53	50	46	50	64	65	-	-	652
FY 24-25 versus FY 25-26	+9%	-10%	+0%	+0%	-16%	-18%	-21%	+2%	+49%	+2%			

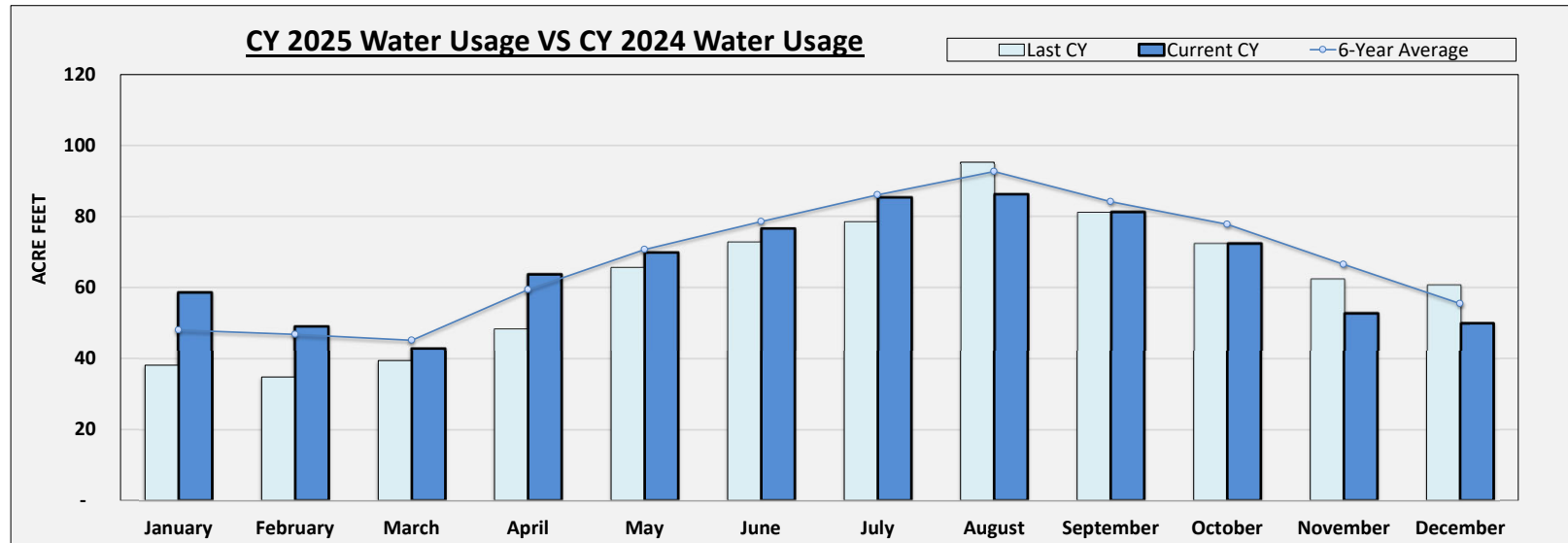


East Orange County Retail Zone Water Usage Report

Historical Monthly Potable Usage (Calendar Year)

Calendar Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2019	47	29	43	61	59	77	82	87	86	83	68	46	767
2020	47	56	38	52	67	76	90	99	93	90	74	68	849
2021	62	54	43	64	84	95	100	102	89	76	73	48	891
2022	55	62	69	72	78	79	84	87	81	68	57	53	846
2023	39	45	38	60	70	72	82	85	76	77	65	57	766
2024	38	35	39	48	66	73	79	95	81	72	62	61	750
6 year Average	48	47	45	59	71	79	86	93	84	78	67	55	811

Total Water Usage 2024	59	49	43	64	70	77	85	86	81	72	53	50	788
2025 VS 2024 Usage	+54%	+41%	+9%	+32%	+6%	+5%	+9%	-10%	+0%	+0%	-16%	-18%	



	Population	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2024 Usage (AF)		38	35	39	48	66	73	79	95	81	72	62	61	750
2024 GPCD	3,432	117	118	121	153	201	230	240	292	257	222	197	186	195
2025 Usage (AF)		59	49	43	64	70	77	85	86	81	72	53	50	788
2025 GPCD	3,430	180	167	131	202	214	243	261	264	257	222	167	153	205
CY over CY change in GPCD		+63	+49	+11	+49	+13	+12	+21	-28	+0	+0	-31	-33	+10

	Population	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2024-25 Usage (AF)		79	95	81	72	62	61	59	49	43	64	70	77	811
2024-25 GPCD	3,432	240	292	257	222	197	186	179	166	131	202	214	242	211
2025-26 Usage (AF)		85	86	81	72	53	50	46	50	64	65	-	-	652
2025-26 GPCD	3,430	261	264	257	222	167	153	142	169	196	205	-	-	204
FY over FY change in GPCD		+21	-28	+0	+0	-31	-33	-38	+3	+65	+3			-7

*Cumulative through the end of the last month shown

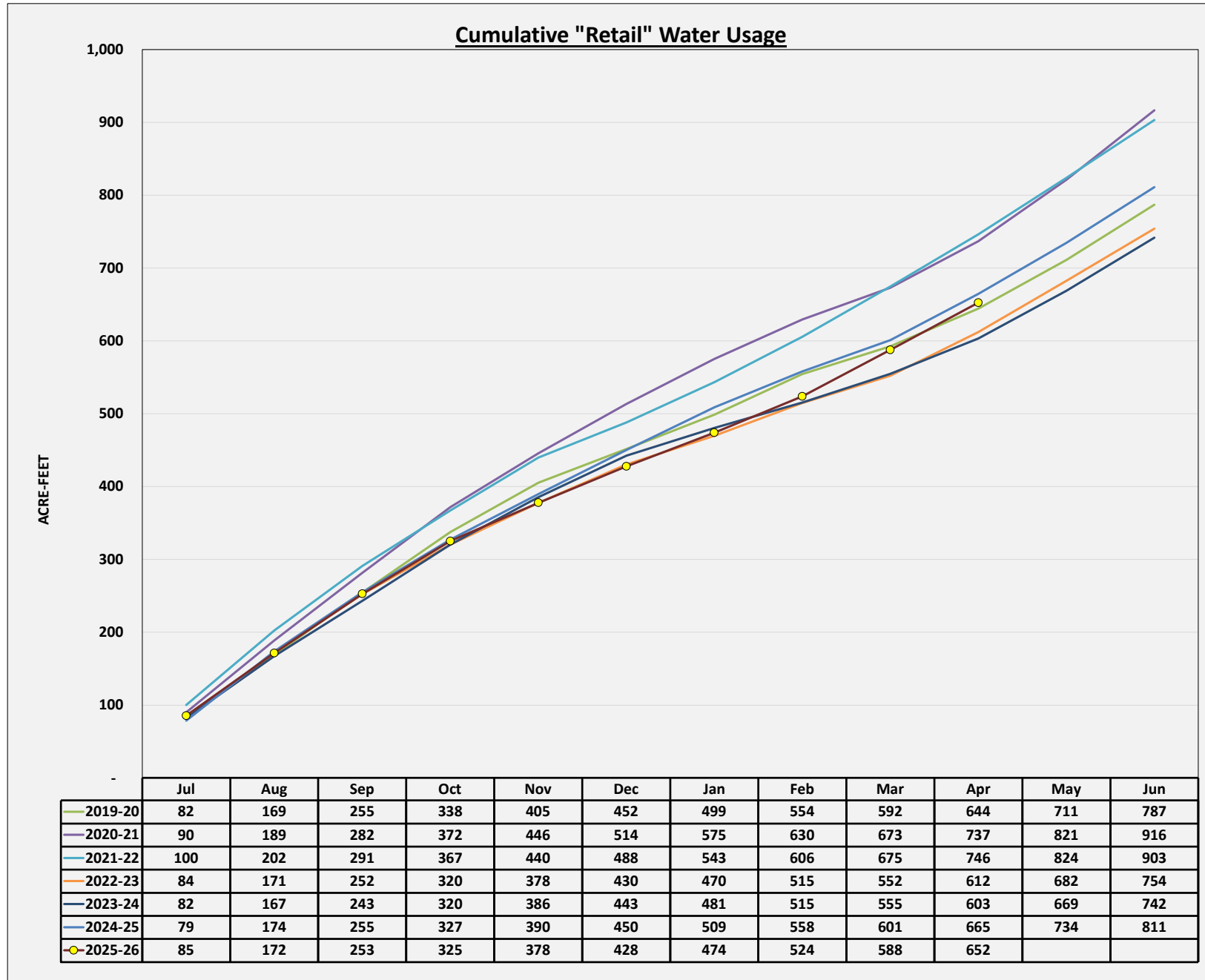
*GPCD = (Total Monthly Production - Fill up Reservoir) / Population/days in the month

*For the months of July 2022 through September 2022, groundwater usage was not delivered to customers and is not counted towards GPCD

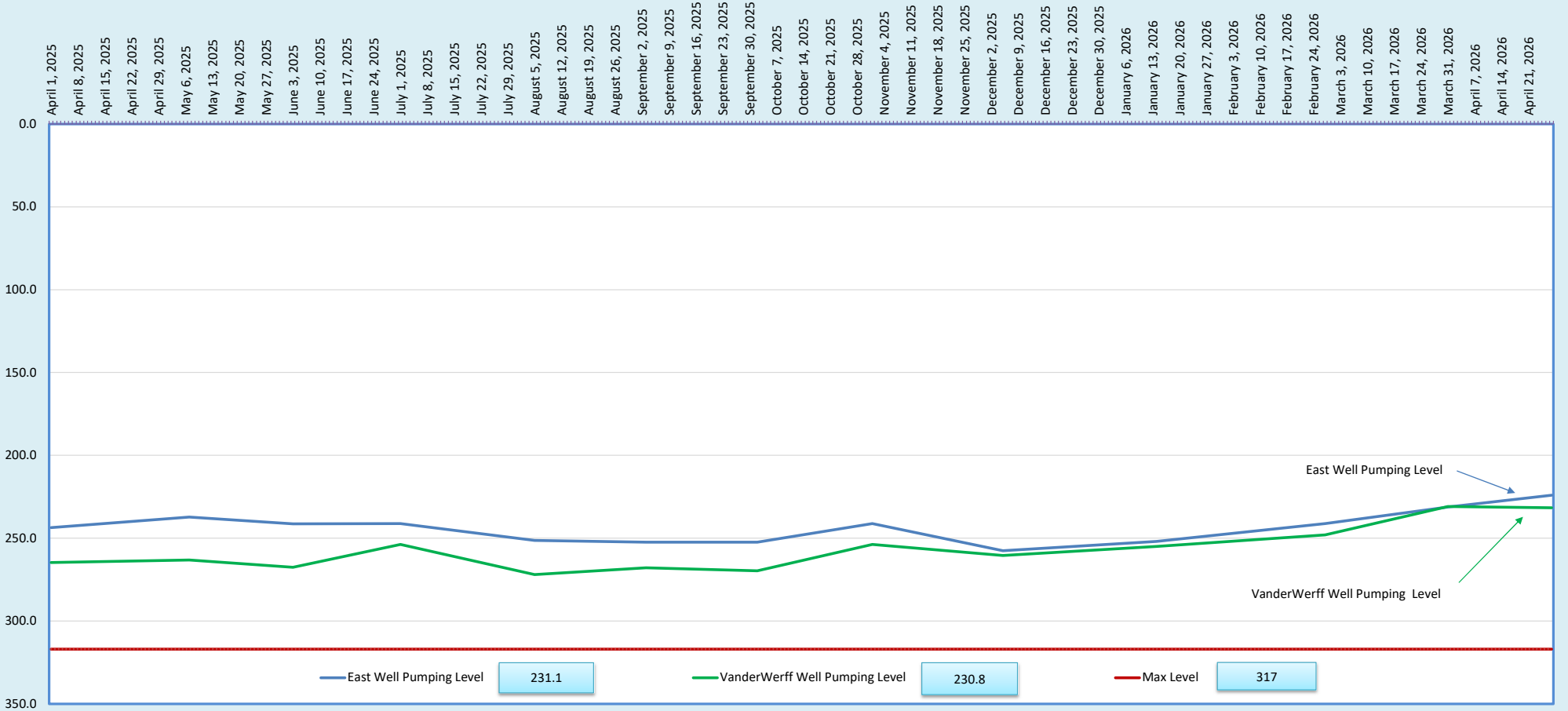


East Orange County Retail Zone Water Usage Report

Cumulative Water Usage by Fiscal Year



VanderWerff Well and East Well Pumping Water Levels





MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER *[Signature]*
SUBJECT: MONTHLY DISBURSEMENTS
DATE MAY 28, 2026

Background

Monthly disbursements

Recommendation

Informational.

Attachment(s): Monthly disbursements report

East Orange County Water District

Summary of Disbursements
April 22, 2026 - May 11, 2026

CHECK PAYMENTS:

Wholesale Zone, Retail Zone, and ID1 Bill Payments \$ 283,646.12

WIRE PAYMENTS:

MWDOC - Water Deliveries Payment for March 2026 \$ 181,525.90
Webster Bank - Installment Purchase Loan Payment \$ 1,108,128.00
ACWA JPIA - Excess Crime Program Payment \$ 790.00
ACWA JPIA - Property Program Renewal Payment \$ 50,583.18

ACH PAYMENTS:

AT&T Mobility - Wireless Phone Plan \$ 670.18
CR&R, Inc \$ 524.82
Colombia Bank - District Credit Card Payment \$ 12,102.40
SoCalGas \$ 27.78
Spectrum Business \$ 280.00
Southern California Edison \$ 17,461.48

TOTAL OF CHECK PAYMENTS / WIRES / ACH \$1,655,739.86

EMPLOYEE PAYROLL 4/1/2026

Direct Deposit \$ 55,126.96
Payroll Taxes \$ 31,832.79
EFT - CalPERS \$ 18,303.40

\$ 105,263.15

EMPLOYEE PAYROLL 4/15/2026

Direct Deposit \$ 54,278.54
Payroll Taxes \$ 31,379.07
EFT - CalPERS \$ 17,972.80

\$ 103,630.41

EMPLOYEE PAYROLL 4/29/2026

Direct Deposit \$ 57,282.38
Payroll Taxes \$ 33,336.84
EFT - CalPERS \$ 18,059.07

\$ 108,678.29

DIRECTORS' PAYROLL

Printed Checks \$ 2,033.44
Payroll Taxes \$ 473.36

\$ 2,506.80

TOTAL OF PAYROLL \$ 320,078.65

DISBURSEMENT TOTAL \$ 1,975,818.51

FINANCIAL INSTITUTION TRANSFERS:

From: Citizens Business Bank Checking Account \$ 1,500,000.00
To: LAIF



Check Disbursements April 2026

Check Date	Check No.	Payee Name	Description	Check Amount
4/22/2026	26816	Amee Foss	RZ Customer Deposit Refund	490.32
4/22/2026	26817	Fredy Salinas	RZ Customer Deposit Refund	2,205.86
4/22/2026	26818	Gail Krause	RZ Customer Deposit Refund	183.60
4/22/2026	26819	George Murdoch	Travel Expense & Reimbursement - ACWA Meeting	799.79
4/22/2026	26820	Lolita Kirk	RZ Customer Deposit Refund	119.22
4/27/2026	26821	Atkinson, Andelson, Loya, Ruud & Romo	March 2026 Legal Fees	6,240.00
4/27/2026	26822	Cintas Corporation No. 3	Uniforms	95.24
4/27/2026	26823	City Of Tustin	Const. Meter - 01/15/26-03/15/26 (to clean sewer system)	945.67
4/27/2026	26824	Clinical Laboratory of San Bernardino, Inc.	Laboratory Analysis (water quality) March 2026	3,190.00
4/27/2026	26825	Dopudja & Wells Consulting Inc.	Master Plan Update - Feb 2026	21,053.75
4/27/2026	26826	EEC Environmental	FOG Program 02/01/26-02/28/26	1,907.50
4/27/2026	26827	General Pump Company	East Well - Dynamic Motor	2,500.00
4/27/2026	26828	Golden Meters Service, Inc.	Meter Testing	1,040.00
4/27/2026	26829	Home Depot Credit Services	Misc. Hardware, Materials & Tools/Maintenance	1,517.21
4/27/2026	26830	Morrow Meadows Corp	Electrician Services -Various Sites	5,362.72
4/27/2026	26831	MWDOC	Operations and Maintenance - O&M Feeder No 2 FY 2024-2025	27,350.07
4/27/2026	26832	PTI Sand & Gravel	Sand & Garvel	664.93
4/27/2026	26833	SC Fuels	Fuel - March 2026	7,570.40
4/27/2026	26834	Softscapes Corporation	Maintenance & Landscape Services for March 2026	450.00
4/27/2026	26835	Total Exterminating, Inc.	Rodent Control - Peter's Canyon Res	570.00
4/27/2026	26836	Underground Service Alert	USA Location - March 2026	649.39
4/27/2026	26837	Verizon Wireless	Wireless 02/26/26-03/25/26	285.09
4/30/2026	26838	Cintas Corporation No. 3	Uniforms	285.72
4/30/2026	26839	Commercial Transportation Services, Inc	Commercial Driver's License Training	4,928.75
4/30/2026	26840	County Of Orange	Communication Charges - 04/01/26-06/30/26	957.87
4/30/2026	26841	Ferguson Enterprises, LLC	Hydrant Maintenance	501.53
4/30/2026	26842	G O Rodriguez Trucking, Inc.	Spoils Hand Off	2,254.00
4/30/2026	26843	Generator Services Co, Inc.	Rental Generator - 03/01/26-03/31/26	2,505.01
4/30/2026	26844	Grainger	Valve Maintenance	1,295.31
4/30/2026	26845	Hach Company	Water Quality	5,509.90
4/30/2026	26846	Hill Brothers Chemical Co	Chemicals for WZ Reservoir - Drum	1,718.83
4/30/2026	26847	HSI Emergency Care Solutions, Inc.	CPR Machine - Zoll AED 3 Fully Automatic	2,478.25
4/30/2026	26848	Main Graphics	Bi-Monthly Billing - Computer Folding Stuffing	1,636.00
4/30/2026	26849	Municipal Maintenance Equipment	Vehicle Maintenance	671.68
4/30/2026	26850	Pascal & Ludwig Equipment Company, Inc.	Equipment Maintenance	687.57
4/30/2026	26851	Plumbers Depot, Inc.	Small Tools	2,534.63
4/30/2026	26852	Vytal Filtration Technologies W LLC.	Filters	3,060.25
4/30/2026	26853	Waterline Technologies, Inc.	Water Quality	488.00
4/30/2026	26854	Webb Municipal Finance, LLC	EOCWD CFD 2018-1A Formation FY 2025-26	3,000.00
4/30/2026	26855	Xerox Corporation	Copier - Monthly Maintenance 03/21/26-04/21/26	236.31
4/30/2026	26856	Yo Fire	Service Lines Maintenance	811.41
Total				\$ 120,751.78



**Check Disbursements
May 2026**

Check Date	Check No.	Payee Name	Description	Check Amount
5/7/2026	26857	Yan Zhang	RZ Customer Overbilled	22,214.52
5/11/2026	26858	Akel Engineering, Inc.	Fire Flow Analysis - 10512 S Crawford Canyon Rd	1,270.00
5/11/2026	26859	Bay Alarm	Alarm Services 05/01/26-07/31/26 210 N McPherson	206.01
5/11/2026	26860	Carollo Engineers, Inc	6mg Reservoir Replacement PDR	30,249.90
5/11/2026	26861	Cintas Corporation No. 3	Uniforms	95.24
5/11/2026	26862	Communications Lab	Professional Services for Mar 2026	6,930.43
5/11/2026	26863	Foothill Sentry, Inc.	Display Color Web Ad - May 2026	283.00
5/11/2026	26864	Great America Networks, Inc	Office Phones 05/01/26-05/31/26	325.82
5/11/2026	26865	James Pavel	RZ Customer Depsoit Refund	457.77
5/11/2026	26866	JAN-PRO Franchise Development of Southern	Monthly Janitorial Service - May 2026	847.53
5/11/2026	26867	Keystone Metering Systems Inc	Contract for AMI	51,261.49
5/11/2026	26868	Matrix Computer Service	IT Support 02/21/26-03/20/26	4,355.00
5/11/2026	26869	Orange County Sanitation District	March 2026 Sewer Permits	20,988.41
5/11/2026	26870	Orbis Public Affairs	Consulting Services Apr 2026	2,250.00
5/11/2026	26871	Standard Insurance Company	Life Insurance Premium 05/01/26-05/31/26	906.85
5/11/2026	26872	Starting Line Advisory	April 2026 Advisory Services	10,209.66
5/11/2026	26873	Sunkist Solutions, LLC	Professional Services - Dec 2025-Mar 2026	2,388.75
5/11/2026	26874	UWP Investment LLC	RZ Customer Depsoit Refund	216.20
5/11/2026	26875	West Yost & Associates, Inc.	Professional Services 02/07/26-03/06/26	7,437.76
Total				\$ 162,894.34

East Orange County Water District
Citizens Business Bank
Prior Month's Checks To Ratify
Directors' Payroll*

Payment for meeting activity in the month of March 2026

Date	Check No.	Amount	Payable To
4/23/2026	543	\$ 159.34	Board Director
4/23/2026	544	\$ 913.52	Board Director
4/23/2026	545	\$ 323.23	Board Director
4/23/2026	546	\$ 637.35	Board Director
		<u>\$ 2,033.44</u>	Total Payroll Checks
		\$473.36	ADP taxes
		<u><u>\$2,506.80</u></u>	Total Payroll

*Note: Payroll is processed by ADP (Automatic Data Processing)

East Orange County Water District
Employee Payroll*
Month of April 2026

Auto Deposit	4/1/2026	\$ 6,822.27	General Manager
Auto Deposit	4/1/2026	\$ 4,807.56	Engineering Manager
Auto Deposit	4/1/2026	\$ 4,773.40	Operations Manager
Auto Deposit	4/1/2026	\$ 4,240.86	GIS Manager
Auto Deposit	4/1/2026	\$ 5,108.58	Operations Supervisor
Auto Deposit	4/1/2026	\$ 3,050.99	Water Distribution Operator III
Auto Deposit	4/1/2026	\$ 2,706.09	Water Distribution Operator II
Auto Deposit	4/1/2026	\$ 2,652.31	Water Distribution Operator I
Auto Deposit	4/1/2026	\$ 3,620.95	Wastewater Collections Lead Operator
Auto Deposit	4/1/2026	\$ 2,550.60	Wastewater Collections Operator II
Auto Deposit	4/1/2026	\$ 2,094.25	Wastewater Collections Operator II
Auto Deposit	4/1/2026	\$ 2,212.67	Wastewater Collections Operator I
Auto Deposit	4/1/2026	\$ 3,539.95	Office Manager
Auto Deposit	4/1/2026	\$ 2,609.35	Administrative Assistant II
Auto Deposit	4/1/2026	\$ 2,513.21	Administrative Assistant I
Auto Deposit	4/1/2026	\$ 1,823.92	Part Time Administrative Assistant
		<u>\$ 55,126.96</u>	Sub Total
	4/1/2026	\$ 31,832.79	ADP Taxes
	4/1/2026	\$ 2,741.53	Employee CalPERS Electronic Funds Transfer
	4/1/2026	\$ 3,990.87	Employer CalPERS Electronic Funds Transfer
	4/1/2026	\$ 3,558.86	Employee CalPERS PEPRA Electronic Funds Transfer
	4/1/2026	\$ 3,655.29	Employer CalPERS PEPRA Electronic Funds Transfer
	4/1/2026	\$ 4,356.85	CalPERS PERS 457 - Voya
		<u>\$50,136.19</u>	Sub Total
4/1/2026		\$105,263.15	Total Payroll

Auto Deposit	4/15/2026	\$ 6,899.02	General Manager
Auto Deposit	4/15/2026	\$ 4,807.56	Engineering Manager
Auto Deposit	4/15/2026	\$ 5,243.13	Operations Manager
Auto Deposit	4/15/2026	\$ 4,240.87	GIS Manager
Auto Deposit	4/15/2026	\$ 4,198.09	Operations Supervisor
Auto Deposit	4/15/2026	\$ 2,325.27	Water Distribution Operator III
Auto Deposit	4/15/2026	\$ 3,615.63	Water Distribution Operator II
Auto Deposit	4/15/2026	\$ 1,949.74	Water Distribution Operator I
Auto Deposit	4/15/2026	\$ 3,477.15	Wastewater Collections Lead Operator
Auto Deposit	4/15/2026	\$ 2,488.24	Wastewater Collections Operator II
Auto Deposit	4/15/2026	\$ 2,094.25	Wastewater Collections Operator II
Auto Deposit	4/15/2026	\$ 2,516.46	Wastewater Collections Operator I
Auto Deposit	4/15/2026	\$ 3,539.96	Office Manager
Auto Deposit	4/15/2026	\$ 2,609.36	Administrative Assistant II
Auto Deposit	4/15/2026	\$ 2,513.23	Administrative Assistant I
Auto Deposit	4/15/2026	\$ 1,760.58	Part Time Administrative Assistant
		<u>\$ 54,278.54</u>	Sub Total
	4/15/2026	\$ 31,379.07	ADP Taxes
	4/15/2026	\$ 2,733.43	Employee CalPERS Electronic Funds Transfer
	4/15/2026	\$ 3,979.09	Employer CalPERS Electronic Funds Transfer
	4/15/2026	\$ 3,551.62	Employee CalPERS PEPRA Electronic Funds Transfer
	4/15/2026	\$ 3,647.86	Employer CalPERS PEPRA Electronic Funds Transfer
	4/15/2026	\$ 4,060.80	CalPERS PERS 457 - Voya
		<u>\$49,351.87</u>	Total Transfers
4/15/2026		\$103,630.41	Total Payroll

Auto Deposit	4/29/2026	\$ 7,699.03	General Manager
Auto Deposit	4/29/2026	\$ 4,807.55	Engineering Manager
Auto Deposit	4/29/2026	\$ 4,775.08	Operations Manager
Auto Deposit	4/29/2026	\$ 4,240.86	GIS Manager
Auto Deposit	4/29/2026	\$ 5,243.64	Operations Supervisor
Auto Deposit	4/29/2026	\$ 3,584.66	Water Distribution Operator III
Auto Deposit	4/29/2026	\$ 2,325.27	Water Distribution Operator II
Auto Deposit	4/29/2026	\$ 2,857.51	Water Distribution Operator I
Auto Deposit	4/29/2026	\$ 3,417.22	Wastewater Collections Lead Operator
Auto Deposit	4/29/2026	\$ 2,779.26	Wastewater Collections Operator II
Auto Deposit	4/29/2026	\$ 2,408.49	Wastewater Collections Operator II
Auto Deposit	4/29/2026	\$ 2,779.06	Wastewater Collections Operator I
Auto Deposit	4/29/2026	\$ 3,539.95	Office Manager
Auto Deposit	4/29/2026	\$ 2,609.35	Administrative Assistant II
Auto Deposit	4/29/2026	\$ 2,513.21	Administrative Assistant I
Auto Deposit	4/29/2026	\$ 1,702.24	Part Time Administrative Assistant
		<u>\$ 57,282.38</u>	Sub Total
	4/29/2026	\$ 33,336.84	ADP Taxes
	4/29/2026	\$ 2,733.43	Employee CalPERS Electronic Funds Transfer
	4/29/2026	\$ 3,979.09	Employer CalPERS Electronic Funds Transfer
	4/29/2026	\$ 3,551.62	Employee CalPERS PEPRA Electronic Funds Transfer
	4/29/2026	\$ 3,647.86	Employer CalPERS PEPRA Electronic Funds Transfer
	4/29/2026	\$ 4,147.07	CalPERS PERS 457 - Voya
		<u>\$51,395.91</u>	Total Transfers
4/29/2026		\$108,678.29	Total Payroll

\$317,571.85 Grand Total Payroll

*Note: Payroll is processed by ADP (Automatic Data Processing)



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER *ajj*
SUBJECT: MONTHLY FINANCIAL STATEMENTS
DATE MAY 28, 2026

Background

Monthly Financial Statements for Wholesale Zone, Retail Zone, and ID1 (wastewater).

Recommendation

Informational.

Attachment(s): Financial Statements for March 2026



March 2026 Financial Reporting

Prepared by



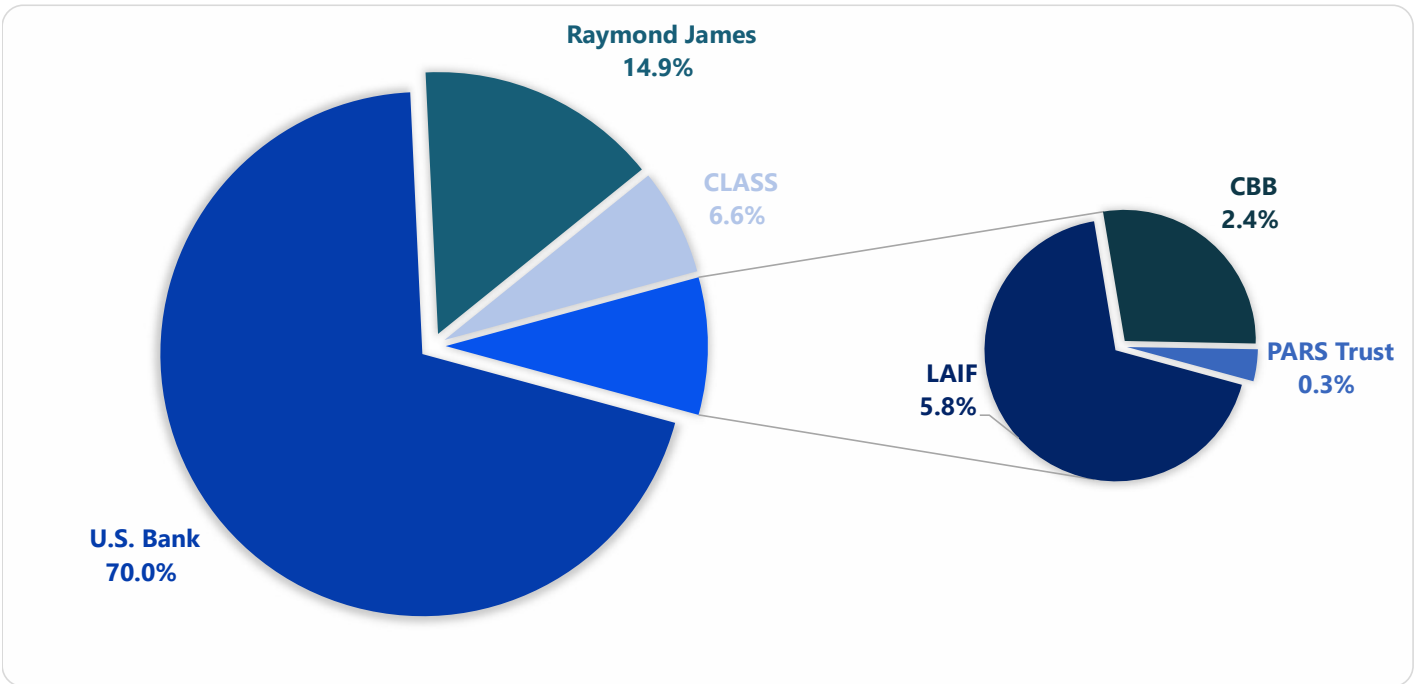
**No assurance is provided on the financial statements. These statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States are not included.*

Cash & Investments as of March 31, 2026

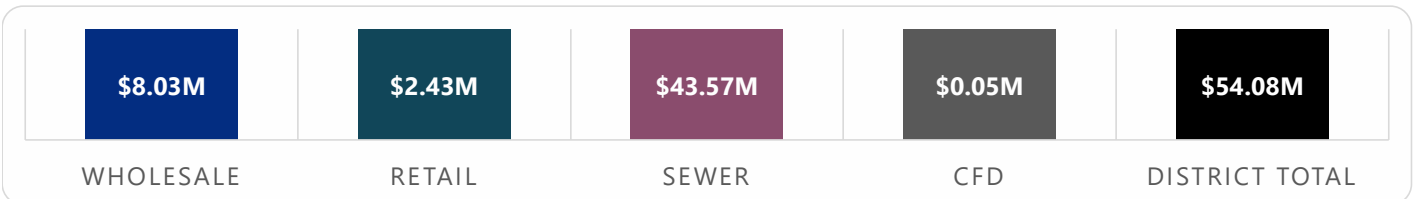
District

	Type	Estimated Month Yield	Book Value	Market Value	% Portfolio
U.S. Bank	Investment	3.43%	\$ 37,702,982	\$ 37,863,382	70.0%
Raymond James	Investment	2.85%	8,124,104	8,083,024	14.9%
CA Cooperative Liquid Assets Securities System (CLASS)	CLASS	3.70%	3,556,636	3,556,438	6.6%
Local Agency Investment Fund (LAIF)	LAIF	3.83%	3,110,184	3,116,968	5.8%
Citizens Business Bank (CBB)	Checking	NA	1,030,449	1,030,449	1.9%
PARS Pension Trust	115 Trust	1.70%	180,053	180,053	0.3%
Citizens Business Bank (CBB)	Money Market	0.05%	247,077	247,077	0.5%
Total Cash & Investments			\$ 53,951,483	\$ 54,077,391	100.0%

Allocation



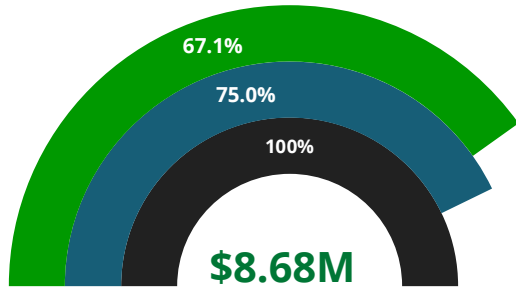
Cash & Investments by Fund



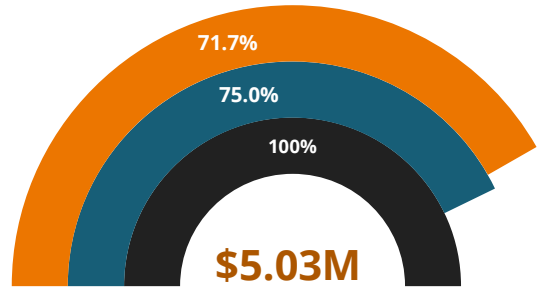
March 2026 Financials - Dashboard

District

Revenue v. Budget (No WZ Pass-Through)



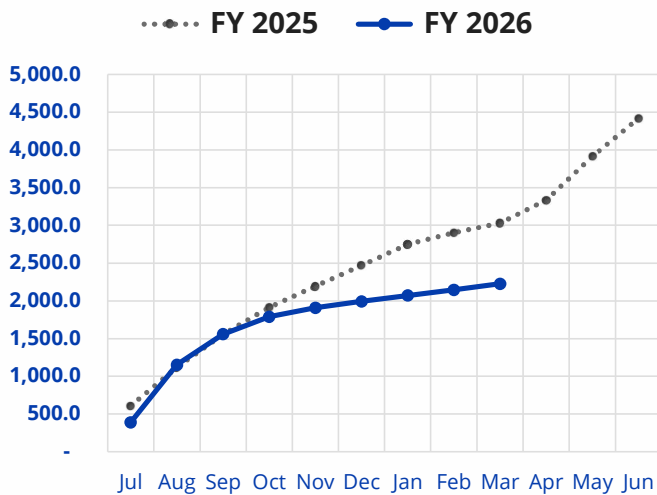
Expense v. Budget (No WZ Pass-Through)



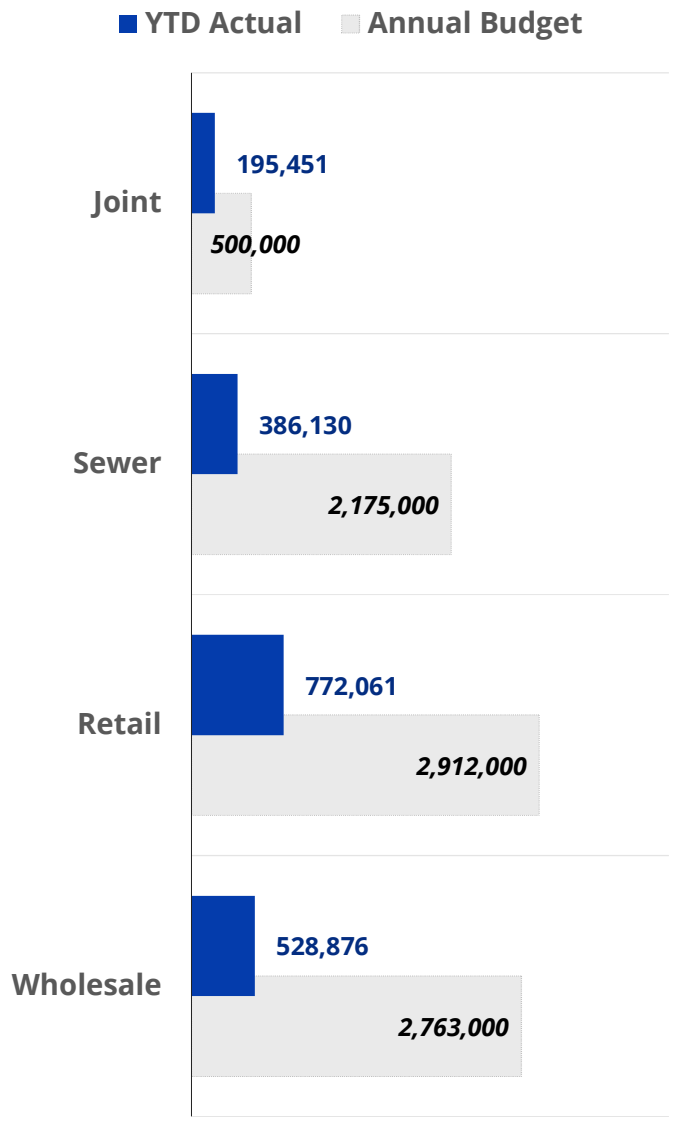
YTD Revenue	YTD Target	Total Budget
\$8,675,962	\$9,694,800	\$12,926,400

YTD Expense	YTD Target	Total Budget
\$5,033,382	\$5,267,925	\$7,023,900

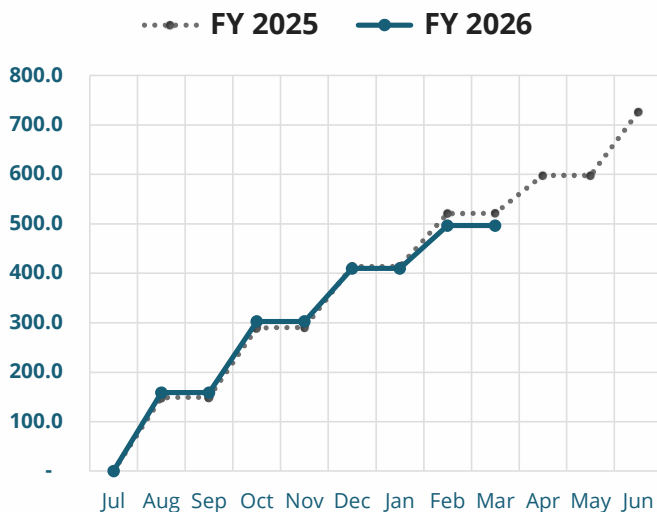
Wholesale Water Sold in Acre-Feet (AF)



Capital Improvement Program YTD Actual v. Budget



Retail Water Sold in Acre-Feet (AF)





March 2026 Financials - Summary District

	A	B	C	D = C - B	E = B / C
	Period Actuals Mar 2026	Fiscal Year to Date Mar 2026	Adopted Budget FY 2026	Remaining Budget FY 2026	YTD % of Budget 75.0%
1	Sewer Service Fees	\$ 322,157	\$ 2,778,165	\$ 4,292,600	\$ 1,514,435 ▲ 64.7%
2	Wholesale Water Fixed Charges	52,872	476,156	630,200	154,044 75.6%
3	Retail Water Variable Charges	(724)	1,087,433	1,794,900	707,467 ▲ 60.6%
4	Retail Water Fixed Charges	86,141	1,135,312	1,667,200	531,888 ▲ 68.1%
5	MET / MWDOC Pass-Through Charges	181,526	4,020,475	3,988,700	(31,775) 100.8%
6	Property Tax Receipts	154,490	1,560,716	2,326,700	765,984 ▲ 67.1%
7	Interest Revenue	169,928	1,054,927	1,774,000	719,073 ▲ 59.5%
8	Other Revenue	54,090	583,252	440,800	(142,452) 132.3%
9	Total Revenue	1,020,480	12,696,437	16,915,100	4,218,663 75.1%
10	Retail Water Supply	90,166	792,540	965,100	172,560 ▲ 82.1%
11	Wholesale Pass-Through Supply	181,526	4,020,475	3,988,700	(31,775) ▲ 100.8%
12	Staffing Resources	246,784	2,358,239	3,342,700	984,461 70.5%
13	Operations & Maintenance	167,242	895,695	1,404,500	508,805 63.8%
14	General & Administrative	91,574	986,908	1,311,600	324,692 75.2%
15	Total Expense	777,292	9,053,858	11,012,600	1,958,742 ▲ 82.2%
16	Net Income / (Loss) from Operations	\$ 243,188	\$ 3,642,580	\$ 5,902,500	\$ 2,259,920 61.7%
17	Grant Funding Receipts	454,591	560,102	1,000,000	439,898 56.0%
18	Capital Improvement Program	(144,699)	(1,882,518)	(8,350,000)	(6,467,482) 22.5%
19	Internal Loan Receipts	-	424,792	334,815	(89,977) ▲ 126.9%
20	Internal Loan Payments	-	(424,792)	(334,815)	89,977 ▲ 126.9%
21	Debt Service	-	(227,136)	(1,403,430)	(1,176,294) 16.2%
22	Net Change in Cash	\$ 553,079	\$ 2,093,028	\$ (2,850,930)	\$ (4,943,958)

Variance Analysis:

Line 1 - This line item may vary from the expected budget target throughout the fiscal year due to the timing of these sewer service fees received through the property tax roll.

Line 3 - The Retail Water Variable charges are billed bi-monthly on even numbered months. The timing of billing and collecting these charges can cause actual results to vary from the expected budget target throughout the fiscal year.

Line 4 - The Retail Water fixed meter and capital improvement charges are included in this line. The fixed meter charge is billed bi-monthly on even numbered months. The capital improvement charge is collected through the property tax roll. The timing of billing and collecting these charges can cause actual results to vary from the expected budget target.

Line 5 - The adopted budget included 2000 AF of wholesale water sales. As of the current reporting period, 2227 AF of wholesale water has been sold.

Line 6 - This line item may vary from the expected budget target throughout the fiscal year due to the timing of property tax receipts through the County tax roll.

Line 7 - The adopted budget considered current market conditions at the time of budget adoption. The portfolio has returned an average of 3.25% during fiscal year 2026 and the adopted budget assumed a 4% return on investments.

Line 10 - Retail water supply costs are at 82.1% of budget due to the year-to-date actual water supply mix used compared to what was planned in the budget. The retail system has used 134 AF of wholesale water and 140 AF was budgeted and wholesale system water is a more expensive source than groundwater.



March 2026 Financials - Summary District

Variance Analysis (Continued):

Line 11 - The adopted budget included 2000 AF of wholesale water sales. As of the current reporting period, 2227 AF of wholesale water has been sold.

Line 17 - The District has received reimbursements for costs applicable to the WZ-06 Peters Canyon Seismic Reservoir and RZ-15 Advanced Metering Infrastructure projects.

Line 19 - This line includes the transfer of funds to the Sewer fund from the Retail fund for the 2024 Interfund Loan. The installment is due January 1st each year. The results are over budget due to a higher LAIF interest rate than expected. The LAIF interest rate is the index that is applied to the calculation to determine annual variable rate interest on the payment.

Line 20 - This line includes the transfer of funds to the Sewer fund from the Retail fund for the 2024 Interfund Loan. The installment is due January 1st each year. The results are over budget due to a higher LAIF interest rate than expected. The LAIF interest rate is the index that is applied to the calculation to determine annual variable rate interest on the payment.



March 2026 Financials - Operating Detail District

	A		B		C		D = C - B		E = B / C
	Period		Fiscal Year		Adopted		Remaining		YTD % of
	Actuals		to Date		Budget		Budget		Budget
	Mar 2026		Mar 2026		FY 2026		FY 2026		75.0%
1	District Charges								
2	Sewer Service Fees	\$ 322,157	\$	2,778,165	\$	4,292,600	\$	1,514,435	64.7%
3	Wholesale Water Fixed Charges	52,872		476,156		630,200		154,044	75.6%
4	Retail Water Variable Charges	(724)		1,087,433		1,794,900		707,467	60.6%
5	Retail Water Fixed Charges	86,141		1,135,312		1,667,200		531,888	68.1%
6	Total District Charges	460,446		5,477,066		8,384,900		2,907,834	65.3%
7	Wholesale Pass-Through Charges								
8	MET / MWDOC Water Sales	119,490		3,138,624		2,923,200		(215,424)	107.4%
9	MET / MWDOC Fixed Costs Recovery	62,036		881,851		1,065,500		183,649	82.8%
10	Total Wholesale Pass-Through Charges	181,526		4,020,475		3,988,700		(31,775)	100.8%
11	Other Revenue								
12	Property Tax Receipts	154,490		1,560,716		2,326,700		765,984	67.1%
13	Interest Revenue	169,928		1,054,927		1,774,000		719,073	59.5%
14	Developer Fees and Charges	30,463		343,530		200,000		(143,530)	171.8%
15	Miscellaneous Revenue	23,627		239,722		240,800		1,078	99.6%
16	Total Other Revenue	378,508		3,198,896		4,541,500		1,342,604	70.4%
17	Total Revenue	1,020,480		12,696,437		16,915,100		4,218,663	75.1%
18	Retail Water Supply								
19	Retail Fixed Costs Allocation	12,694		135,067		142,100		7,033	95.1%
20	Retail Water Purchases from Wholesale	42,740		287,995		204,700		(83,295)	140.7%
21	OCWD Replenishment Assessments	26,463		274,610		469,300		194,690	58.5%
22	Groundwater Energy	8,268		94,868		149,000		54,132	63.7%
23	Total Retail Water Supply	90,166		792,540		965,100		172,560	82.1%
24	Wholesale Pass-Through Supply								
25	MET / MWDOC Water Purchases	119,490		3,138,624		2,923,200		(215,424)	107.4%
26	MET / MWDOC Fixed Costs	62,036		881,851		1,065,500		183,649	82.8%
27	Total Wholesale Pass-Through Supply	181,526		4,020,475		3,988,700		(31,775)	100.8%
28	Staffing Resources								
29	Employee Compensation	184,312		1,731,116		2,470,700		739,584	70.1%
30	Health and Retirement Benefits	62,472		593,289		837,100		243,811	70.9%
31	CalPERS Unfunded Minimum Payments	-		33,834		34,900		1,066	96.9%
32	Total Staffing Resources	246,784		2,358,239		3,342,700		984,461	70.5%
33	Operations & Maintenance								
34	Water System Maintenance	116,334		518,704		682,100		163,396	76.0%
35	Water Quality	14,157		97,209		165,800		68,591	58.6%
36	Sewer System Maintenance	1,006		60,838		175,000		114,162	34.8%
37	System Fees and Permits	17,231		64,175		64,800		625	99.0%
38	Vehicle and Equipment	18,513		154,769		316,800		162,031	48.9%
39	Total Operations & Maintenance	167,242		895,695		1,404,500		508,805	63.8%
40	General & Administrative								
41	Professional Services	48,247		396,853		601,700		204,847	66.0%
42	District Office Expenses	16,010		198,596		239,900		41,304	82.8%
43	District Insurance	-		113,912		123,400		9,488	92.3%
44	Dues and Memberships	-		62,199		64,100		1,901	97.0%
45	Community Outreach and Noticing	14,271		79,354		77,900		(1,454)	101.9%
46	Board of Directors	5,120		56,363		65,300		8,937	86.3%
47	Education, Training and Travel	1,180		10,441		21,000		10,559	49.7%
48	Miscellaneous Expense	6,745		69,190		118,300		49,110	58.5%
49	Total General & Administrative	91,574		986,908		1,311,600		324,692	75.2%
50	Total Expense	777,292		9,053,858		11,012,600		1,958,742	82.2%
51	Net Income / (Loss) from Operations	\$ 243,188	\$	3,642,580	\$	5,902,500	\$	2,259,920	61.7%

March 2026 Financials - Capital Improvement Program District


ID	Project Description	A	B	C	D = C - B	E = B / C
		Period Actuals Mar 2026	Fiscal Year to Date Mar 2026	Adopted Budget FY 2026	Remaining Budget FY 2026	YTD % of Budget 75.0%
Wholesale System						
WZ-02	WZ Reservoir Backup Generators	\$ -	\$ -	\$ 245,000	\$ 245,000	0.0%
WZ-03	Cathodic Protection Improvements	4,153	4,153	100,000	95,848	4.2%
WZ-04	6MG Res. Pipeline & Vault Improv	-	181,757	200,000	200,000	0.0%
WZ-05	WZ Reservoir Management Systems	76	50,044	1,500,000	1,499,924	0.0%
WZ-06	Peters Canyon Res Sesmic Phase 1	30,250	221,778	500,000	469,750	6.0%
WZ-10	WZ Master Plan Update	7,905	61,759	118,000	110,095	6.7%
WZ-17	WZ Valve Replacements Program	-	9,386	50,000	50,000	0.0%
WZ-18	WZ Hydrants Replacement Program	-	-	50,000	50,000	0.0%
Total Wholesale System		42,384	528,876	2,763,000	2,234,125	19.1%
Retail System						
RZ-04	Brae Glen Pipeline Replacement	-	-	500,000	500,000	0.0%
RZ-05	Orange Knoll PRV Station	-	-	250,000	250,000	0.0%
RZ-08	Barrett/Hinton Srvc Relocations	-	-	225,000	225,000	0.0%
RZ-10	RZ Master Plan Update	8,755	74,924	112,000	103,245	7.8%
RZ-12	St. Jude/Panorama View Pipeline	-	-	225,000	225,000	0.0%
RZ-15	Advanced Metering Infrastructure	53,972	643,443	1,200,000	1,146,028	4.5%
RZ-16	Vista Panorama PS Replacement	-	25,117	350,000	350,000	0.0%
RZ-17	RZ Valve Replacements Program	3,055	6,461	25,000	21,945	12.2%
RZ-18	RZ Hydrant Replacements Program	5,063	22,116	25,000	19,937	20.3%
Total Retail System		70,844	772,061	2,912,000	2,139,939	26.5%
Sewer System						
SS-03	Lemon Heights Drive LS Rehab	-	26,454	-	-	NA
SS-06	Cured in Place Pipe (CIPP)	-	22,650	400,000	400,000	0.0%
SS-07	Manhole Additions, R, F & Covers	-	82,500	200,000	200,000	0.0%
SS-08	Manhole Rehab and Replacements	-	30,275	400,000	400,000	0.0%
SS-10	Sewer Vehicles & Equipment	-	102,414	1,000,000	1,000,000	0.0%
SS-11	SSMP Update and Spill Response	17,739	121,838	175,000	157,261	10.1%
Total Sewer System		17,739	386,130	2,175,000	1,788,870	17.8%
Joint Projects						
JP-01	SCADA System Improvements	-	28,000	-	(28,000)	NA
JP-02	Springbrook ERP Implementation	-	110	-	(110)	NA
JP-03	Local HMP, AWIA, RRA & ERP	1,511	119,900	250,000	130,101	48.0%
JP-09	Vehicles & Equipment Shared	-	35,221	-	(35,221)	NA
JP-10	Main Office Warehouse Replace	12,221	12,221	250,000	237,779	4.9%
Total Joint Projects		13,732	195,451	500,000	304,549	39.1%
Capital Improvement Program Total		\$ 144,699	\$ 1,882,518	\$ 8,350,000	\$ 6,467,482	22.5%

March 2026 CIP Expenditures by System





MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER 
SUBJECT: 457(B) MATCHING PROGRAM
DATE MAY 28, 2026

Background

The District currently provides a method for employees to invest pretax dollars for their retirement in a 457(b) account. Taxes on these investments and their interest growth are only paid when withdrawn for retirement. In 2026, employees under 50 can invest \$24,500 in pretax dollars annually to lower their tax liability and prepare for future retirement.

In reviewing annual benefits, it has become apparent that many of our surrounding agencies have elected to provide matching funds to encourage employees to plan for retirement. These programs provide a match ranging from 2.5 to 4% of annual salary with a few agencies instead providing a cash match of \$1,600 to \$3,250. The agencies surveyed include: Serrano Water District, IRWD, YLWD, OCWD, Mesa, and SCWD.

In addition, to keeping up with benefits offered by similar agencies staff believe this benefit is particularly important for younger employees hired after 2013 as the adoption of PEPRA (Public Employee Pension Reform Act) in 2013 effectively reduced pension amounts. This means these employees will not be able to retire on a pension alone.

Staff propose establishing a policy of matching the first 3% of salary that the employees elect to invest in a 457(b) account. With full participation, it is estimated that this benefit will have a maximum budget impact of \$70,000. This will keep up with the benefits offered at other agencies while encouraging our employees to begin investing early in their retirements.


A proposed matching program to the employees 457 retirement plans has been included in the draft budget. If approved, the employees would be eligible for District matching funds up to 3% of annual salary.

Recommendation

Informational

Attachment(s):

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER 
SUBJECT: TRAILER MOUNTED PORTABLE WATER PUMP PURCHASE
DATE: MAY 28, 2026

Introduction

The District has borrowed a pumping unit from Yorba Linda Water District for the last couple of MWD shutdowns in order to continue water deliveries without the use of MWD turnouts. Those operations were successful. Staff have determined that purchasing a dedicated pumping unit would provide greater system reliability and provide a means to move water more easily between zones in the event of an outage.

Background

The Wholesale System is supplied from two major import transmission pipelines. Water delivered through MWDSC's OC-48 is supplied from the East Orange County Feeder No. 2 (EOCF#2). This water supply reaches agency turnouts along the way to Newport Reservoir, which has a surface water elevation of about 580 feet. This supply zone is generally referred to as the "Lower" Wholesale Zone. Water delivered through MWDSC's OC-70 is supplied from the Allen-McColloch Pipeline (AMP). This water supply enters the Handy Creek reservoir at a water surface elevation of about 790 feet. From the reservoir, water can be distributed to agency turnouts and supply the Andres reservoir (~ 735 feet) through the Newport control valve, which is located at the Newport reservoir site. This supply zone is generally referred to as the "Upper" Wholesale Zone. In addition, the "Upper" zone can deliver water to the "Lower" zone through the Newport intertie valve, also located at the Newport reservoir site. Therefore, the Newport reservoir site serves as a central hub between the Wholesale Upper and Lower zones.

During the recent 7-day Diemer shutdown, the District borrowed a trailer mounted pump to use at the Newport site to pump water from the Andres Reservoir to the Handy Creek Reservoir. The success of the operation led staff to pursue a solicitation to purchase its own trailer mounted portable water pump. The pump will be able to operate over a range of flows and elevation lifts necessary to meet fluctuating demands and hydraulic conditions during an emergency or planned outage event. The trailer mounted pump will primarily be used at the Newport Reservoir site, with the ability to move water from the 11.5 million gallon (MG) Andres Reservoir up to the 6 MG Handy Creek Reservoir. This flexibility will allow future specific maintenance activities related to OC-70, Handy Creek Reservoir, or any of the transmission mains that supply each facility as well.

Staff solicited quotes from three vendors for a trailer mounted diesel driven engine potable water pump. General specification requirements included an integrated electronic pump controller, compliance with Tier 4 emission standards, sound attenuating enclosure, minimum 150 gallon integral fuel tank, and a highway rated trailer with compartments for appropriate hoses and end connections. While there was interest and questions from all three vendors, two quotes for the new pump, engine, and trailer were received and are provided below. The third vendor missed the specified submittal date and submission through PlanetBids. The quotes include taxes, freight, and shipping.

Trailer Mounted Portable Water Pump Quotes	
Multi W Systems	\$ 143,643.37
Xylem	\$ 177,202.89
MuniQuip (received after deadline via email)	n/a

Fiscal Impact

Staff proposed an overall budget of \$245,000 for Wholesale Backup equipment and the table below summarizes the proposed equipment to be purchased:

Capital Line Item Summary	
Trailer Mounted Portable Pump with Diesel Engine	\$143,643
5% Contingency	\$ 7,182
<i>Additional hoses for pump connections (separate purchase)</i>	<i>\$ 25,000</i>
Subtotal All Items	\$175,825
FY25-26 Budget	\$245,000

In case there are minor adjustments to taxes, levies, duties, tariffs, freight, or other governmental charges, staff propose including a 5% contingency to cover these items.

This item was reviewed by the Engineering & Operations Committee on May 20th and recommended for approval.

Recommendation

That the Board authorize the General Manager to execute a Purchase Order in the amount of \$143,643 with Multi W Systems with an additional 5% contingency of \$7,182 for a total not to exceed expenditure of \$150,825.

Attachment(s):

PlanetBids line item summary

East Orange County Water District
 Submissions for Solicitation Trailer Mounted Potable Water Pump (002)
 Issued on 04/03/2026
 Submissions Due on April 29, 2026 3:00 PM (PDT)

Line Totals (Unit Price * Quantity)

Item Num	Description	Unit of Measure	Quantity	Multi W Systems - Line Total	Xylem Dewatering Solutions - Line Total	Comments
1	Trailer Mounted Water Pump, as specified	LS	1	\$130,831.04	\$162,747.00	Meets NSF61
2	Freight, shipping, delivery	LS	1	\$3,000.00	\$1,843.00	Estimated Delivery Charge. Actual TBD at time of shipping.
3	Taxes	LS	1	\$9,812.33	\$12,612.89	Estimated at 7.75%, Taxes will be applied when shipped.

Total \$143,643.37 \$ 177,202.89

\$ 7,182.17 5% contingency

\$ 25,000.00 Hoses and Connections

\$175,825.54 Total for CIP

\$245,000.00 CIP Budget

\$ 69,174.46 Remaining



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER *[Signature]*
SUBJECT: ADOPTION OF 2025 URBAN WATER MANAGEMENT PLAN AND WATER SHORTAGE CONTINGENCY PLAN
DATE: MAY 28, 2026

Background

The purpose of this agenda item is to adopt the District's 2025 Urban Water Management Plan (UWMP) and 2025 Water Shortage Contingency Plan (WSCP). The 2025 UWMP presents an update to the 2020 UWMP and state law requires adoption of these plans every five years.

The Urban Water Management Planning Act requires a public hearing to be held prior to adoption of the UWMP to allow community input regarding the UWMP and the implementation plan. Water Code Sections 10621 and 10642 require that 60-day advanced notice is given prior to the public hearing and once a week for two weeks prior to the public hearing, the District publish notices in a general circulation newspaper of the intent to adopt the UWMP. To comply with both requirements, notification was given and notices were published in the Orange County Register ahead of the public hearing.

The District will hold its public hearing on May 28, 2026, on its proposed 2025 UWMP and 2025 WSCP prior to consideration for adoption. Based on the comments received from the public and the Board, staff will incorporate any changes as appropriate and recommend adoption of the 2025 UWMP and 2025 WSCP.

As a retail and wholesale water supplier, EOCWD's role in preparing an UWMP is to provide an assessment of the present and future water supply sources and demands with the District's service areas. The plan provides an update of the District's water resource needs, water use efficiency programs, water reliability assessment, and strategies to mitigate water shortage conditions. Important elements of the 2025 UWMP include a demonstration of supply reliability under a normal year, single dry-year & five consecutive dry-years, participation in the 20x2020 Orange County Regional Alliance, emergency planning efforts, compliance with conservation targets (UWMP Section 5), and demand management measures (UWMP Section 9).

As part of the requirements of the 2025 UWMP, EOCWD has prepared a new WSCP as a standalone document serving as a guidance document to prepare for and respond to water shortages and service disruptions of the District's supplies. A water shortage may occur due to water supply quality changes, climate change, drought, and/or catastrophic events. The WSCP provides a water supply availability assessment and structured steps designed to respond to actual conditions, including shortages greater than 50%, and matches the State's six standard shortage levels. The plan contains the processes and procedures that will be deployed when shortage conditions arise so the Board and staff can easily implement pre-determined steps to the level appropriate to the degree of water shortfall anticipated.

The Board of Directors and members of the public are encouraged to visit the following webpage to access the draft UWMP and WSCP documents, <https://www.eocwd.com/board-meetings>. In addition to posting on the website, notices were also sent to the retail agencies and cities within the applicable service areas.

If approved, the Final 2025 UWMP and 2025 WSCP will be delivered electronically to DWR before the upcoming regulatory deadline.

Recommendation

Staff recommends the Board of Directors:

(1) Open the public hearing (as noticed) at the EOCWD Board Meeting on May 28 regarding EOCWD's Draft 2025 Urban Water Management Plan and draft 2025 Water Shortage Contingency Plan to receive input from the public; receive and consider any such input; and close the hearing;

(2) Adopt the proposed resolution adopting EOCWD's 2025 Urban Water Management Plan and 2025 Water Shortage Contingency Plan in the general form presented, with amendments if necessary; and

(3) Direct staff to transmit a copy of EOCWD's 2025 Urban Water Management Plan and 2025 Water Shortage Contingency Plan to the statutorily required entities, including the California Department of Water Resources for their review and approval.

Attachment(s): Resolution No. 25/26/03

RESOLUTION NO. 25/26.03

RESOLUTION OF THE EAST ORANGE COUNTY WATER DISTRICT BOARD OF DIRECTORS ADOPTING THE 2025 URBAN WATER MANAGEMENT PLAN AND THE 2025 WATER SHORTAGE CONTINGENCY PLAN PURSUANT TO THE URBAN WATER MANAGEMENT PLANNING ACT

WHEREAS, the Urban Water Management Planning Act (the “Act”), as set forth in Part 2.6 (commencing with Section 10610) of Division 6 of the California Water Code, requires every urban water supplier to prepare and adopt an urban water management plan and a water shortage contingency plan; and

WHEREAS, the East Orange County Water District (“EOCWD”) is an urban water supplier as defined by the Act as it is a publicly owned supplier providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre feet annually; and

WHEREAS, the conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level; and

WHEREAS, in June 2021, EOCWD completed its 2020 Urban Water Management Plan (“2020 UWMP”) pursuant to the requirements of the Act; and

WHEREAS, EOCWD has now prepared its 2025 Urban Water Management Plan (“2025 UWMP”) and 2025 Water Shortage Contingency Plan (“2025 WSCP”), as required by the Act, each of which is hereby incorporated herein by this reference; and

WHEREAS, on or about February 12, 2026, EOCWD provided notice to the County of Orange, City of Orange, City of Tustin, Irvine Ranch Water District, and Golden State Water Company that EOCWD was in the process of preparing the 2025 UWMP and 2025 WSCP and invited their consultation and comment on such documents; and

WHEREAS, EOCWD made the 2025 UWMP and 2025 WSCP available for public inspection, commencing on or about May 13, 2026, on its website (eocwd.com) or by making arrangements with District staff to obtain physical copies; and

WHEREAS, two weeks and one week ahead of the public hearing, EOCWD published notice in the *Orange County Register* of both (1) the availability of the 2025 UWMP and 2025 WSCP for public inspection, and (2) a public hearing to be held at the EOCWD Board of Directors (“Board”) meeting on May 28, 2026, to be held at 4:00 p.m. or as soon thereafter as reasonably possible (“Public Hearing”); and

WHEREAS, on May 28, 2026, the Board held a noticed public hearing to receive public comment on the 2025 UWMP and 2025 WSCP; and

WHEREAS, the Board has received and had an opportunity to review the 2025 UWMP and 2025 WSCP, along with any and all public comments received; and

WHEREAS, the 2025 UWMP and 2025 WSCP have been prepared in accordance with the requirements of the Act; and

WHEREAS, the 2025 UWMP and 2025 WSCP are general information documents that are intended to provide an analysis of the current and alternative water demand and supplies and conservation activities of EOCWD, including effects and measures of coping with short-term and chronic water shortages within the EOCWD boundaries.

IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS (“BOARD”) OF THE EAST ORANGE COUNTY WATER DISTRICT (“EOCWD”):

Section 1. The recitals set forth herein are true and correct, and shall hereinafter constitute findings of the Board.

Section 2. The 2025 UWMP and 2025 WSCP as presented to the Board, are hereby approved and adopted by EOCWD.

Section 3. The General Manager, or his designee, is directed to: (1) submit copies of the 2025 UWMP and 2025 WSCP, as required, to the Department of Water Resources, the California State Library, the County of Orange, City of Orange, and City of Tustin within 30 days of Board adoption; and (2) makes copies of the 2025 UWMP and 2025 WSCP available for public review during normal business hours.

Section 4. The General Manager, or his designee, are further authorized to take any action reasonably necessary to effectuate the purpose or intent of this Resolution, to implement the 2025 UWMP and 2025 WSCP, or otherwise comply with the Act.

APPROVED, ADOPTED, AND SIGNED this 28th day of May, 2026.

George A. Murdoch, President
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors thereof

Jeffrey A. Hoskinson, Secretary
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors thereof

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, JEFFREY A. HOSKINSON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. 25/26.03 was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on May 28, 2026, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jeffrey A. Hoskinson, Secretary
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors thereof



MEMO

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER 

SUBJECT: ANNUAL BUDGET

DATE MAY 28, 2026

Background

District staff have spent the last few months preparing the annual budget for fiscal year 2026-27. No major changes to the annual budget are proposed for the coming year.

Proposed salary expenses include a 3.2% cost of living adjustment along with a 2.5% merit pool. The merit pool establishes a budget for merit-based increases for those employees that are eligible based on review performance. This is similar to prior budget years.

A proposed matching program to the employees 457 retirement plans has been included in the draft budget. If approved, the employees would be eligible for District matching funds up to 3% of annual salary. This program is similar to other Districts including Serrano Water District, Mesa, IRWD, SCWD and OCWD. This program would provide incentive, particularly for younger staff, to plan for future retirement.

Attached is the draft budget for your review. Staff will summarize the budget for the committee.

Recommendation

That the Board approve the annual budget for fiscal year 2026-27.

Attachment(s): FY 26-27 Draft Budget
Resolution No. 25/26.04

EOCWD
EAST ORANGE COUNTY
WATER DISTRICT



PROPOSED
BUDGET
FISCAL YEAR 2027

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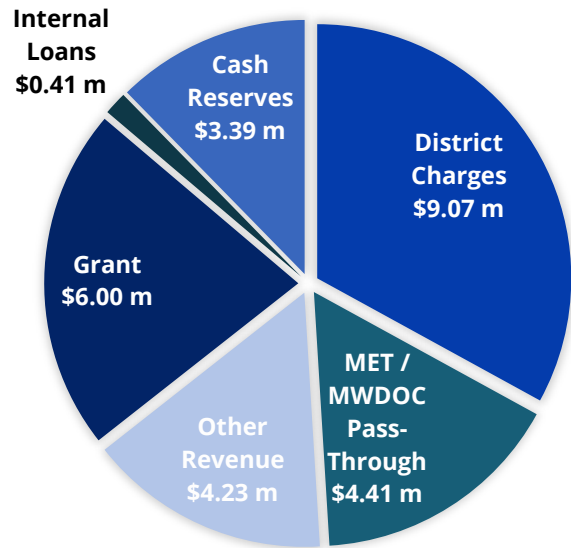
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EXECUTIVE SUMMARY

The East Orange County Water District budget is comprised of the Operating and Capital Improvement Program budgets. The District presents a balanced budget for the District and across all funds on an annual basis. Highlights of the fiscal year 2027 budgeted funding sources, uses, cash reserve balances and reserve policy targets are summarized in this section.

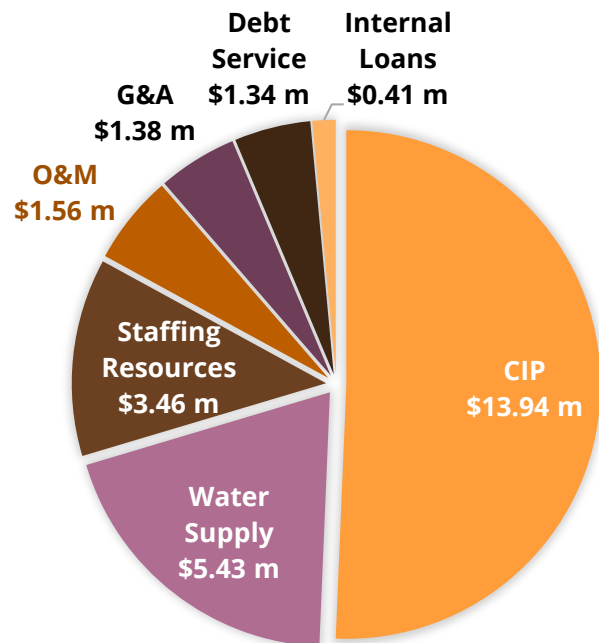
Funding Sources \$ \$27,513,465

Funding sources are comprised of charges to District customers, MET/MWDOC pass-through charges, other revenues, grants, internal loan receipts, and cash reserves. The largest source is derived from District charges, which include rate revenues received from District customers. MET / MWDOC Pass-Through is derived from recovering the cost of water imports from the Metropolitan Water District of Southern California (MET) directly from Wholesale customers who purchase Wholesale water. Other revenues include County property tax receipts, interest earnings and other miscellaneous sources. Internal loans include the Sewer receiving payments from the Retail fund for the \$4 million interfund loan executed during fiscal year 2025. The budget is balanced by \$3.39 million in cash reserve funding.



Funding Uses \$ \$27,513,465

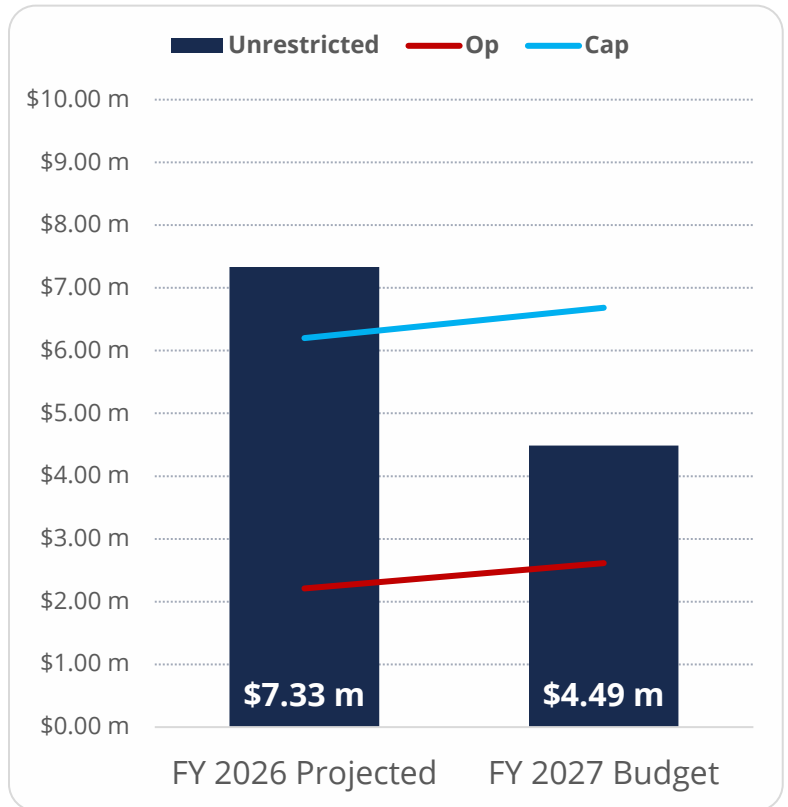
Funding uses are comprised of the Capital Improvement Program (CIP), water supply, staffing resources, operations and maintenance (O&M), general and administrative (G&A), debt service payments, and internal loan payments. The largest use of funding is CIP as the District continues to invest in reliable and critical capital infrastructure. Water Supply includes Wholesale MET / MWDOC pass-through supply and Retail supply for District customers. Staffing resources, O&M, and G&A include employee salaries and benefits, and annual costs required to maintain operations and administrative activities. Debt service includes payments on the 2020 installment loan previously executed to finance sewer and retail capital projects, and pass-through debt service payments related to the Community Facilities District formed in 2018. Internal loans include the Retail fund repayment of the \$4 million interfund loan from the Sewer fund executed during fiscal year 2025.



Wholesale Reserves v. Targets

Wholesale cash reserves are projected to meet policy reserve targets at the end of fiscal year 2026. The fiscal year 2027 budget plans for the drawdown of capital reserves to advance CIP projects, most notably for the Wholesale Reservoir Management Systems Project (Project ID WZ-05) and the Paygo portion of the Peters Canyon Seismic Retrofit project (WZ-06).

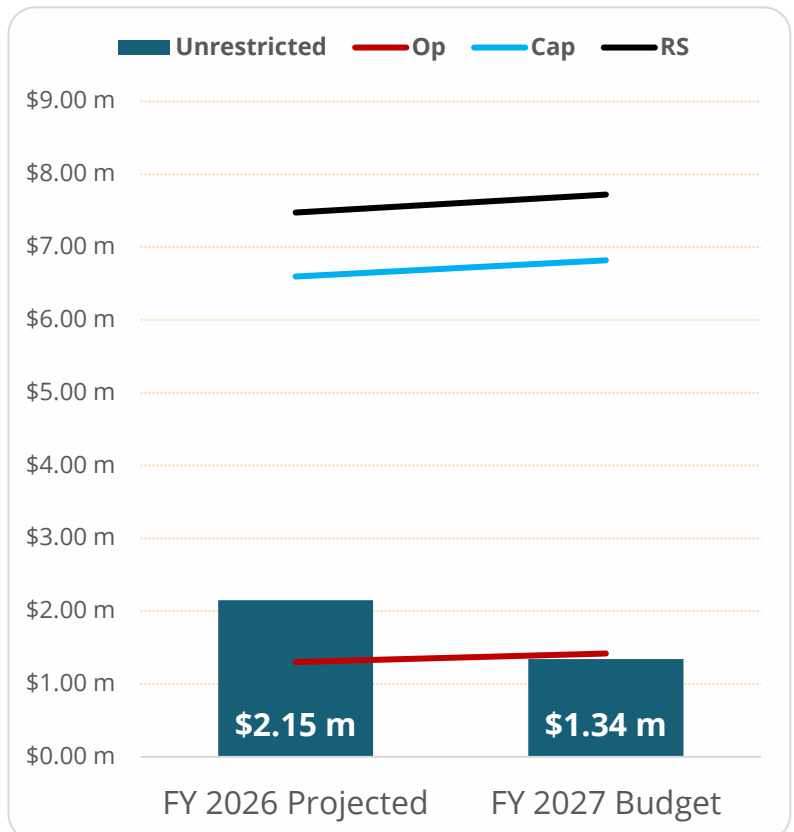
Wholesale reserve policy targets include an operating reserve (Op) and capital reserve (Cap). The operating reserve is equal to 10 months of budgeted operating expenses, excluding source of supply expenses. The capital target is equal to 20% of the cost of Wholesale fixed assets. No rate stabilization reserve target is specified in the Wholesale fund reserve policy.



Retail Reserves v. Targets

Retail cash reserves are projected to remain below the capital and the rate stabilization targets at the end of fiscal year 2026. The fiscal year 2027 budget plans for additional drawdown of capital reserves to advance CIP projects, most notably for the Brae Glen Pipeline Replacement (RZ-04), Orange Knoll PRV Station (RZ-05) and Vista Panorama Pump Station (RZ-16). The District has invested heavily into Retail water system infrastructure in recent fiscal years and is planning future spending conservatively to build reserves back up towards policy targets.

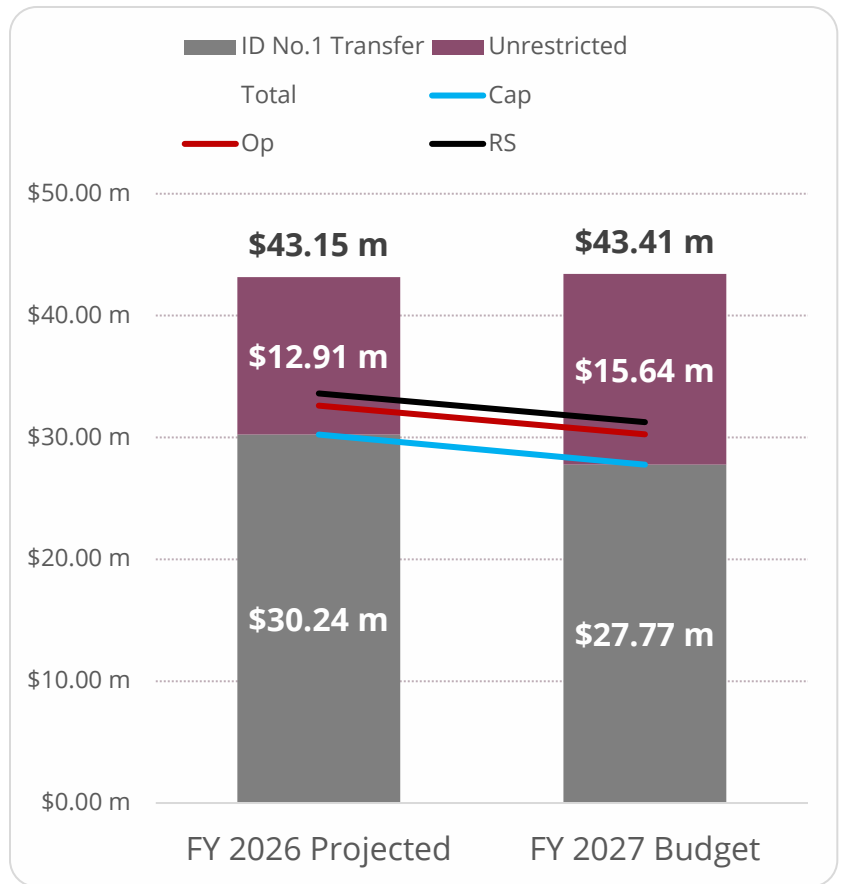
Retail reserve policy targets include an operating reserve (Op), capital reserve (Cap) and rate stabilization reserve (RS). The operating reserve is equal to 6 months of budgeted operating expenses. The capital target is equal to 20% of the cost of Retail fixed assets. The rate stabilization reserve (RS) target is equal to 25% of budgeted Retail operating revenues.



Sewer Reserves v. Targets

Sewer cash reserves are projected to remain above all reserve targets at the end of fiscal year 2026. The fiscal year 2027 budget plans to utilize capital reserves to advance CIP projects, most notably for ongoing Sewer capital programs and for heavy vehicle and equipment purchases (Project ID SS-10). In 2016, the District received nearly \$45 million in capital reserve funds from the transfer of the Improvement District No.1 Sewer system from Orange County Sanitation District (OC San). Since the transfer, the District has invested these funds into CIP within the Sewer system. These transfer funds are legally restricted and shown in gray on the reserves v. target chart to the right.

Sewer reserve policy targets include a capital reserve (Cap), operating reserve (Op), and rate stabilization reserve (RS). The capital target is equal to the remaining amount of the ID No.1 Sewer transfer funds balance. These transferred funds were received in a lump sum in 2016 and are legally restricted to being used on Sewer capital infrastructure. This reserve will continue to be drawn over time and the reserve target will be adjusted on an annual basis. The operating reserve (Op) is equal to 10 months of Sewer budgeted operating expenses. The rate stabilization (RS) reserve target is equal to \$1,000,000 for Sewer spill remediation purposes.



Budgeted Change in District Reserves

The fiscal year 2027 budget forecasts a total ending reserve balance of \$49.32 million. Column A represents the projected balance of reserves at the end of the current fiscal year. **Column B** through **column E** displays the major activities of reserve inflows and outflows. The ending District-wide reserve balance budgeted for fiscal year 2027 is shown in **column F**.

	A	B	C	D	E	F
	Projected 6/30/2026 Balance	Net Income / (Loss) From Operations	Grant Funding Proceeds	Capital Improvement Program	Debt Service Payments	Budgeted 6/30/2027 Balance
Cash Balances						
Unrestricted	22,395,951	5,881,958		(5,470,000)	(1,335,082)	21,472,827
Restricted - CFD (Parcel Assessment)	73,320	2,492				75,813
Restricted - Grant Funding	-		6,000,000	(6,000,000)		-
Restricted - Capacity Fees	-			-		-
Restricted - ID1 Transfer Funds	30,236,420		-	(2,470,000)		27,766,420
Total Cash Balances	\$ 52,705,691	\$ 5,884,450	\$ 6,000,000	\$ (13,940,000)	\$ (1,335,082)	\$ 49,315,060

ANNUAL BUDGET SUMMARY

	A	B	C	D	F = E / B
	FY 2025	FY 2026	FY 2026 (P)	FY 2027	% Budget
	Actual	Adopted	Projected	Proposed	Change
	Results	Budget	Results	Budget	PY
1 Sewer Service Fees	\$ 3,832,682	\$ 4,292,600	\$ 4,320,962	\$ 4,839,400	13%
2 Wholesale Water Fixed Charges	588,941	630,200	634,925	679,500	8%
3 Retail Water Variable Charges	1,505,136	1,794,900	1,527,597	1,709,100	-5%
4 Retail Water Fixed Charges	1,596,475	1,667,200	1,717,973	1,846,800	11%
5 MET / MWDOC Pass-Through Charges	6,736,285	3,988,700	6,730,600	4,413,000	11%
6 Property Tax Receipts	2,315,023	2,326,700	2,363,652	2,406,800	3%
7 Interest Revenue	1,523,411	1,774,000	1,327,219	1,356,500	-24%
8 Other Revenue	2,146,916	440,800	571,590	466,400	6%
9 Total Revenue	20,244,870	16,915,100	19,194,517	17,717,500	5%
10 Retail Water Supply	2,541,249	965,100	988,456	1,012,210	5%
11 Wholesale Pass-Through Supply	6,736,249	3,988,700	6,730,600	4,413,000	11%
12 Staffing Resources	2,979,871	3,342,700	3,167,215	3,458,760	3%
13 Operations & Maintenance	1,188,553	1,404,500	1,277,830	1,564,760	11%
14 General & Administrative	1,281,552	1,311,600	1,314,584	1,384,320	6%
15 Total Expense	14,727,474	11,012,600	13,478,685	11,833,050	7%
16 Net Income / (Loss) from Operations	5,517,396	5,902,500	5,715,832	5,884,450	0%
17 Grant Funding Receipts	925,124	1,000,000	1,000,000	6,000,000	500%
18 Capital Improvement Program	(6,761,343)	(8,350,000)	(5,125,000)	(13,940,000)	67%
19 Internal Loan Borrowing	4,000,000	-	-	-	NA
20 Internal Loan Lending	(4,000,000)	-	-	-	NA
21 Internal Loan Receipts	-	334,815	424,792	405,333	21%
22 Internal Loan Payments	-	(334,815)	(424,792)	(405,333)	21%
23 Debt Service	(1,334,981)	(1,403,430)	(1,335,265)	(1,335,082)	-5%
24 Net Change in Cash	(1,653,803)	(2,850,930)	255,568	(3,390,632)	19%
Ending Cash Balances					
25 Unrestricted			22,395,951	21,472,827	
26 Restricted - CFD (Parcel Assessment)			73,320	75,813	
27 Restricted - ID1 Transfer Funds			30,236,420	27,766,420	
28 Total Ending Cash Balances			52,705,691	49,315,060	
District Policy Reserve Targets					
29 Operating			5,885,467	6,521,020	
30 Capital			39,519,664	37,235,329	
31 Rate Stabilization			1,878,650	1,902,150	
32 Over / (Under) Policy Reserve Targets			\$ 5,421,910	\$ 3,656,561	

Operating Reserve Target - Set at 10 months of budgeted operating expenses for the wholesale and sewer systems, excluding wholesale pass-through supply expenses, and 6 months of budgeted operating expenses for the retail system.

Capital Reserve Target - Set at 20% of the original cost of fixed assets for the retail and wholesale systems. The capital reserve for the sewer system is a specific amount based on legally restricted funds remaining from the sewer system transfer in 2016.

Rate Stabilization Reserve Target - Set at \$1M for the sewer system for potential sewer spill remediations and 25% of budgeted operating revenues for the retail system. The District does not maintain a wholesale rate stabilization reserve within policy.

PROPOSED OPERATING BUDGET (SCHEDULE B)

	A	B	C	D	E = D - B	F = E / B
	FY 2025	FY 2026	FY 2026 (P)	FY 2027	\$ Budget	% Budget
	Actual	Adopted	Projected	Proposed	Change	Change
	Results	Budget	Results	Budget	PY	PY
1 District Charges						
2 Sewer Service Fees	3,832,682	4,292,600	4,320,962	4,839,400	546,800	12.7%
3 Wholesale Water Fixed Charges	588,941	630,200	634,925	679,500	49,300	7.8%
4 Retail Water Variable Charges	1,505,136	1,794,900	1,527,597	1,709,100	(85,800)	-4.8%
5 Retail Water Fixed Charges	1,596,475	1,667,200	1,717,973	1,846,800	179,600	10.8%
6 Total District Charges	7,523,235	8,384,900	8,201,457	9,074,800	689,900	8.2%
7 Wholesale Pass-Through Charges						
8 MET / MWDOC Water Sales	5,821,434	2,923,200	5,664,420	2,948,010	24,810	0.8%
9 MET / MWDOC Fixed Costs Recovery	914,852	1,065,500	1,066,180	1,464,990	399,490	37.5%
10 Total Wholesale Pass-Through Charges	6,736,285	3,988,700	6,730,600	4,413,000	424,300	10.6%
11 Other Revenue						
12 Property Tax Receipts	2,315,023	2,326,700	2,363,652	2,406,800	80,100	3.4%
13 Interest Revenue	1,523,411	1,774,000	1,327,219	1,356,500	(417,500)	-23.5%
14 Excess Groundwater Sales	1,108,673	-	-	-	-	NA
15 Developer Fees and Charges	800,178	200,000	313,067	220,000	20,000	10.0%
16 Miscellaneous Revenue	238,065	240,800	258,522	246,400	5,600	2.3%
17 Total Other Revenue	5,985,350	4,541,500	4,262,461	4,229,700	(311,800)	-6.9%
18 Total Revenue	20,244,870	16,915,100	19,194,517	17,717,500	802,400	4.7%
19 Retail Water Supply						
20 Retail Fixed Costs Allocation	119,718	142,100	167,556	236,490	94,390	66.4%
21 Retail Water Purchases from Wholesale	-	204,700	319,850	168,640	(36,060)	-17.6%
22 OCWD Replenishment Assessments	2,145,607	469,300	371,150	471,980	2,680	0.6%
23 Groundwater Energy	275,924	149,000	129,900	135,100	(13,900)	-9.3%
24 Total Retail Water Supply	2,541,249	965,100	988,456	1,012,210	47,110	4.9%
25 Wholesale Pass-Through Supply						
26 MET / MWDOC Water Purchases	5,821,398	2,923,200	5,664,420	2,948,010	24,810	0.8%
27 MET / MWDOC Fixed Costs	914,852	1,065,500	1,066,180	1,464,990	399,490	37.5%
28 Total Wholesale Pass-Through Supply	6,736,249	3,988,700	6,730,600	4,413,000	424,300	10.6%
29 Staffing Resources						
30 Employee Compensation	2,259,629	2,470,700	2,320,204	2,481,250	10,550	0.4%
31 Health and Retirement Benefits	704,584	837,100	796,257	925,230	88,130	10.5%
32 CalPERS Unfunded Minimum Payments	15,658	34,900	50,754	52,280	17,380	49.8%
33 Total Staffing Resources	2,979,871	3,342,700	3,167,215	3,458,760	116,060	3.5%
34 Operations & Maintenance						
35 Water System Maintenance	592,595	682,100	748,711	834,780	152,680	22.4%
36 Water Quality	170,515	165,800	140,068	145,100	(20,700)	-12.5%
37 Sewer System Maintenance	142,875	175,000	83,539	266,080	91,080	52.0%
38 System Fees and Permits	68,730	64,800	70,821	73,100	8,300	12.8%
39 Vehicle and Equipment	213,840	316,800	234,692	245,700	(71,100)	-22.4%
40 Total Operations & Maintenance	1,188,553	1,404,500	1,277,830	1,564,760	160,260	11.4%
41 General & Administrative						
42 Professional Services	555,938	528,200	436,351	441,930	(86,270)	-16.3%
43 District Office Expenses	214,713	239,900	280,691	307,710	67,810	28.3%
44 District Insurance	112,149	123,400	127,348	140,300	16,900	13.7%
45 Dues and Memberships	59,748	64,100	64,100	62,790	(1,310)	-2.0%
46 Community Outreach and Public Noticing	137,315	151,400	191,641	162,520	11,120	7.3%
47 Board of Directors	83,790	65,300	75,047	112,900	47,600	72.9%
48 Education, Training and Travel	19,175	21,000	20,493	30,070	9,070	43.2%
49 Miscellaneous Expense	98,723	118,300	118,913	126,100	7,800	6.6%
50 Total General & Administrative	1,281,552	1,311,600	1,314,584	1,384,320	72,720	5.5%
51 Total Expense	14,727,474	11,012,600	13,478,685	11,833,050	820,450	7.5%
52 Net Income / (Loss) from Operations	5,517,396	5,902,500	5,715,832	5,884,450	(18,050)	-0.3%

OPERATING BUDGET (SCHEDULE B) NARRATIVE

Line items included in the District operating budget schedule are outlined and described in this section. Each numbered section corresponds to the line item as it is displayed in the District operating budget.

1. **District Charges** begins the section of District revenues for customer service charges.
2. **Sewer Service Fees** include Sewer service fees charged to customers within the District Sewer service area. Orange County collects these fees through the tax roll and remits them to the District. The Fiscal Year (FY) 2027 budget considers a 12.0% rate adjustment effective July 1, 2026, as outlined in the most recent cost-of-service study.
3. **Wholesale Water Fixed Charges** include the Wholesale reserve fund charge and readiness-to-serve charge for Wholesale customers. Wholesale customers pay these charges monthly in proportion to the number of active Retail meters. The FY 2027 budget considers a 7.0% rate adjustment effective July 1, 2026, as outlined in the most recent cost-of-service study.
4. **Retail Water Variable Charges** include charges for volumetric water usage billed to Retail customers for water service. The FY 2027 budget assumes a total of 709 Acre-Feet (AF) of water sales to Retail customers based on average demand over the last two years. A 7.5% rate adjustment is budgeted to be implemented on July 1, 2026.
5. **Retail Water Fixed Charges** include meter service and capital charges to Retail customers for water service. The FY 2027 budget includes a 7.5% rate adjustment effective July 1, 2026.
6. **Total District Charges** provides a total of District charges, before considering Metropolitan Water District of Southern California (MET)/Municipal Water District of Orange County (MWDOC) charges passed through to Wholesale customers.
7. **Wholesale Pass-Through Charges** begins the section of District charges to Wholesale customers which represent dollar for dollar payments to the District for Wholesale water imported through MET and MWDOC.
8. **MET / MWDOC Water Sales** includes variable charges collected from Wholesale customers for their import water purchases through District-owned and managed connections to MET. Volumetric charges are set at the MET fully treated water rates. Currently, the treated rate stands at \$1,528 / AF and will decrease to \$1,420 / AF on January 1, 2027. The rate reduction is due to rate structure changes implemented by MET, beginning January 1, 2027. The FY 2027 budget plans to deliver 2,000 AF of water to Wholesale customers; however, Wholesale customer demands have major fluctuations from year to year and depend on external agency supply needs. Charges collected in this category directly reimburse the District for MET volumetric treated water purchases and are billed by MWDOC.
9. **MET / MWDOC Fixed Costs Recovery** includes fixed monthly charges to Wholesale customers for their share of fixed wholesale water costs. All MET and MWDOC fixed charges are pro-rated based on historical customer demands and passed through to Wholesale customers accordingly. MET has restructured rates, and the FY 2027 budget plans for three new fixed charges associated with MET treatment costs. The MET and MWDOC rates are shown in the following table:

Wholesale Fixed Pass-Through Rate	Frequency	1-Jan-26	1-Jan-27
MET Readiness to Service	Monthly	\$ 45,907.17	\$ 63,464.68
MET Capacity	Monthly	\$ 16,129.00	\$ 18,490.00
MWDOC Retail Connection (per meter)	Annual	\$ 15.25	\$ 15.70
MET Treated Used Standby	Monthly	\$ -	\$ 4,116.24
MET Treated Remaining Standby Capacity	Monthly	\$ -	\$ 19,757.94
MET Treated Peaking Capacity	Monthly	\$ -	\$ 21,692.00

10. **Total Wholesale Pass-Through Charges** provides a total of revenues from Wholesale customer payments to the District for Wholesale water imported through MET and MWDOC.
11. **Other Revenue** begins the section of revenues received from other sources outside of rate revenues and Wholesale pass-through charges.
12. **Property Tax Receipts** include the ad valorem property tax receipts received from the County of Orange. The FY 2027 budget is based on projected 2026 results with a 2% increase.
13. **Interest Revenue** include earnings on District cash and investments. The FY 2027 budget is based on 3.0% interest earnings on projected cash holdings throughout the year.
14. **Excess Groundwater Sales** include groundwater sales to external agencies from well production. During fiscal year 2025 the District was able to utilize well production beyond District demands to supply the City of Tustin and Golden State Water Company with excess groundwater. The FY 2027 budget does not consider that these circumstances will be repeated.
15. **Developer Fees and Charges** include Sewer capacity charges, water system connection fees and other capital contributions from development. These revenues experience major fluctuations from year to year based on development activity. The FY 2027 budget conservatively estimates revenues of \$200K in Sewer capacity charges and \$20K in Wholesale system connection fees, with no activity budgeted in the Retail water system service area.
16. **Miscellaneous Revenue** includes cell tower lease contract revenue, Orange County Sanitation District permit processing fees, late charges to customers, and other miscellaneous refunds and reimbursements. The FY 2027 budget is based on cell tower lease contract revenues and historical trends for other revenue sources.
17. **Total Other Revenue** provides a total of received from other sources outside of rate revenues and Wholesale pass-through charges.
18. **Total Revenue** provides a total of all District revenues from operations.
19. **Retail Water Supply** begins the section of expenses for Retail water supply.
20. **Retail Fixed Costs Allocation** includes the Retail share of fixed MET / MWDOC import water costs (discussed in line 9) and the EOCWD Wholesale reserve fund and readiness to serve charges, allocated to the Retail system based on a rolling average of Wholesale customer demands and meter counts. The FY 2027 budget is increasing due to MET and MWDOC rate structure changes and a 7% adjustment in EOCWD Wholesale rates effective July 1, 2026.
21. **Retail Water Purchases from Wholesale** includes import water purchases from MET through the Wholesale water system. The Retail system pays for treated water purchases at the MET treated water rate, which stands at \$1,528 / AF and will decrease to \$1,420 / AF on January 1, 2027. The FY 2027 budget estimates 114 AF of wholesale water supply, representing 15% of budgeted Retail supply needs.
22. **OCWD Replenishment Assessments** include replenishment assessments (RA) paid to Orange County Water District (OCWD) for groundwater production at District well sites. The fiscal year 2026 budget estimates 648 AF of groundwater production to supply 85% of the 763 AF of budgeted Retail supply needs. The RA rate stands at \$711 per AF and is increasing to \$728 per AF on July 1, 2026. During FY 2025, the Retail system produced and sold excess groundwater to external agencies which resulted in higher than anticipated replenishment assessments. The FY 2027 budget does not consider these repeated conditions.

- 23. **Groundwater Energy** includes energy costs to support the pumping of groundwater at Retail well sites. With new facilities in place and excess groundwater sales during fiscal year 2025, it is hard to predict what energy costs in this category will be under normal operating circumstances. The fiscal year 2026 budget is based on a best estimate of energy costs under normal operating conditions.
- 24. **Total Retail Water Supply** provides a total of expenses for Retail water supply.
- 25. **Wholesale Pass-Through Supply** begins the section of Wholesale system pass-through water supply expenses from MET and MWDOC.
- 26. **MET / MWDOC Water Purchases** includes variable water purchase costs for import water purchases through District-owned and managed connections to MET. Volumetric charges are set at the MET fully treated water rates. Currently, the treated rate stands at \$1,528 / AF and will decrease to \$1,420 / AF on January 1, 2027. The rate reduction is due to rate structure changes implemented by MET, beginning January 1, 2027. The FY 2027 budget plans to deliver 2,000 AF of water to Wholesale customers; however, Wholesale customer demands have major fluctuations from year to year and depend on external agency supply needs. These costs are directly reimbursed to the District as discussed in line 8.
- 27. **MET / MWDOC Fixed Costs** includes fixed monthly charges to Wholesale customers for their share of fixed wholesale water costs. All MET and MWDOC fixed charges are pro-rated based on historical customer demands and passed through to Wholesale customers accordingly. MET has restructured rates, and the FY 2027 budget plans for three new fixed charges associated with MET treatment costs. The MET and MWDOC rates are shown in the following table:

Wholesale Fixed Pass-Through Rate	Frequency	1-Jan-26	1-Jan-27
MET Readiness to Service	Monthly	\$ 45,907.17	\$ 63,464.68
MET Capacity	Monthly	\$ 16,129.00	\$ 18,490.00
MWDOC Retail Connection (per meter)	Annual	\$ 15.25	\$ 15.70
MET Treated Used Standby	Monthly	\$ -	\$ 4,116.24
MET Treated Remaining Standby Capacity	Monthly	\$ -	\$ 19,757.94
MET Treated Peaking Capacity	Monthly	\$ -	\$ 21,692.00

- 28. **Total Wholesale Pass-Through Supply** provides a total for Wholesale system pass-through water supply expenses from MET and MWDOC.
- 29. **Staffing Resources** begins the section of expenses for District staffing.
- 30. **Employee Compensation** includes salaries, wages and other pay compensated to District staff. The FY 2027 budget considers operating at full staffing, with an additional temporary intern position. It assumes a 2.5% merit pool and 3.2% cost of living adjustment to salary ranges, based on the 12-month average year over year change in the consumer price index for LA-Long Beach-Anaheim from March 2025 to March 2026.
- 31. **Employee Benefits** include health, dental and vision benefits for District personnel. The FY 2027 budget anticipates benefit plan rates to increase by 5%.
- 32. **CalPERS Retirement Unfunded Liability** includes the minimum payment to the California Public Employees Retirement System (CalPERS) to fund future CalPERS retirement benefits. The FY 2027 budget is based on actuarial valuation reports released by CalPERS and fluctuates each year with updated actuarial assumptions. The District pension plans are 92.1% funded per the CalPERS actuarial valuation report dated June 30, 2024.

- 33. **Total Staffing Resources** provides a total of expenses for District staffing.

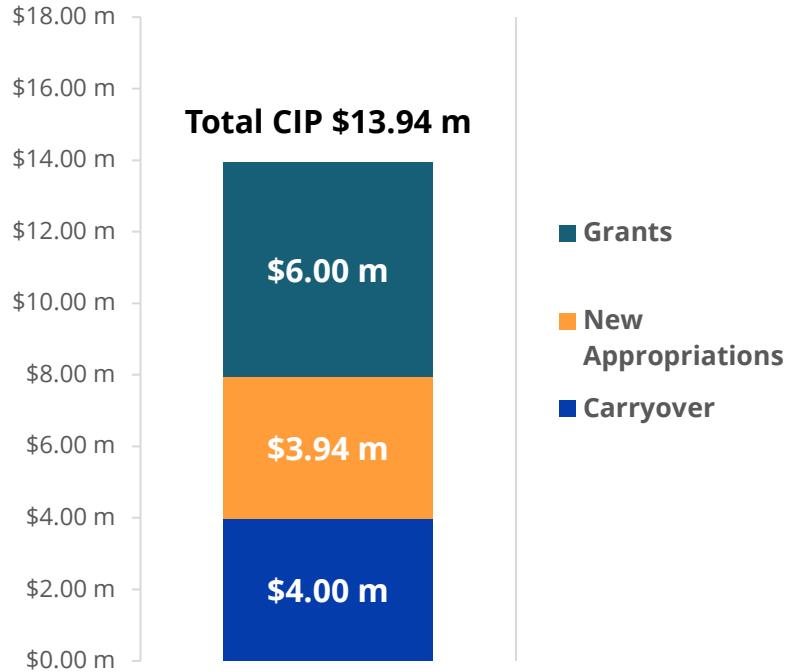
34. **Operations & Maintenance** begins the section of expenses related to District operations.
35. **Water System Maintenance** includes the budget for repairs and maintenance of pipeline leaks, service lines, reservoir sites, meters, valves, hydrants, vaults, well sites, pumps and motors, and SCADA systems necessary to provide Retail and Wholesale water service to District customers. The FY 2027 budget has increased due to the PFAS treatment plant maintenance budget, which has increased from \$66K in FY 2026 to \$217K in FY 2027. This increase is attributed to \$200K in projected media changeouts for the two lead vessels. Per agreement, OCWD will reimburse half of the operating costs attributed directly to the PFAS plant, and \$108.5K of reimbursements offset budgeted costs in this category. The net PFAS treatment plant maintenance budget has increased by \$75.5K.
36. **Water Quality** includes water quality testing, chemicals, and the chlorine generator salt purchases and dosing equipment maintenance. The FY 2027 budget is based on projected chemical and testing needs under normal operating conditions with a 6% increase to chemical costs.
37. **Sewer System Maintenance** includes the budget for repairs and maintenance of Sewer lines, root control, insecticide, odor control, lift stations, smart covers subscriptions, and supplies necessary to provide Sewer service to District customers. The FY 2027 budget considers a projected \$55K increase in insecticide services for sewer lines during the fiscal year.
38. **System Fees and Permits** include system permitting through the State Water Resources Control Board. The FY 2027 budget is based on FY 2026 projected results with an increase for inflation.
39. **Vehicle and Equipment** includes repairs to vehicles and equipment, equipment rentals, fuel, small tools, and safety equipment. The FY 2027 budget has reduced from the prior year budget due to the removal of a contingency for unexpected Sewer Vactor truck repairs (the FY 2026 budget was \$150K).
40. **Total Operations & Maintenance** provides a total of expenses for District operations.
41. **General & Administrative** begins the section of expenses for general and administrative activities.
42. **Professional Services** includes contract services for legal, accounting, annual audit, information technology (IT), engineering, and FOG inspection. The FY 2027 budget has been reduced due to a reclassification of software and subscription expenses from Information Technology (Professional Services) into a new software licenses account, included in District Office expenses. The FY 2027 budget includes allocations for the following services:
- a. \$100K Legal Services
 - b. \$115.2K CPA Advisory and Accounting Services
 - c. \$29.7K Annual Audit Services
 - d. \$100K in on-call Engineering Services (not related to projects)
 - e. \$57K in Information Technology Services
 - f. \$40K in Fats, Oils & Greases (FOG) Inspection Services
43. **District Office Expenses** include costs for District headquarters maintenance, headquarters utilities, supplies, software and licensing, records management, computer software, payroll processing and customer billing. The FY 2027 budget is increasing due to additional supplies, rising utility costs and reclassification of software licenses into this group, previously accounted for in IT (Professional Services).

44. **District Insurance** includes the cost of general liability and auto insurance. The FY 2027 budget is based on a 10% increase to the most recent insurance policies received by the District.
45. **Dues and Memberships** include the cost of various association dues, industry memberships and the Orange County Local Agency Formation Commission (OC LAFCO) apportionment. The FY 2027 budget is based on known costs for recent memberships with an increase for inflation on most memberships. The OC LAFCO apportionment to the District is budgeted to reduce by \$3.7K compared to the prior year budget.
46. **Community Outreach and Noticing** include public noticing and conservation outreach around the community. The FY 2027 budget is based on FY 2026 projections with an increase for inflation.
47. **Board of Directors** includes director stipends, director meetings, director travel, and Board election costs during applicable years. The FY 2027 budget includes \$24K in biennial election costs.
48. **Education, Training and Travel** includes conference attendance, trainings, and travel for District staff. The FY 2027 budget includes \$30K for managers attendance at conferences, associated travel costs, and required safety trainings for staff.
49. **Miscellaneous Expense** includes collection fees paid to the County for property taxes and parcel assessments, US Bank custodial fees, banking service charges, bad-debt expense (uncollectable customer accounts) and other miscellaneous expenses. The FY 2027 budget includes collection fees, custodial fees and banking services is based on FY 2026 projections with an increase for inflation. The fiscal year 2026 budget includes a \$30K provision for unanticipated expenses and includes bad-debt expense budgets of \$5K for Retail customers and \$10K for Sewer customers. The District does not budget for uncollectable accounts for Wholesale customers.
50. **Total General & Administrative** provides a total of expenses for general and administrative activities.
51. **Total Expense** provides a total of all District expenses from operations.
52. **Net Income / (Loss) from Operations** highlights total District revenue less total District expenses from operating activities.

CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

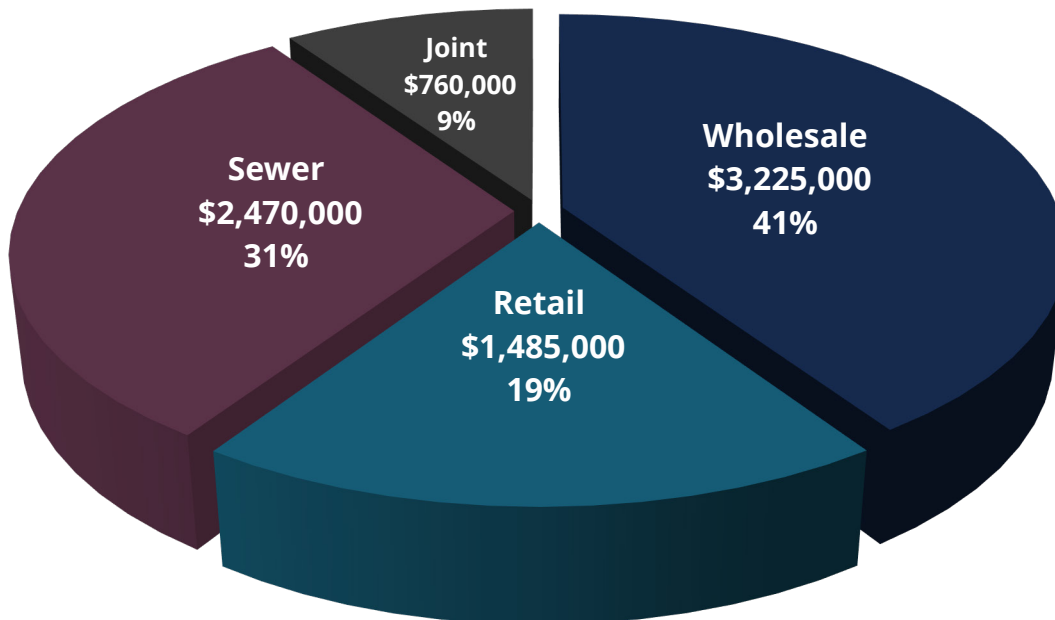
CIP Funding Sources

The Capital Improvement Program budget totals \$13.94 million for fiscal year 2027. The total budget is comprised of carryover funds authorized in previous budgeting cycles, available grant funding and new appropriations that are authorized in the current year budget cycle. Newly appropriated funds in the CIP budget for fiscal year 2027 total \$3.94 million. The \$6.00 million funding from grants is anticipated to fund most of the Peters Canyon Reservoir Seismic Reconstruction project in the Wholesale water zone (Project WZ-06). No debt-funded projects are budgeted for fiscal year.



CIP Budget by Utility

The District Capital Improvement Program budget is planned across four categories of projects focused among three independent utility systems. The Wholesale water system, Retail water system, and Sewer system maintain capital infrastructure that is improved, rehabilitated or constructed on an annual basis. Costs for projects that benefit multiple District utilities are classified as Joint Projects and allocated accordingly in the District budget. The allocation of CIP projects budgeted in fiscal year 2027 budget are shown in the chart below:



CIP Budget by Project

Capital projects and capital grant funds are assigned a project ID, project description, and system allocation. The approved budget for the current fiscal year is shown in **column A**. The projected spend for the current fiscal year is shown in **column B**. Unexpended funds projected at the end of the current fiscal year are evaluated for carryover into the fiscal year 2027 budget in **column C**. These funds are either carried into the fiscal year 2027 budget, removed or deferred to a future budget year in **column D**. New appropriations for the fiscal year 2027 are shown in **column E**. The total project budgets for fiscal year 2027 are displayed in **Column F**.

ID	Project	System	A	B	C = B - A	D	E	F = C + D + E
			FY 2026 Budget	FY 2026 Projection	Carryover Budget	Completions, Savings, Deferrals	New Appropriations	FY 2027 Budget
JP-03	Local Hazard Mitigation Plan, AWIA RRA & ERP	Joint Project	250,000	250,000	-	-	-	-
JP-09	Vehicles and Equipment - Shared	Joint Project	-	-	-	-	10,000	10,000
JP-10	Main Office Warehouse Replacement	Joint Project	250,000	50,000	200,000	-	350,000	550,000
JP-11	SCADA Vulnerability Improvements	Joint Project	-	-	-	-	200,000	200,000
RZ-04	Brae Glen Pipeline Replacement	Retail	500,000	-	500,000	-	-	500,000
RZ-05	Orange Knoll PRV Station	Retail	250,000	-	250,000	-	-	250,000
RZ-08	Barrett and Hinton Service Relocations	Retail	225,000	225,000	-	-	-	-
RZ-10	Master Plan Update	Retail	112,000	150,000	(38,000)	-	38,000	-
RZ-12	St. Jude/Panorama View Pipeline	Retail	225,000	30,000	195,000	-	-	195,000
RZ-15	Advanced Metering Infrastructure	Retail	1,200,000	1,100,000	100,000	-	-	100,000
RZ-15F	Advanced Metering Infrastructure - Grant Funding	Retail	(1,000,000)	(1,000,000)	-	-	-	-
RZ-16	Vista Panorama Pump Station Replacement	Retail	350,000	60,000	290,000	-	-	290,000
RZ-17	Valve Replacements Program	Retail	25,000	25,000	-	-	75,000	75,000
RZ-18	Hydrant Replacements Program	Retail	25,000	25,000	-	-	75,000	75,000
SS-06	Cured in Place Pipe (CIPP) inc. top-hats, MHs, and lines	Sewer	400,000	400,000	-	-	400,000	400,000
SS-07	Manhole Adjustments, Raising, Frames & Covers	Sewer	200,000	200,000	-	-	200,000	200,000
SS-08	Manhole Rehabilitation and Replacements	Sewer	400,000	400,000	-	-	400,000	400,000
SS-10	Vehicles and Equipment - Sewer	Sewer	1,000,000	100,000	900,000	-	70,000	970,000
SS-11	SSMP Update and Spill Response	Sewer	175,000	175,000	-	-	-	-
SS-12	Sewer Mainline Dig and Replace (from Master Plan)	Sewer	-	-	-	-	500,000	500,000
WZ-02	Wholesale Reservoir Backup Generators	Wholesale	245,000	245,000	-	-	-	-
WZ-03	Cathodic Protection Improvements	Wholesale	100,000	100,000	-	-	100,000	100,000
WZ-04	6MG Reservoir Pipeline and Vault Improvements	Wholesale	200,000	200,000	-	-	-	-
WZ-05	Wholesale Reservoir Management Systems	Wholesale	1,500,000	50,000	1,450,000	-	-	1,450,000
WZ-06	Peters Canyon Reservoir Seismic Reconstruction	Wholesale	500,000	350,000	150,000	-	7,350,000	7,500,000
WZ-06F	Peters Canyon Reservoir Seismic Reconstruction - Grant Funding	Wholesale	-	-	-	-	(6,000,000)	(6,000,000)
WZ-10	Master Plan Update	Wholesale	118,000	118,000	-	-	-	-
WZ-17	Valve Replacements Program	Wholesale	50,000	50,000	-	-	100,000	100,000
WZ-18	Hydrant Replacements	Wholesale	50,000	50,000	-	-	75,000	75,000
Capital Budget, Net (PAYGO)			\$ 7,350,000	\$ 3,353,000	\$ 3,997,000	\$ -	\$ 3,943,000	\$ 7,940,000
Grant Funding Total			\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000
Capital Budget Total			\$ 8,350,000	\$ 4,353,000	\$ 3,997,000	\$ -	\$ 9,943,000	\$ 13,940,000

FUND DETAIL BUDGETS

Wholesale Fund Budget Summary

	A	B	C	D	F = E / B
	FY 2025	FY 2026	FY 2026 (P)	FY 2027	% Budget
	Actual	Adopted	Projected	Proposed	Change
	Results	Budget	Results	Budget	PY
1 Sewer Service Fees	\$ -	\$ -	\$ -	\$ -	NA
2 Wholesale Water Fixed Charges	588,941	630,200	634,925	679,500	8%
3 Retail Water Variable Charges	-	-	-	-	NA
4 Retail Water Fixed Charges	-	-	-	-	NA
5 MET / MWDOC Pass-Through Charges	6,736,285	3,988,700	6,730,600	4,413,000	11%
6 Property Tax Receipts	1,171,572	1,175,700	1,195,004	1,219,000	4%
7 Interest Revenue	182,522	237,000	197,789	188,000	-21%
8 Other Revenue	290,487	263,000	199,588	205,100	-22%
9 Total Revenue	8,969,807	6,294,600	8,957,905	6,704,600	7%
10 Retail Water Supply	-	-	-	-	NA
11 Wholesale Pass-Through Supply	6,736,249	3,988,700	6,730,600	4,413,000	11%
12 Staffing Resources	511,582	683,100	640,007	682,770	0%
13 Operations & Maintenance	368,757	540,800	525,116	565,690	5%
14 General & Administrative	394,516	367,600	394,791	432,600	18%
15 Total Expense	8,011,105	5,580,200	8,290,513	6,094,060	9%
16 Net Income / (Loss) from Operations	958,702	714,400	667,391	610,540	-15%
17 Grant Funding Receipts	-	-	-	6,000,000	NA
18 Capital Improvement Program	(447,415)	(2,888,800)	(1,366,830)	(9,455,160)	227%
19 Internal Loan Borrowing	-	-	-	-	NA
20 Internal Loan Lending	-	-	-	-	NA
21 Internal Loan Receipts	-	-	-	-	NA
22 Internal Loan Payments	-	-	-	-	NA
23 Debt Service	-	-	-	-	NA
24 Net Change in Cash	511,287	(2,174,400)	(699,439)	(2,844,620)	31%
Ending Cash Balances					
25 Unrestricted			7,334,347	4,489,727	
26 Restricted - CFD (Parcel Assessment)			-	-	
27 Restricted - ID1 Transfer Funds			-	-	
28 Total Ending Cash Balances			7,334,347	4,489,727	
District Policy Reserve Targets					
29 Operating			2,210,000	2,613,383	
30 Capital			3,990,060	4,069,861	
31 Rate Stabilization			-	-	
32 Over / (Under) Policy Reserve Targets			\$ 1,134,287	\$ (2,193,517)	

Operating Reserve Target - Set at 10 months of budgeted operating expenses for the wholesale and sewer systems, excluding wholesale pass-through supply expenses, and 6 months of budgeted operating expenses for the retail system.

Capital Reserve Target - Set at 20% of the original cost of fixed assets for the retail and wholesale systems. The capital reserve for the sewer system is a specific amount based on legally restricted funds remaining from the sewer system transfer in 2016.

Rate Stabilization Reserve Target - Set at \$1M for the sewer system for potential sewer spill remediations and 25% of budgeted operating revenues for the retail system. The District does not maintain a wholesale rate stabilization reserve within policy.

Wholesale Fund Operating Budget

	A	B	C	D	E = D - B	F = E / B
	FY 2025	FY 2026	FY 2026 (P)	FY 2027	\$ Budget	% Budget
	Actual	Adopted	Projected	Proposed	Change	Change
	Results	Budget	Results	Budget	PY	PY
1 District Charges						
2 Sewer Service Fees	-	-	-	-	-	NA
3 Wholesale Water Fixed Charges	588,941	630,200	634,925	679,500	49,300	7.8%
4 Retail Water Variable Charges	-	-	-	-	-	NA
5 Retail Water Fixed Charges	-	-	-	-	-	NA
6 Total District Charges	588,941	630,200	634,925	679,500	49,300	7.8%
7 Wholesale Pass-Through Charges						
8 MET / MWDOC Water Sales	5,821,434	2,923,200	5,664,420	2,948,010	24,810	0.8%
9 MET / MWDOC Fixed Costs Recovery	914,852	1,065,500	1,066,180	1,464,990	399,490	37.5%
10 Total Wholesale Pass-Through Charges	6,736,285	3,988,700	6,730,600	4,413,000	424,300	10.6%
11 Other Revenue						
12 Property Tax Receipts	1,171,572	1,175,700	1,195,004	1,219,000	43,300	3.7%
13 Interest Revenue	182,522	237,000	197,789	188,000	(49,000)	-20.7%
14 Excess Groundwater Sales	-	-	-	-	-	NA
15 Developer Fees and Charges	128,318	100,000	19,227	20,000	(80,000)	-80.0%
16 Miscellaneous Revenue	162,168	163,000	180,360	185,100	22,100	13.6%
17 Total Other Revenue	1,644,581	1,675,700	1,592,380	1,612,100	(63,600)	-3.8%
18 Total Revenue	8,969,807	6,294,600	8,957,905	6,704,600	410,000	6.5%
19 Retail Water Supply						
20 Retail Fixed Costs Allocation	-	-	-	-	-	NA
21 Retail Water Purchases from Wholesale	-	-	-	-	-	NA
22 OCWD Replenishment Assessments	-	-	-	-	-	NA
23 Groundwater Energy	-	-	-	-	-	NA
24 Total Retail Water Supply	-	-	-	-	-	NA
25 Wholesale Pass-Through Supply						
26 MET / MWDOC Water Purchases	5,821,398	2,923,200	5,664,420	2,948,010	24,810	0.8%
27 MET / MWDOC Fixed Costs	914,852	1,065,500	1,066,180	1,464,990	399,490	37.5%
28 Total Wholesale Pass-Through Supply	6,736,249	3,988,700	6,730,600	4,413,000	424,300	10.6%
29 Staffing Resources						
30 Employee Compensation	390,676	510,700	472,293	497,020	(13,680)	-2.7%
31 Health and Retirement Benefits	117,697	165,200	157,244	173,740	8,540	5.2%
32 CalPERS Unfunded Minimum Payments	3,209	7,200	10,470	12,010	4,810	66.8%
33 Total Staffing Resources	511,582	683,100	640,007	682,770	(330)	0.0%
34 Operations & Maintenance						
35 Water System Maintenance	202,762	388,000	344,930	383,290	(4,710)	-1.2%
36 Water Quality	111,365	94,800	100,714	97,200	2,400	2.5%
37 Sewer System Maintenance	-	-	-	-	-	NA
38 System Fees and Permits	18,458	19,000	19,012	19,600	600	3.2%
39 Vehicle and Equipment	36,172	39,000	60,460	65,600	26,600	68.2%
40 Total Operations & Maintenance	368,757	540,800	525,116	565,690	24,890	4.6%
41 General & Administrative						
42 Professional Services	194,976	159,200	147,440	163,870	4,670	2.9%
43 District Office Expenses	54,058	60,500	81,851	87,550	27,050	44.7%
44 District Insurance	30,624	33,700	26,463	29,200	(4,500)	-13.4%
45 Dues and Memberships	22,388	23,500	23,500	23,150	(350)	-1.5%
46 Community Outreach and Public Noticing	44,887	49,600	60,333	54,120	4,520	9.1%
47 Board of Directors	35,703	29,300	34,146	45,100	15,800	53.9%
48 Education, Training and Travel	5,077	4,400	7,717	11,020	6,620	150.5%
49 Miscellaneous Expense	6,804	7,400	13,341	18,590	11,190	151.2%
50 Total General & Administrative	394,516	367,600	394,791	432,600	65,000	17.7%
51 Total Expense	8,011,105	5,580,200	8,290,513	6,094,060	513,860	9.2%
52 Net Income / (Loss) from Operations	958,702	714,400	667,391	610,540	(103,860)	-14.5%

Retail Fund Budget Summary

	A	B	C	D	F = E / B
	FY 2025	FY 2026	FY 2026 (P)	FY 2027	% Budget
	Actual	Adopted	Projected	Proposed	Change
	Results	Budget	Results	Budget	PY
1 Sewer Service Fees	\$ -	\$ -	\$ -	\$ -	NA
2 Wholesale Water Fixed Charges	-	-	-	-	NA
3 Retail Water Variable Charges	1,505,136	1,794,900	1,527,597	1,709,100	-5%
4 Retail Water Fixed Charges	1,596,475	1,667,200	1,717,973	1,846,800	11%
5 MET / MWDOC Pass-Through Charges	-	-	-	-	NA
6 Property Tax Receipts	614,459	615,600	626,748	639,300	4%
7 Interest Revenue	57,973	40,000	64,510	40,000	0%
8 Other Revenue	1,148,230	22,500	21,683	12,700	-44%
9 Total Revenue	4,922,272	4,140,200	3,958,510	4,247,900	3%
10 Retail Water Supply	2,541,249	965,100	988,456	1,012,210	5%
11 Wholesale Pass-Through Supply	-	-	-	-	NA
12 Staffing Resources	796,713	741,800	697,095	730,880	-1%
13 Operations & Maintenance	496,507	418,000	496,676	551,290	32%
14 General & Administrative	422,416	451,200	450,113	444,900	-1%
15 Total Expense	4,256,884	2,576,100	2,632,340	2,739,280	6%
16 Net Income / (Loss) from Operations	665,388	1,564,100	1,326,170	1,508,620	-4%
17 Grant Funding Receipts	925,124	1,000,000	1,000,000	-	-100%
18 Capital Improvement Program	(5,313,682)	(3,040,300)	(2,367,330)	(1,654,000)	-46%
19 Internal Loan Borrowing	4,000,000	-	-	-	NA
20 Internal Loan Lending	-	-	-	-	NA
21 Internal Loan Receipts	-	-	-	-	NA
22 Internal Loan Payments	-	(334,815)	(424,792)	(405,333)	21%
23 Debt Service	(258,991)	(327,200)	(259,052)	(259,015)	-21%
24 Net Change in Cash	17,839	(1,138,215)	(725,004)	(809,728)	-29%
<u>Ending Cash Balances</u>					
25 Unrestricted			2,150,293	1,340,564	
26 Restricted - CFD (Parcel Assessment)			-	-	
27 Restricted - ID1 Transfer Funds			-	-	
28 Total Ending Cash Balances			2,150,293	1,340,564	
<u>District Policy Reserve Targets</u>					
29 Operating			1,302,050	1,418,895	
30 Capital			5,293,185	5,399,048	
31 Rate Stabilization			878,650	902,150	
32 Over / (Under) Policy Reserve Targets			\$ (5,323,592)	\$ (6,379,529)	

Operating Reserve Target - Set at 10 months of budgeted operating expenses for the wholesale and sewer systems, excluding wholesale pass-through supply expenses, and 6 months of budgeted operating expenses for the retail system.

Capital Reserve Target - Set at 20% of the original cost of fixed assets for the retail and wholesale systems. The capital reserve for the sewer system is a specific amount based on legally restricted funds remaining from the sewer system transfer in 2016.

Rate Stabilization Reserve Target - Set at \$1M for the sewer system for potential sewer spill remediations and 25% of budgeted operating revenues for the retail system. The District does not maintain a wholesale rate stabilization reserve within policy.

Retail Fund Operating Budget

	A	B	C	D	E = D - B	F = E / B
	FY 2025	FY 2026	FY 2026 (P)	FY 2027	\$ Budget	% Budget
	Actual	Adopted	Projected	Proposed	Change	Change
	Results	Budget	Results	Budget	PY	PY
1 District Charges						
2 Sewer Service Fees	-	-	-	-	-	NA
3 Wholesale Water Fixed Charges	-	-	-	-	-	NA
4 Retail Water Variable Charges	1,505,136	1,794,900	1,527,597	1,709,100	(85,800)	-4.8%
5 Retail Water Fixed Charges	1,596,475	1,667,200	1,717,973	1,846,800	179,600	10.8%
6 Total District Charges	3,101,611	3,462,100	3,245,570	3,555,900	93,800	2.7%
7 Wholesale Pass-Through Charges						
8 MET / MWDOC Water Sales	-	-	-	-	-	NA
9 MET / MWDOC Fixed Costs Recovery	-	-	-	-	-	NA
10 Total Wholesale Pass-Through Charges	-	-	-	-	-	NA
11 Other Revenue						
12 Property Tax Receipts	614,459	615,600	626,748	639,300	23,700	3.8%
13 Interest Revenue	57,973	40,000	64,510	40,000	-	0.0%
14 Excess Groundwater Sales	1,108,673	-	-	-	-	NA
15 Developer Fees and Charges	23,586	-	2,146	-	-	NA
16 Miscellaneous Revenue	15,971	22,500	19,537	12,700	(9,800)	-43.6%
17 Total Other Revenue	1,820,661	678,100	712,940	692,000	13,900	2.0%
18 Total Revenue	4,922,272	4,140,200	3,958,510	4,247,900	107,700	2.6%
19 Retail Water Supply						
20 Retail Fixed Costs Allocation	119,718	142,100	167,556	236,490	94,390	66.4%
21 Retail Water Purchases from Wholesale	-	204,700	319,850	168,640	(36,060)	-17.6%
22 OCWD Replenishment Assessments	2,145,607	469,300	371,150	471,980	2,680	0.6%
23 Groundwater Energy	275,924	149,000	129,900	135,100	(13,900)	-9.3%
24 Total Retail Water Supply	2,541,249	965,100	988,456	1,012,210	47,110	4.9%
25 Wholesale Pass-Through Supply						
26 MET / MWDOC Water Purchases	-	-	-	-	-	NA
27 MET / MWDOC Fixed Costs	-	-	-	-	-	NA
28 Total Wholesale Pass-Through Supply	-	-	-	-	-	NA
29 Staffing Resources						
30 Employee Compensation	615,126	552,400	507,486	531,420	(20,980)	-3.8%
31 Health and Retirement Benefits	177,016	181,600	178,267	186,890	5,290	2.9%
32 CalPERS Unfunded Minimum Payments	4,571	7,800	11,342	12,570	4,770	61.2%
33 Total Staffing Resources	796,713	741,800	697,095	730,880	(10,920)	-1.5%
34 Operations & Maintenance						
35 Water System Maintenance	389,833	294,100	403,780	451,490	157,390	53.5%
36 Water Quality	59,149	71,000	39,354	47,900	(23,100)	-32.5%
37 Sewer System Maintenance	-	-	-	-	-	NA
38 System Fees and Permits	16,706	17,000	17,201	17,800	800	4.7%
39 Vehicle and Equipment	30,819	35,900	36,341	34,100	(1,800)	-5.0%
40 Total Operations & Maintenance	496,507	418,000	496,676	551,290	133,290	31.9%
41 General & Administrative						
42 Professional Services	158,161	159,200	140,554	118,870	(40,330)	-25.3%
43 District Office Expenses	95,342	105,600	111,347	126,750	21,150	20.0%
44 District Insurance	39,015	42,900	38,513	42,400	(500)	-1.2%
45 Dues and Memberships	20,555	23,500	23,500	23,150	(350)	-1.5%
46 Community Outreach and Public Noticing	49,249	54,100	66,757	54,120	20	0.0%
47 Board of Directors	28,676	29,400	28,381	37,800	8,400	28.6%
48 Education, Training and Travel	5,319	5,400	5,760	11,020	5,620	104.1%
49 Miscellaneous Expense	26,098	31,100	35,301	30,790	(310)	-1.0%
50 Total General & Administrative	422,416	451,200	450,113	444,900	(6,300)	-1.4%
51 Total Expense	4,256,884	2,576,100	2,632,340	2,739,280	163,180	6.3%
52 Net Income / (Loss) from Operations	665,388	1,564,100	1,326,170	1,508,620	(55,480)	-3.5%

Sewer Fund Budget Summary

		A	B	C	D	F = E / B
		FY 2025	FY 2026	FY 2026 (P)	FY 2027	% Budget
		Actual	Adopted	Projected	Proposed	Change
		Results	Budget	Results	Budget	PY
1	Sewer Service Fees	\$ 3,832,682	\$ 4,292,600	\$ 4,320,962	\$ 4,839,400	13%
2	Wholesale Water Fixed Charges	-	-	-	-	NA
3	Retail Water Variable Charges	-	-	-	-	NA
4	Retail Water Fixed Charges	-	-	-	-	NA
5	MET / MWDOC Pass-Through Charges	-	-	-	-	NA
6	Property Tax Receipts	483,751	487,500	493,426	503,300	3%
7	Interest Revenue	1,282,916	1,497,000	1,064,379	1,128,000	-25%
8	Other Revenue	708,200	155,300	350,319	248,600	60%
9	Total Revenue	6,307,550	6,432,400	6,229,086	6,719,300	4%
10	Retail Water Supply	-	-	-	-	NA
11	Wholesale Pass-Through Supply	-	-	-	-	NA
12	Staffing Resources	1,671,576	1,917,800	1,830,113	2,045,110	7%
13	Operations & Maintenance	323,289	445,700	256,038	447,780	0%
14	General & Administrative	461,476	489,600	466,536	503,620	3%
15	Total Expense	2,456,341	2,853,100	2,552,688	2,996,510	5%
16	Net Income / (Loss) from Operations	3,851,209	3,579,300	3,676,398	3,722,790	4%
17	Grant Funding Receipts	-	-	-	-	NA
18	Capital Improvement Program	(1,000,245)	(2,420,900)	(1,390,840)	(2,830,840)	17%
19	Internal Loan Borrowing	-	-	-	-	NA
20	Internal Loan Lending	(4,000,000)	-	-	-	NA
21	Internal Loan Receipts	-	334,815	424,792	405,333	21%
22	Internal Loan Payments	-	-	-	-	NA
23	Debt Service	(1,035,965)	(1,036,205)	(1,036,205)	(1,036,059)	0%
24	Net Change in Cash	(2,185,001)	457,010	1,674,145	261,224	-43%
<u>Ending Cash Balances</u>						
25	Unrestricted			12,911,311	15,642,535	
26	Restricted - CFD (Parcel Assessment)			-	-	
27	Restricted - ID1 Transfer Funds			30,236,420	27,766,420	
28	Total Ending Cash Balances			43,147,731	43,408,955	
<u>District Policy Reserve Targets</u>						
29	Operating			2,373,417	2,488,742	
30	Capital			30,236,420	27,766,420	
31	Rate Stabilization			1,000,000	1,000,000	
32	Over / (Under) Policy Reserve Targets			\$ 9,537,894	\$ 12,153,794	

Operating Reserve Target - Set at 10 months of budgeted operating expenses for the wholesale and sewer systems, excluding wholesale pass-through supply expenses, and 6 months of budgeted operating expenses for the retail system.

Capital Reserve Target - Set at 20% of the original cost of fixed assets for the retail and wholesale systems. The capital reserve for the sewer system is a specific amount based on legally restricted funds remaining from the sewer system transfer in 2016.

Rate Stabilization Reserve Target - Set at \$1M for the sewer system for potential sewer spill remediations and 25% of budgeted operating revenues for the retail system. The District does not maintain a wholesale rate stabilization reserve within policy.

Sewer Fund Operating Budget

	A	B	C	D	E = D - B	F = E / B
	FY 2025	FY 2026	FY 2026 (P)	FY 2027	\$ Budget	% Budget
	Actual	Adopted	Projected	Proposed	Change	Change
	Results	Budget	Results	Budget	PY	PY
1 District Charges						
2 Sewer Service Fees	3,832,682	4,292,600	4,320,962	4,839,400	546,800	12.7%
3 Wholesale Water Fixed Charges	-	-	-	-	-	NA
4 Retail Water Variable Charges	-	-	-	-	-	NA
5 Retail Water Fixed Charges	-	-	-	-	-	NA
6 Total District Charges	3,832,682	4,292,600	4,320,962	4,839,400	546,800	12.7%
7 Wholesale Pass-Through Charges						
8 MET / MWDOC Water Sales	-	-	-	-	-	NA
9 MET / MWDOC Fixed Costs Recovery	-	-	-	-	-	NA
10 Total Wholesale Pass-Through Charges	-	-	-	-	-	NA
11 Other Revenue						
12 Property Tax Receipts	483,751	487,500	493,426	503,300	15,800	3.2%
13 Interest Revenue	1,282,916	1,497,000	1,064,379	1,128,000	(369,000)	-24.6%
14 Excess Groundwater Sales	-	-	-	-	-	NA
15 Developer Fees and Charges	648,274	100,000	291,694	200,000	100,000	100.0%
16 Miscellaneous Revenue	59,926	55,300	58,625	48,600	(6,700)	-12.1%
17 Total Other Revenue	2,474,867	2,139,800	1,908,124	1,879,900	(259,900)	-12.1%
18 Total Revenue	6,307,550	6,432,400	6,229,086	6,719,300	286,900	4.5%
19 Retail Water Supply						
20 Retail Fixed Costs Allocation	-	-	-	-	-	NA
21 Retail Water Purchases from Wholesale	-	-	-	-	-	NA
22 OCWD Replenishment Assessments	-	-	-	-	-	NA
23 Groundwater Energy	-	-	-	-	-	NA
24 Total Retail Water Supply	-	-	-	-	-	NA
25 Wholesale Pass-Through Supply						
26 MET / MWDOC Water Purchases	-	-	-	-	-	NA
27 MET / MWDOC Fixed Costs	-	-	-	-	-	NA
28 Total Wholesale Pass-Through Supply	-	-	-	-	-	NA
29 Staffing Resources						
30 Employee Compensation	1,253,827	1,407,600	1,340,425	1,452,810	45,210	3.2%
31 Health and Retirement Benefits	409,871	490,300	460,745	564,600	74,300	15.2%
32 CalPERS Unfunded Minimum Payments	7,878	19,900	28,942	27,700	7,800	39.2%
33 Total Staffing Resources	1,671,576	1,917,800	1,830,113	2,045,110	127,310	6.6%
34 Operations & Maintenance						
35 Water System Maintenance	-	-	-	-	-	NA
36 Water Quality	-	-	-	-	-	NA
37 Sewer System Maintenance	142,875	175,000	83,539	266,080	91,080	52.0%
38 System Fees and Permits	33,566	28,800	34,608	35,700	6,900	24.0%
39 Vehicle and Equipment	146,849	241,900	137,891	146,000	(95,900)	-39.6%
40 Total Operations & Maintenance	323,289	445,700	256,038	447,780	2,080	0.5%
41 General & Administrative						
42 Professional Services	202,801	209,800	148,357	159,190	(50,610)	-24.1%
43 District Office Expenses	65,313	73,800	87,493	93,410	19,610	26.6%
44 District Insurance	42,510	46,800	62,372	68,700	21,900	46.8%
45 Dues and Memberships	16,805	17,100	17,100	16,490	(610)	-3.6%
46 Community Outreach and Public Noticing	43,179	47,700	64,552	54,280	6,580	13.8%
47 Board of Directors	19,411	6,600	12,521	30,000	23,400	354.5%
48 Education, Training and Travel	8,779	11,200	7,016	8,030	(3,170)	-28.3%
49 Miscellaneous Expense	62,678	76,600	67,127	73,520	(3,080)	-4.0%
50 Total General & Administrative	461,476	489,600	466,536	503,620	14,020	2.9%
51 Total Expense	2,456,341	2,853,100	2,552,688	2,996,510	143,410	5.0%
52 Net Income / (Loss) from Operations	3,851,209	3,579,300	3,676,398	3,722,790	143,490	4.0%

Community Facilities District No. 2018-1 Budget Summary

		A	B	C	D	F = E / B
		FY 2025	FY 2026	FY 2026 (P)	FY 2027	% Budget
		Actual	Adopted	Projected	Proposed	Change
		Results	Budget	Results	Budget	PY
1	Sewer Service Fees	\$ -	\$ -	\$ -	\$ -	NA
2	Wholesale Water Fixed Charges	-	-	-	-	NA
3	Retail Water Variable Charges	-	-	-	-	NA
4	Retail Water Fixed Charges	-	-	-	-	NA
5	MET / MWDOC Pass-Through Charges	-	-	-	-	NA
6	Property Tax Receipts	45,241	47,900	48,474	45,200	-6%
7	Interest Revenue	-	-	542	500	NA
8	Other Revenue	-	-	-	-	NA
9	Total Revenue	45,241	47,900	49,016	45,700	-5%
10	Retail Water Supply	-	-	-	-	NA
11	Wholesale Pass-Through Supply	-	-	-	-	NA
12	Staffing Resources	-	-	-	-	NA
13	Operations & Maintenance	-	-	-	-	NA
14	General & Administrative	3,144	3,200	3,144	3,200	0%
15	Total Expense	3,144	3,200	3,144	3,200	0%
16	Net Income / (Loss) from Operations	42,097	44,700	45,873	42,500	-5%
17	Grant Funding Receipts	-	-	-	-	NA
18	Capital Improvement Program	-	-	-	-	NA
19	Internal Loan Borrowing	-	-	-	-	NA
20	Internal Loan Lending	-	-	-	-	NA
21	Internal Loan Receipts	-	-	-	-	NA
22	Internal Loan Payments	-	-	-	-	NA
23	Debt Service	(40,025)	(40,025)	(40,008)	(40,008)	0%
24	Net Change in Cash	2,072	4,675	5,865	2,492	-47%
<u>Ending Cash Balances</u>						
25	Unrestricted			-	-	
26	Restricted - CFD (Parcel Assessment)			73,320	75,813	
27	Restricted - ID1 Transfer Funds			-	-	
28	Total Ending Cash Balances			73,320	75,813	
<u>District Policy Reserve Targets</u>						
29	Operating			-	-	
30	Capital			-	-	
31	Rate Stabilization			-	-	
32	Over / (Under) Policy Reserve Targets			\$ 73,320	\$ 75,813	

Operating Reserve Target - Set at 10 months of budgeted operating expenses for the wholesale and sewer systems, excluding wholesale pass-through supply expenses, and 6 months of budgeted operating expenses for the retail system.

Capital Reserve Target - Set at 20% of the original cost of fixed assets for the retail and wholesale systems. The capital reserve for the sewer system is a specific amount based on legally restricted funds remaining from the sewer system transfer in 2016.

Rate Stabilization Reserve Target - Set at \$1M for the sewer system for potential sewer spill remediations and 25% of budgeted operating revenues for the retail system. The District does not maintain a wholesale rate stabilization reserve within policy.

Community Facilities District No. 2018-1 Operating Budget

	A	B	C	D	E = D - B	F = E / B
	FY 2025	FY 2026	FY 2026 (P)	FY 2027	\$ Budget	% Budget
	Actual	Adopted	Projected	Proposed	Change	Change
	Results	Budget	Results	Budget	PY	PY
1 District Charges						
2 Sewer Service Fees	-	-	-	-	-	NA
3 Wholesale Water Fixed Charges	-	-	-	-	-	NA
4 Retail Water Variable Charges	-	-	-	-	-	NA
5 Retail Water Fixed Charges	-	-	-	-	-	NA
6 Total District Charges	-	-	-	-	-	NA
7 Wholesale Pass-Through Charges						
8 MET / MWDOC Water Sales	-	-	-	-	-	NA
9 MET / MWDOC Fixed Costs Recovery	-	-	-	-	-	NA
10 Total Wholesale Pass-Through Charges	-	-	-	-	-	NA
11 Other Revenue						
12 Property Tax Receipts	45,241	47,900	48,474	45,200	(2,700)	-5.6%
13 Interest Revenue	-	-	542	500	500	NA
14 Excess Groundwater Sales	-	-	-	-	-	NA
15 Developer Fees and Charges	-	-	-	-	-	NA
16 Miscellaneous Revenue	-	-	-	-	-	NA
17 Total Other Revenue	45,241	47,900	49,016	45,700	(2,200)	-4.6%
18 Total Revenue	45,241	47,900	49,016	45,700	(2,200)	-4.6%
19 Retail Water Supply						
20 Retail Fixed Costs Allocation	-	-	-	-	-	NA
21 Retail Water Purchases from Wholesale	-	-	-	-	-	NA
22 OCWD Replenishment Assessments	-	-	-	-	-	NA
23 Groundwater Energy	-	-	-	-	-	NA
24 Total Retail Water Supply	-	-	-	-	-	NA
25 Wholesale Pass-Through Supply						
26 MET / MWDOC Water Purchases	-	-	-	-	-	NA
27 MET / MWDOC Fixed Costs	-	-	-	-	-	NA
28 Total Wholesale Pass-Through Supply	-	-	-	-	-	NA
29 Staffing Resources						
30 Employee Compensation	-	-	-	-	-	NA
31 Health and Retirement Benefits	-	-	-	-	-	NA
32 CalPERS Unfunded Minimum Payments	-	-	-	-	-	NA
33 Total Staffing Resources	-	-	-	-	-	NA
34 Operations & Maintenance						
35 Water System Maintenance	-	-	-	-	-	NA
36 Water Quality	-	-	-	-	-	NA
37 Sewer System Maintenance	-	-	-	-	-	NA
38 System Fees and Permits	-	-	-	-	-	NA
39 Vehicle and Equipment	-	-	-	-	-	NA
40 Total Operations & Maintenance	-	-	-	-	-	NA
41 General & Administrative						
42 Professional Services	-	-	-	-	-	NA
43 District Office Expenses	-	-	-	-	-	NA
44 District Insurance	-	-	-	-	-	NA
45 Dues and Memberships	-	-	-	-	-	NA
46 Community Outreach and Public Noticing	-	-	-	-	-	NA
47 Board of Directors	-	-	-	-	-	NA
48 Education, Training and Travel	-	-	-	-	-	NA
49 Miscellaneous Expense	3,144	3,200	3,144	3,200	-	0.0%
50 Total General & Administrative	3,144	3,200	3,144	3,200	-	0.0%
51 Total Expense	3,144	3,200	3,144	3,200	-	0.0%
52 Net Income / (Loss) from Operations	42,097	44,700	45,873	42,500	(2,200)	-4.9%

RESOLUTION NO. 25/26.04

RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ADOPTING OPERATING AND CAPITAL PROJECT BUDGETS AND MAKING DETERMINATIONS RELATIVE TO APPROPRIATIONS SUBJECT TO LIMITATION FOR THE 2026/2027 FISCAL YEAR FOR THE EOCWD WHOLESALE ZONE, RETAIL ZONE, AND IMPROVEMENT DISTRICT 1 (SEWER) ZONE

WHEREAS, the East Orange County Water District (“EOCWD”) is a county water district organized and existing pursuant to the County Water District Law as set forth in Division 12 (commencing with Section 30000) of the California Water Code;

WHEREAS, the EOCWD Board of Directors (“Board”) has duly considered the revenues anticipated to be received by the EOCWD during the 2026/2027 Fiscal Year in the Wholesale, Retail, and EOCWD Improvement District No. 1 (Sewer) Zones, as well as all other charges, claims, expenditures, and expenses anticipated to be incurred by EOCWD during the 2026/2027 Fiscal year;

WHEREAS, Article XIII B of the Constitution of the State of California provides that the appropriations of local agencies are limited each year to those of the previous year, adjusted for changes in population, cost of living and transfers in sources of funding;

WHEREAS, Section 9(c) of Article XIII B excludes from “appropriations subject to limitation” the appropriations of any special district which existed on January 1, 1978, and which, in the 1977-78 fiscal year, levied an ad valorem tax rate of not more than 12 and 1/2 cents per \$100 of assessed value;

WHEREAS, Section 8 of Article XIII B specifically excludes from “proceeds of taxes” any user charges or fees or regulatory fees as long as such fees and charges do not produce revenues exceeding the costs reasonably borne in providing the regulation, product or service, and Section 9 thereof excludes debt service and qualified capital outlay projects from appropriations subject to limitation;

WHEREAS, EOCWD was formed and existing prior to and as of January 1, 1978, and in the fiscal year 1977-78, levied a tax rate of 8.69 cents per \$100 of assessed value for operating revenues.

NOW, THEREFORE, THE BOARD OF DIRECTIONS OF EOCWD DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Pursuant to Section 9(c) of Article XIII B, this Board finds and determines that:

- (a) the appropriations comprising EOCWD's Budget for the Wholesale Zone for the Fiscal Year 2026/2027 are not subject to limitation under the provisions of Article XIII B and Government Code section 7900 *et. seq.* ("Section 7900"); and
- (b) the appropriations comprising the EOCWD Retail Zone Operating Fund and Capital Projects Fund Budgets for Fiscal Year 2026/2026 are not subject to limitation under the provisions of Article XIII B and Section 7900;
- (c) the appropriations comprising the EOCWD Improvement District 1 Operating Fund and Capital Projects Fund Budgets for Fiscal Year 2026/2027 are not subject to limitation under the provisions of Article XIII B and Section 7900.

Section 2. That the estimated amount of money required to be raised by taxes on the taxable property within the EOCWD Wholesale Zone, the EOCWD Retail Zone, and EOCWD Improvement District No. 1 during the 2026/2027 Fiscal Year, be and the same is hereby established in the amounts and total set forth in the budget documents presented to the Board at this meeting ("Budgets"), which are by this reference incorporated herein, and the said Budgets are hereby affirmed and approved.

Section 3. That the estimated amount of money needed to be raised by EOCWD in the Wholesale Zone, the Retail Zone for the Operating Fund and Capital Projects Fund of the EOCWD Retail Zone, and EOCWD Improvement District No. 1 for the 2026/2027 Fiscal Year are set forth in said Budgets. The amount of taxes to be received by EOCWD in the Wholesale Zone, Retail Zone, and Improvement District No. 1 therefor is to be determined by the Auditor of the County of Orange, separately from each other.

Section 4. That the President and Secretary be, and the same are hereby, authorized to execute the Budgets and deliver copies of this Resolution, including said Budgets, to the Auditor of the County of Orange, and the Auditor of the County of Orange is hereby authorized to make the necessary adjustments in order to produce a total tax rate or amount for the (i) EOCWD Wholesale Zone, (ii) the EOCWD Retail Zone, and (iii) EOCWD Improvement District No. 1 not in excess of the rate or amount to be determined by the Auditor of the County of Orange for the full assessed value of taxable property within EOCWD, the EOCWD Retail Zone, and EOCWD Improvement District No. 1, respectively.

Section 5. Revenues collected from connection fees in the EOCWD Wholesale Zone are hereby appropriated to pay the costs associated with providing the service for which they are imposed as described in the Rules and Regulations for Water Connection Charges (“Wholesale Service”).

Section 6. Revenues collected from connection fees and capital project charges in the EOCWD Retail Zone are hereby appropriated to pay the costs of the capital projects as shown in the Master Plan for the Retail Zone, as amended and supplemented from time to time.

Section 7. Revenues collected from connection fees and capital project charges in EOCWD Improvement District 1 are hereby appropriated to pay the costs of the capital projects as shown in the capital projects plan for EOCWD Improvement District 1, as amended and supplemented from time to time.

ADOPTED, SIGNED and APPROVED this 28th day of May, 2026

George A. Murdoch, President
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors
thereof

Jeffrey A. Hoskinson, Secretary
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors
thereof

53516658.2/006313.00001

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, JEFFREY A. HOSKINSON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. 25/26.04 was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on May 28, 2026, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jeffrey A. Hoskinson, Secretary
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors thereof



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER *dy*
SUBJECT: GENERAL MANAGER'S REPORT
DATE MAY 28, 2026

Background

This report is intended to provide a summary along with some discussion on the current District activities. General Manger will highlight items of interest and provide background on those items of interest to the Board.

- 2026/27 FY Budget
- AMI Project Update
- Septic Conversion Grant Process
- MWDOC Water Policy Dinner June 15th

Recommendation

Receive and File.

Attachment(s): District Activities Report
Operations Monthly Report
Report on Issued & Pending Permits
Engineering & Operations Committee Meeting Minutes
Administration & Finance Committee Meeting Minutes

EAST ORANGE COUNTY WATER DISTRICT ACTIVITIES REPORT

May 2026

The following report is a summary of the District's activities over the past month.

SYSTEMS STATUS - OPERATIONS AND MAINTENANCE

All systems activities and accomplishments are included in the attached Monthly Asset Reports.

1) SEWER

EOCWD Sewer Spills – Category 4 spill due to roots in an easement line near Orangeview Road. Spill was seeping out of the manhole riser rings but MH was half buried. Spill traveled down a hillside and ended up on the homeowner's driveway. Crews worked diligently to restore flow. Effects of the spill were mitigated and flow was restored after about 45 minutes.

SSMP Review – monthly review of the Sanitary Sewer Management Plan.

As-Needed Support Services for City of Villa Park – EOCWD will continue to provide support as needed.

City of Villa Park Proposal – Per City request, staff provided a proposal to perform maintenance on one lift station, annual cleaning services, and video inspection of the City's sewer system. The City is reviewing the proposal. No Updates.

2) WHOLESALE

WZ Water Demands – See separate Board item. Demands continue to be low.

Monitored daily operations of reservoir chlorination systems at Peter's Canyon, Andres and Newport reservoirs.

Submitted monthly, quarterly, and annual reports to SWRCB.

Reviewed weekly water quality data.

Low Water Demands - Mixing of the 6 MG reservoir has been successful. Staff has been able to maintain good water quality even through low demand periods. However, staff continues to flush as needed to maintain water quality due to low water demands.

3) RETAIL

RZ Water Demands – See separate Board item.

Monitored daily operations of PFAS treatment plant and booster station.

Service Line Repair Work – staff has been providing support to Keystone Utility Services, the contractor performing meter replacements as part of the AMI project.

Groundwater Production Well Status – both district wells are operational with VanderWerff well being operated as the primary groundwater source.

PERMIT STATUS

See attached Permit Status sheet for Sewer, Wholesale, and Retail permits.

CAPITAL PROJECT STATUS UPDATE

Updates provided at E&O Committee meeting.

DISTRICT GENERAL ACTIVITIES

1) Public Safety Power Shutoff (PSPS)

None to report.

2) GIS Newsletter

No Update.

3) **Safety**

Staff completed training on the following topics during the month of April:

- Underground Utility Strikes
- Excavation Safety Talk
- Water Safety
- Eye Protection
- Safe Work Environment
- Fall Protection
- First Aid

4) **Engineering & Operations Committee**

Engineering & Operations Committee – May 20, 2026 Meeting Minutes attached.

5) **Administration & Finance Committee**

Administration & Finance Committee – May 19, 2026 Meeting Minutes attached.



Monthly Sewer Asset Report

April 2026

Sewer Gravity Main Work		
Worktype	Workflows Completed	Footage Completed
CCTV Inspection	84	20,695
Main Cleaning	447	108,336
Main Lining	0	0
Main Repair	0	0
Main Replace	0	0
Managers Form	0	0
Root Foaming	0	0
Grand Total	531	129,030

FOG Work	
Worktype	Workflows Completed
BMP GRE Inspection	0
BMP GRE Violation Follow	1
BMP Inspection	2
BMP Violation Follow-up	6
GRE Inspection	1
GRE Violation Follow-up	6
Initial Inspection	0
Operational Status Invest	0
Grand Total	16

Easement Work	
Worktype	Workflows Completed
Easement Inspection	0

Manhole Work	
Worktype	Workflows Completed
Manhole Inspection	307
Manhole Rehab	0
Manhole Repair	0
Roach Spray	0
Smartcover Alarm Respor	0
SSO Report	1
Grand Total	308

Lateral Work	
Worktype	Workflows Completed
Lateral Connection Ed	0

Water Hydrants			
Worktype	Workflows Completed	Water Used in Gallons	Water Used in CCF
Hydrant Meter Read	0	0	0



Monthly Water Asset Report

April 2026

Meter Work	
Workflow	Work Completed
Broken Meter Box	0
Meter Changeout	236
Meter Connect	3
Meter Disconnect	2
Meter Installation	0
Meter Investigation	0
Meter Leak	0
Meter Read	2
Meter Re-read	0
Meter Test	0
Miscellaneous Meter Work	1
Grand Total	244

Vault Work	
Workflow	Work Completed
Cleaning	0
Construction Inspection	0
Maintenance	0
Repairs	0
Vault Maintenance	0
Wholesale Flushing	0
Grand Total	0

Hydrant Work	
Workflow	Work Completed
Fire Flow Test	0
Hydrant Flushing	10
Hydrant Installation	0
Hydrant Maintenance	9
Hydrant Meter Install	1
Hydrant Meter Read	0
Hydrant Meter Remova	0
Hydrant Replacement	0
Grand Total	20

Air Vac Work	
Workflow	Work Completed
Air Vac Maintenance	0
Air Vacuum Valve Flushing	0
Grand Total	0

Pressure Reducing	
Workflow	Completed
Pressure Reducing Stati	0

Valve Work	
Workflow	Work Completed
Main Line Restore	0
Main Line Shut Down	3
Valve Exercise	27
Valve Repair/Replace	0
Valve Shut Down	2
Grand Total	32

Production Meter Work	
Workflow	Work Completed
Production Meter Changeout	0
Production Meter Maintenance	0
Production Meter Repairs	0
Production Meter Test	0
Wholesale Flushing	0
Grand Total	0

Facilities Work	
Workflow	Work Completed
Cleaning	0
Maintenance	0
Repairs	0
Reservoir Cleaning	0
Tank Inspection	0
Grand Total	0

Water Site Work	
Workflow	Work Completed
Rounds	43
Site Inspection	0
Site Maintenance	0
Site Repairs	0
Grand Total	43

Water Distribution Line Work	
Workflow	Work Completed
Water Main Repair	0
Grand Total	0

Sample Work	
Workflow	Work Completed
In-House WQ Data	60
Sample Post Work	0
THM / HAA5	0
Wholesale Flushing	0
Grand Total	60

Lateral Work	
Workflow	Work Completed
Lateral Inspection	0
Lateral Installation	0
Lateral Leak	1
Lateral Repair	1
Lateral Replacement	0
Grand Total	2

Control Valve Work	
worktype	Work Completed
Air Vac Maintenance	0
Control Valve Maintenance	0
Open Control Valve	0
Valve Exercise	0
Valve Repair/Replace	0
Grand Total	0

Pump Work	
Workflow	Work Completed
Motor Installation	0
Pump and Motor Inspe	0
Pump and Motor Maint	0
Pump Efficiency Testing	0
Grand Total	0



Monthly Customer and Locate Work Report

April 2026

Customer Work

Workflow	Work Completed
Construction Inspection	0
Customer Door Tag	2
Customer High Water Bill Investigation	5
Customer Investigation	9
Customer Leak	5
Customer Water Quality Investigation	1
Preconstruction	0
Water Pressure Investigation	1
Grand Total	23

DigTicket Work

Workflow	Work Completed
Tickets completed by Sewer	283
Tickets completed by Water	52
Grand Total	335

PERMITS ISSUED FOR:

Apr-26

Received	Address	Type of Development	APN	Date Issued	Regional CFCC (OCSan) Fees	EOCWD Sewer Capacity Fees	Sewer PC&I Fees	Total Sewer Fees	WZ Meter Fees	RZ Meter Fees
8/5/2025	18872 Ervin Ln. Santa Ana	ADU	395-554-07	4/8/2026	\$ 552.45	\$ 2,062.61	\$ -	\$ 2,615.06	\$ 210.00	\$ -
11/13/2025	200 S. A St. Tustin, CA	ADU	401-362-01	4/8/2026	\$ 1,269.56	\$ 3,479.92	\$ -	\$ 4,749.48	\$ 353.69	\$ -
2/14/2026	1015 Castlegate Ln.	ADU	502-102-02	4/30/2026	\$ 678.00	\$ 1,598.50	\$ -	\$ 2,276.50	\$ 269.67	\$ -
2/18/2026	1342 Lance Dr. Tustin	ADU	500-092-10	4/8/2026	\$ 767.84	\$ 2,929.16	\$ -	\$ 3,697.00	\$ 1,215.95	\$ -
3/6/2026	1802 Foothill Blvd.	S2S	502-431-03	4/14/2026	\$ 7,770.00	\$ 10,598.00	\$ 800.00	\$ 19,168.00	\$ -	\$ -
3/10/2026	1098 Ridgeline, Orange	WZ ADU	379-173-09	4/1/2026	\$ -	\$ -	\$ -	\$ -	\$ 354.78	\$ -
3/19/2026	1101 Bonita St. Tustin	ADU	500-152-10	4/9/2026	\$ 2,542.50	\$ 4,935.42	\$ -	\$ 7,477.92	\$ 837.32	\$ -
Totals					\$ 13,580.35	\$ 25,603.61	\$ 800.00	\$ 39,983.96	\$ 3,241.41	\$ -
<i>Due to OCSAN</i>					<i>\$ 12,901.33</i>					

APPLICATIONS RECEIVED

Received	Address	Type of Development	APN	Permit Status
4/7/2026	14602 Hyannis Port Rd.	ADU	432-251-33	Pending Payment and Signature
4/8/2026	14792 Hillsboro Pl. Tustin	ADU	432-271-17	Pending Payment and Signature
4/20/2026	13351 Woodland Dr.	ADU	103-331-29	Under review
4/26/2026	13022 Fairmount Way	ADU	395-191-40	Under review

**Minutes of the
Engineering & Operations Committee
May 20, 2026**

1. The meeting was called to order at 9:00 a.m. by President Murdoch.

Attendees: President Murdoch, Vice President Thoms, David Youngblood – General Manager, Bobby Young – Engineering Manager, Jerry Mendzer – Operations Manager, and Sylvia Prado – Office Manager.

2. No public comments were received.
3. No additional items were added to the agenda.

Informational Items

4. Operations Report – Retail, Wholesale, and Sewer System Status – Staff reported that both district wells are operational. New controls have been installed and are set up to manage the startup and shutdown operation of the VanderWerff well.

Staff reported that water levels continue to rise, and the District continues taking imported water to maintain good water quality.

RZ continues to stay busy with service line repairs, and field work follow-ups related to the AMI meter change-out project. TE Roberts began relocating a total of seven meters on May 4 located on Barrett Lane and then continued to the relocations on Crawford Cyn. The contractor encountered some challenges on Crawford Canyon, but overall, the project went well and is substantially complete. The overall AMI project is expected to be completed on May 20.

Golden State Water Company and the City of Tustin are currently taking water. The District continues to flush several connections in the WZ in order to maintain water quality.

Staff reported one (1) sewer spill out of an easement manhole.

5. Engineering Report – AMI Project Updates - Staff reported that AMI installation is over 70% complete and is tentatively on track for completion by end of June. Meter relocations were completed by TE Roberts as described in the Operations Report. Staff received initial training on the new meters and endpoints and will continue to learn the new systems.

6MG reservoir replacement project progresses and draft PDR has been reviewed. Consultant will continue to move forward to meet the terms of the grant funding for future phases. President Murdoch inquired about potential additional funding opportunities; discussions followed regarding various potential sources but staff will need to continue to follow CalOES funding guidelines.

The Local Hazard Mitigation Plan was approved by FEMA in the beginning of May. This keeps the District eligible for certain federal and state funding opportunities. The next LHMP plan update will not be due until February 2031.

The Master Plan effort continues but is nearing final technical review completion. More data from AMI and sewer flow monitoring could be used on future updates of the Water and Sewer Master Plans but will not be available for these plans.

**Minutes of the
Engineering & Operations Committee
May 20, 2026**

Draft versions of the 2025 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP) are available for public review and have been posted in the OC Register. The plans will be part of a public hearing at the Board meeting prior to being adopted.

6. Award Purchase of Trailer Mounted Portable Water Pump – Staff reported that during previous MWD shutdowns, the District has borrowed a trailer mounted pumping unit from Yorba Linda Water District in order to continue water deliveries without the use of imported turnouts. Staff determined that purchasing a dedicated pumping unit would provide greater system reliability and provide a means to move water more easily between zones in the event of an outage. The Committee concurs with staff's recommendation.
7. FY2026/27 Capital Improvement Program Budget - Staff presented an overview of the final draft of the CIP budget. Staff reported that part of the RZ carryover budget are projects unable to complete at this time but progress continues to be made. Committee concurs with Staff's recommendation.

Adjournment at 10:02 a.m.

**Minutes of the Administration & Finance Committee Meeting
May 19, 2026**

Present: Chair John Sears, Director Karin Marquez, David Youngblood, Sylvia Prado, Ian Berg of Starting Line Advisor.

The meeting was called to order at 2:00 p.m.

No public comments were received.

No additional items were added to the agenda.

4. Monthly Disbursements – The Committee inquired about the \$22,214.52 customer refund. Staff informed the Committee that, due to multiple meter changeouts during the smart meter project, the meter read was incorrectly calculated. It was not until the automatic payment was withdrawn from the customer’s financial institution that the issue was brought to the District’s attention. The matter was immediately investigated and resolved, resulting in a refund being issued to the customer and staff personally delivering the check. The correct read was subsequently recalculated. The customer was appreciative that the matter was resolved so quickly.
5. Monthly Financial Reports April 2025 – Staff reported the monthly financials to the Committee.
6. CalPERS 457 (b) Match Program – Staff proposed establishing a policy to match the first 3% of an employee’s contributed to their 457 retirement plan. The Committee expressed strong support for the incentive as a valuable benefit for District employees. The Committee concurs with Staff’s recommendation.
7. Annual Budget Presentation FY 26-27 – Ian Berg gave a brief overview of the FY 26-27 budget to the Committee and. Staff informed the Committee that the CIP budget was presented to the Engineering & Operations Committee. No major changes to the annual operations budget are proposed for the coming year. The Committee concurs with Staff’s recommendation.

Adjournment – 2:30 pm



Water Policy Forum & Dinner



You are invited to join us for an evening of meaningful discussion, networking, and policy insights at the Municipal Water District of Orange County's (MWDOC) Water Policy Forum & Dinner. This signature event will take place on **Monday, June 15, at 5:30 p.m.** at The Westin.

The forum will focus on the future of California water management, featuring a panel on the Sites Reservoir Project. Experts will discuss water rights, regional benefits, costs, and next steps for this key infrastructure effort.

Moderated by MWDOC President Larry D. Dick, speakers include:

- Brian Thomas, Consultant, Sites Project Authority
- Heather Dyer, General Manager, San Bernardino Valley Municipal Water District
- Randall Neudeck, Manager, Bay-Delta Programs at Metropolitan Water District
- Paul A. Weghorst, Executive Director of Water Policy, Irvine Ranch Water District

This event explores the challenges and opportunities shaping the state's water future and is ideal for professionals committed to water policy, environmental, sustainability, and regional planning.

Monday
June 15, 2026
5:30 - 8:00 p.m.

The Westin South Coast Plaza

686 Anton Boulevard
Costa Mesa, CA 92626

Registration

Individual: \$170*
Table: \$1,450 Group reservation for eight (8) guests, with your company logo displayed.

Questions? Contact:
Jasmine Orozco
(714) 916-0761
jorozco@mwdoc.com

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER *ajj*
SUBJECT: LEGISLATIVE AND OUTREACH REPORT
DATE: MAY 28, 2026

Background

Attached is most recent monthly report from ORBIS Public Affairs along with reports from Townsend Public Affairs. Additionally, a copy of our outreach is also attached.

Recommendation

Receive and File.

Attachment(s): Townsend Legislative Report & Current Legislative Matrix
ORBIS Public Affairs Report
Foothills Sentry Outreach Ad

MONTHLY LEGISLATIVE UPDATE

To: East Orange County Water District
From: Townsend Public Affairs
Date: May 15, 2026
Subject: April – May Legislative Monthly Report

STATE UPDATE

From mid-April through mid-May, legislative activity accelerated significantly as the Legislature moved through several major procedural and fiscal deadlines that helped shape the trajectory of the 2026 legislative session. During this period, lawmakers advanced priority measures, amended proposals in response to stakeholder concerns, and set aside bills that lacked sufficient policy or fiscal support to continue moving forward.

A substantial portion of legislative activity during this timeframe was driven by the April 24 deadline for fiscal bills to pass out of policy committees. In the weeks leading up to that deadline, policy committees held extensive hearings to process large volumes of legislation, resulting in hundreds of measures advancing to the Assembly and Senate Appropriations Committees for fiscal consideration. Following the May 1 deadline for non-fiscal bills to advance out of policy committees, the Legislature's focus shifted increasingly toward fiscal review, budget impacts, and floor preparation.

The most significant legislative milestone of the period occurred on May 14, when the Assembly and Senate Appropriations Committees held their annual Suspense File hearings. The Suspense File process serves as the Legislature's primary fiscal screening mechanism for bills with substantial state costs, allowing committees to evaluate measures collectively within the broader context of the State's fiscal outlook and budget priorities. The hearings significantly narrowed the field of active legislation, determining which bills would advance to floor consideration and which measures would remain inactive for the remainder of the year.

At the same time, budget negotiations intensified as legislative budget committees and subcommittees continued reviewing departmental proposals and funding priorities in response to the Governor's January budget proposal. Earlier in the process, the Senate released its "Foundation for the Future" budget framework, outlining a fiscally cautious approach emphasizing reserve preservation, limited ongoing spending commitments, and long-term deficit reduction strategies.

Budget discussions reached a critical turning point on May 14 with Governor Gavin Newsom's release of the 2026–27 May Revision. The updated budget proposal reflected stronger-than-anticipated revenues while also incorporating revised spending obligations, updated Medi-Cal expenditures, and additional education funding requirements tied to Proposition 98. The May

Revise now serves as the foundation for final negotiations between the Legislature and the Administration ahead of the June 15 constitutional deadline for the Legislature to pass the Budget Bill.

Looking ahead, legislative activity will shift primarily to floor deliberations as both houses work toward the May 29 house-of-origin deadline for bills to pass their respective chambers. Measures that advance will then move to the opposite house for continued policy and fiscal review, where many bills will again face fiscal scrutiny through the second-house Appropriations Committee process later in the session.

The following summarizes key legislation in the water and wastewater policy space.

Assembly Bill 1621 (Wilson) – Planning and Zoning Law: Housing Accountability Act

Summary: AB 1621 proposes changes to the post-entitlement permitting process for housing development projects. The bill would limit building permit plan check reviews to two rounds, modify review timelines and related provisions, and restrict agencies from requiring changes during inspections that deviate from previously approved plans unless specified findings are met.

Status: AB 1621 is in the Senate and has been referred to the Committee on Local Government and Housing

AB 2026 (Aguilar Curry): Water Diversion: Groundwater Recharge Permit

Summary: AB 2026 makes several changes to California water law to speed and simplify using flood flows and surface water for groundwater recharge and to streamline permitting. There are ongoing discussions and negotiations on this legislation.

Status: This measure is on the Assembly Floor

AB 2180 (Ward): Local Government: Proposition 218 Omnibus Implementation Act: Proportional Cost of Service

Summary: AB 2180 clarifies that local agencies can demonstrate the “proportional cost of service” using any reasonable cost-allocation method, rather than needing precise parcel-by-parcel calculations. It also explicitly allows water and sewer agencies to use uniform or tiered rates based on customer characteristics, so long as those rates reasonably reflect the cost of providing service.

Status: This measure passed the Assembly Floor and is pending a hearing date in the Senate Local Government Committee.

AB 2215 (Calderon): Water Rights: State Water Project

Summary: AB 2215 would allow for an extension and set the deadlines for applying water to beneficial use and for completing construction under certain water-right permits held by the Department for operating the State Water Project to December 31, 2046.

Status: This measure is on the Assembly Floor

SB 872 (McNerney): Delta Levees and Canal Subsidence Fund

Summary: The bill would create the Delta Levees and Canal Subsidence Fund and require its spending to support specific levee and water conveyance repairs in the Delta and Suisun Marsh while adding planning, public input, and reporting requirements.

Status: This bill was passed out of Senate Appropriations with the amendment that the \$300 million in funding be removed from the bill.

SB 1153 (Caballero): Disaster Preparedness: Urban Retail Water Suppliers and Public Water Systems: Wildfire

Summary: SB 1153, beginning January 1, 2028, requires all urban retail water suppliers serving high or very high fire hazard severity zones (FHSZs) to include incident-specific response procedures for wildfires as part of their disaster preparedness plans, as specified.

Status: This measure passed the Senate Appropriations Committee and is pending consideration on the Senate Floor.

SB 1117 (Cervantes) - Accessory Dwelling Units and Junior Accessory Dwelling Units

Summary: SB 1117 would restrict how local agencies calculate impact fees for accessory dwelling units (ADUs) by requiring that fees for units exceeding 750 square feet be based only on the portion of the unit above that threshold, rather than the entire unit.

Status: SB 1117 is on the Senate Floor.

GOVERNOR RELEASES REVISED MAY BUDGET

Governor Newsom's 2026–27 May Revision reflects a significantly improved revenue picture compared to January, but the Administration continues to take a cautious fiscal approach centered on reserve-building and long-term structural balance rather than major new programmatic expansions.

The May Revision proposes approximately \$246.6 billion in General Fund expenditures, roughly \$1.8 billion lower than the January proposal, while achieving what the Administration characterizes as:

- No operating deficit in 2026–27
- No operating deficit in 2027–28
- No projected structural deficit through mid-2028

At the same time, the Governor emphasized that the state is not operating with a traditional surplus. Rather, the May Revision attempts to stabilize the state's longer-term fiscal outlook following several years of projected structural imbalance. The Administration projects approximately \$16.5 billion in additional General Fund revenues over the three-year budget window compared to January, driven primarily by higher-than-expected personal income tax receipts and capital gains activity.

However, much of this improved revenue picture is automatically absorbed by constitutional obligations, reserve requirements, and mandatory education spending increases under Proposition 98. As a result, the Administration continues to frame the state's fiscal position as constrained despite stronger revenues.

To reinforce this message, the Governor proposes depositing \$9.7 billion into the Projected Surplus Temporary Holding Account, a mechanism created to effectively reserve anticipated revenues for future fiscal years rather than committing them to new ongoing expenditures. This is the first time the account has been utilized.

The May Revision also maintains historically large reserve balances totaling approximately \$29.9 billion, including:

- \$15.1 billion in the Budget Stabilization Account (Rainy Day Fund)
- \$10.3 billion in the Public School System Stabilization Account
- \$4.5 billion in the Special Fund for Economic Uncertainties

Natural Resources and Environmental Protection Agencies

The Governor's May Revision includes proposed funding for programs administered through the California Natural Resources Agency and the California Environmental Protection Agency (CalEPA), including activities related to water management, water quality, ecosystem restoration, climate programs, and environmental regulatory oversight. Together, these agencies oversee a broad range of statewide programs tied to natural resource management, environmental protection, and implementation of the state's climate and infrastructure priorities.

The proposal allocates approximately **\$10.5 billion** for programs within the Natural Resources Agency, including \$4.9 billion from the General Fund, \$3.2 billion in special funds, \$1.9 billion in bond funds, and \$530 million in federal funds. These investments support statewide resource management, conservation, and environmental infrastructure activities.

The May Revision also includes approximately **\$5.8 billion** for CalEPA programs focused on advancing the state's environmental and climate objectives, including regulatory oversight, emissions reduction efforts, and water and air quality programs. Proposed funding includes \$117 million from the General Fund, \$4.7 billion in special funds, \$634 million in federal funds, and \$329 million in bond funds.

Climate

The May Revision largely maintains the state's existing transportation capital program commitments while providing only limited targeted augmentations for transportation and climate-related activities. Similar to other major policy areas, the Administration avoided proposing substantial new transportation or climate investments despite the improved revenue outlook, reinforcing the overall conservative fiscal posture of this year's budget proposal.

Cap-and-Invest Revenue Uncertainty

One of the most significant emerging budget issues for local governments involves uncertainty surrounding future Cap-and-Invest auction revenues and the long-term stability of the Greenhouse Gas Reduction Fund (GGRF), which supports many of California's major climate, housing, and transportation programs.

Recent analysis from the Legislative Analyst's Office suggests that proposed CARB regulatory changes could substantially reduce future annual Cap-and-Invest auction revenues available for legislative appropriation. Under CARB's current proposal, annual GGRF revenues could decline to approximately \$2 billion annually, roughly half of recent funding levels.

Much of the concern centers on CARB's proposed Manufacturing Decarbonization Incentive (MDI), which would provide additional free emissions allowances to certain industrial facilities making qualifying decarbonization investments. Analysts have raised concerns that the proposal could reduce auction participation and lower the amount of revenue generated for state programs.

This issue is particularly important because last year's SB 840 (Limón) expenditure framework assumed substantially higher ongoing Cap-and-Invest revenues to support a wide range of climate, housing, and transportation priorities. If revenues decline significantly, the Legislature may ultimately need to revisit existing funding assumptions and reprioritize programs supported by the GGRF.

Programs potentially facing increased funding pressure include:

- Affordable Housing and Sustainable Communities (AHSC)
- Transit and Intercity Rail Capital Program (TIRCP)
- Low Carbon Transit Operations Program (LCTOP)
- Community Air Protection Program
- Wildfire and forest resilience programs
- Safe and Affordable Drinking Water programs

Specifically, the Safe and Affordable Drinking Water program has historically served as a funding source for water and sanitation projects in the State of California.

DWR RAISES 2026 STATE WATER PROJECT WATER DELIVERIES FOLLOWING IMPROVED RESERVOIR CONDITIONS

On May 15, the Department of Water Resources (DWR) [announced](#) an increase in the 2026 State Water Project (SWP) allocation from 30 percent, which was previously [announced](#) in January 2026, to 45 percent of requested supplies for the 29 participating public water agencies. The SWP provides water to approximately 27 million Californians and 750,000 acres of farmland. DWR attributed the increase to strong reservoir storage conditions and additional runoff generated by April storms, which helped replenish supplies despite earlier-than-normal snowpack melt caused by unusually warm spring temperatures.

State officials noted that Lake Oroville, the SWP's largest reservoir, is currently near full capacity, and statewide reservoir storage levels remain above historical averages for this time of year. However, DWR also emphasized ongoing concerns regarding long-term water supply reliability, as the statewide snowpack has largely disappeared earlier than normal and currently measures well below average levels.

According to DWR, operational coordination between state and federal water managers helped maximize water capture while maintaining flood protection requirements, resulting in significant additional storage at Lake Oroville. Officials stated that the improved storage conditions are expected to support water deliveries this year while preserving reserves in the event drier conditions return next year.

DWR establishes an initial State Water Project allocation each December using projected hydrologic conditions, anticipated water demand, and available reservoir storage. The agency then revises allocation estimates throughout the winter and spring as updated snowpack, precipitation, and runoff information becomes available, with final allocations generally set later in the water year. For 2026, the allocation began at 10 percent in [December 2025](#), increased to 30 percent in January 2026, and has now been raised to 45 percent.

CALIFORNIA LAUNCHES FIRST SOLAR-COVERED CANAL PILOT TO GENERATE ENERGY AND REDUCE WATER LOSS

On April 29, Governor Newsom [announced](#) the completion of Project Nexus, a pilot project that installs solar panels over irrigation canals in the Central Valley. The project is designed to test an innovative approach to simultaneously generate renewable energy and reduce water loss from evaporation in a region that plays a critical role in the state's agricultural economy.

The project represents a \$20 million investment supported by state funding and contributions from project partners. Funding supports the design, construction, and evaluation of the pilot, including installation of solar arrays over canal segments and ongoing data collection to assess performance. State officials indicated that the investment is intended not only to produce near-term benefits, such as renewable energy generation and reduced evaporation, but also to generate the technical and economic data needed to assess long-term feasibility.

State officials emphasized that the pilot will help determine whether this model can be expanded more broadly across California's extensive canal system. By integrating clean energy production with water infrastructure, the project reflects a broader state strategy to address climate-related challenges, improve resource efficiency, and modernize critical systems as California prepares for increasingly hot and dry conditions.

FEDERAL UPDATE

FAA Proposes Rule Allowing Critical Infrastructure Facilities to Restrict Private Drone Usage

On May 6, the Department of Transportation's (DOT) Federal Aviation Administration (FAA) [released](#) a [proposed rule](#) to establish a process for operators and proprietors of certain fixed-site critical infrastructure facilities to request and maintain an unmanned aircraft flight restriction.

Operators of unmanned aerial systems (UAS), also known as drones, would be prohibited from flying in the area immediately surrounding designated sites, and would be required to follow remote identification [regulations](#) in a broader zone.

Under the proposed rule, government, transportation system, water and wastewater, energy, communications, and information technology facilities could all be designated at the request of

the operator. Applicants would have to show that the restriction is necessary for aviation safety, protecting people and property on the ground, national security, or homeland security in order to be granted the unmanned aircraft flight restriction (UAFR).

The proposed rule is open for public comment through July 5 of this year. Violators of an established UAFR could face civil or criminal penalties. The rule would also allow site operators to contact law enforcement if a drone flew in a restricted area, after which authorities could use Remote ID to locate the control station or operator. Pilots could face license suspensions, revocations, fines, and criminal charges for entering the no-fly zone. The proposed rule would not permit local law enforcement to use counter-UAS technology to disable the drone without overlapping authorization connected to a major event or other regulatory allowance.

EPA Launches Permitting Authority Map

On May 6, the Environmental Protection Agency (EPA) [announced](#) the launch of a new interactive Permitting Authority [Map](#), an online tool to identify which regulatory agencies are responsible for issuing environmental permits under EPA programs. The map allows users to select a location and determine whether permitting authority rests with EPA or has been delegated to state, tribal, territorial, or local agencies.

According to the EPA, the tool is designed to improve transparency and reduce confusion around the permitting process by consolidating information on regulatory authority into a single, accessible platform.

EPA stated that the map supports a wide range of users, including federal and local agencies, Tribes, businesses, and the public. The release also notes that many permitting responsibilities are delegated to non-federal entities, with EPA retaining oversight and enforcement authority, and positions the tool as part of broader efforts to modernize permitting systems and improve coordination across agencies.

Congress has also made efforts to reduce the cost of environmental permitting and improve the timeliness at the Council on Environmental Quality (CEQ) by reducing regulatory complexity. In December 2025, the House passed [HR 4776](#), the Standardizing Permitting and Expediting Economic Development Act or the SPEED Act, which would create functional equivalency between National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) reviews, allowing a CEQA review to suffice for NEPA.

EPA Administrator Testifies on Presidential Budget Request,

On April 29, Environmental Protection Agency (EPA) Administrator Lee Zeldin [testified](#) before the Senate Committee on Environment and Public Works (EPW) regarding the Fiscal Year 2027 (FY27) [Presidential Budget Request](#). Administrator Zeldin also [testified](#) before the House Appropriations Committee Subcommittee on Interior, Environment, and Related Agencies on April 27.

The President's Budget Request proposes a \$4.6 billion or 52% cut to EPA's funding from FY26, including the elimination of the Clean Water and Drinking Water State Revolving Funds, State and Tribal Assistance Grants (STAG), and \$1 billion in cuts to other grants made to states and local agencies. The Administration argues that the Clean Water Act, amended in 1972, has been used to provide sufficient funding to ensure compliance, and that continued federal funding for clean and drinking water projects has become a "crutch."

Both the EPW Chairwoman Moore Capito and Ranking Member Whitehouse expressed concerns regarding the proposed cuts to clean and drinking water funding, alongside concerns regarding lead pipe abatement, per- and polyfluoroalkyl substances (PFAS) mitigation, and infrastructure/cyber security in water delivery systems. In the House Appropriations Committee's hearing, Subcommittee Chairman Simpson also [stated](#) that appropriators are unlikely to enact the proposed cuts in their entirety.

The appropriations bills drafted by Congress have historically differed from the President's Budget Request, which is seen as often seen more as an opening to negotiations than a final policy framework.

Reclamation Announces Schedule Changes to Sites Reservoir Negotiation Sessions

On April 23, the Bureau of Reclamation (Reclamation) [announced](#) the cancelation of the April 30 public negotiation session with the Sites Project Authority for a Partnership Agreement for the proposed [Sites Reservoir Project](#). The negotiations are intended to establish the terms and conditions under which the federal government and the Sites Project Authority would partner on the project, which proposes construction of a 1.5-million-acre-foot offstream reservoir about 10 miles west of Maxwell, California.

The negotiation session was rescheduled for May 7 and prior registration is required. The public will have the opportunity to comment on the negotiations. Registration instructions are available in the press release.

EPA Opens Funding for Real Water Technical Assistance Initiative

On April 17, the Environmental Protection Agency (EPA) [announced](#) \$30 million in funding to support implementation of the [Real Water Technical Assistance](#) (RealWaterTA) initiative, first [announced](#) in March, 2026. RealWaterTA will assist local water agencies with compliance activities related to the Safe Drinking Water Act and Clean Water Act.

Providers under the program, including community-based organizations and universities, can apply to the EPA's Office of Water to become a Technical Assistance Provider, and local water agencies facing water quality challenges can apply to receive technical assistance under the program and get resources on additional federal funding opportunities. The EPA also believes this will help agencies in need of managerial support in addition to technical assistance and infrastructure.

This first round of funding is coming from EPA Region Eight, which does not include California. Additional rounds of funding are expected to be released throughout the remainder of the year, and applications for local water systems to receive technical assistance nationwide are open.

EPA Announces PFAS Drinking Water Initiative

On April 14, the Environmental Protection Agency (EPA) [announced](#) the launch of a new PFAS mitigation [initiative](#), named PFAS-OUTreach (PFAS-OUT). PFAS-OUT will proactively reach out to local drinking water providers who they anticipate may struggle to come into compliance with new regulations under the Clean Water Act (CWA) regarding PFAS/PFOA contamination.

Per- and polyfluoroalkyl substances (PFAS) are a group of over 10,000 manufactured "forever chemicals" that resist degradation, persisting in the environment and human bodies for decades, often originating in water-resistant, non-stick, and stain-resistant coatings applied to cooking surfaces and clothing.

PFAS OUT will host a nationwide webinar series that will provide support to all water systems addressing PFAS concerns. EPA will proactively reach out to water systems with potential PFOA and PFOS concerns. To identify these systems, EPA will actively review drinking water monitoring data submitted to EPA through the Unregulated Contaminant Monitoring Rule (UCMR) 5, as well as state, Tribal, and territorial data sources as available.

EPA Issues Joint Cybersecurity Advisory to Water System Operators Regarding Iran-Affiliated Cyber Attacks

On April 7, the Environmental Protection Agency (EPA), in coordination with the Federal Bureau of Investigation, Cybersecurity and Infrastructure Security Agency, and National Security Agency, [issued](#) a joint cybersecurity [advisory](#) warning of an ongoing Iranian-affiliated cyber threat targeting critical infrastructure, including drinking water and wastewater systems. The advisory states that some operators and equipment manufacturers have experienced exploitation and, in some cases, operational disruptions affecting systems used to manage water infrastructure.

According to the agencies, the attacks involve commonly used operational technology and have resulted in impacts such as configuration wiping, manipulation of system data, and disruption of control interfaces, leading to operational and financial consequences. The advisory emphasizes that the water sector remains a target for actors seeking to disrupt essential services and highlights risks to public health and community resilience if systems are compromised.

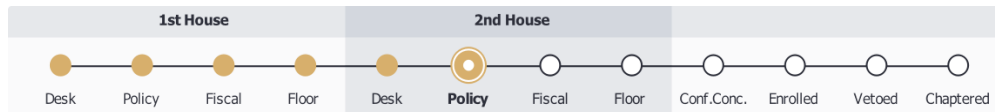
The advisory further provides guidance to help water systems identify vulnerabilities and strengthen cybersecurity practices, including recommended mitigation steps and indicators of compromise. EPA also noted that it offers technical assistance, tools, and training to support utilities in improving cyber defenses, and encouraged drinking water agencies to report suspicious activity to federal authorities.

East Orange County Water District Legislative Matrix

AB 35 (Alvarez, D) Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.

Last Amended: 01/14/2026

Status: 05/06/2026 - Referred to Com. on N.R. & W.



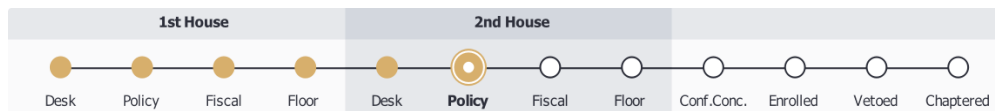
Location: 05/06/2026 - Senate Natural Resources and Water

Summary: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. Current law authorizes certain regulations needed to effectuate or implement programs of the act to be adopted as emergency regulations in accordance with the Administrative Procedure Act, as provided. Current law requires the emergency regulations to be filed with the Office of Administrative Law and requires the emergency regulations to remain in effect until repealed or amended by the adopting state agency. This bill, notwithstanding the above, would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including develop draft project solicitation and evaluation guidelines and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. The bill would require the Secretary of the Natural Resources Agency to post an electronic form of the guidelines submitted by a state entity and the subsequent verifications on the Natural Resources Agency’s internet website. (Based on 01/14/2026 text)

AB 643 (Wilson, D) Climate change: short-lived climate pollutants: organic waste reduction.

Last Amended: 01/14/2026

Status: 05/06/2026 - Referred to Com. on E.Q.



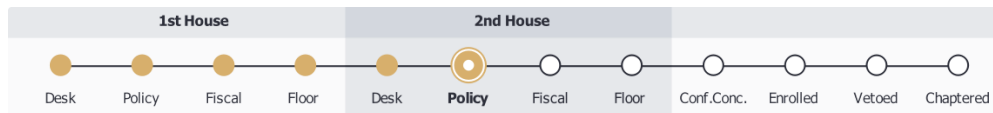
Location: 05/06/2026 - Senate Environmental Quality

Summary: Current law establishes methane emissions reduction goals that include a target to reduce landfill disposal of organics by 75% of the 2014 level of the statewide disposal of organic waste by 2025. Current law requires the Department of Resources Recycling and Recovery, in consultation with the State Air Resources Board, to adopt regulations to achieve organic waste reduction goals. Current law authorizes a local jurisdiction to count compost produced and procured from specified compost operations towards its recovered organic waste procurement target. This bill would authorize a local jurisdiction to include organic material used as a beneficial agricultural amendment towards its recovered organic waste procurement target if the material is processed at a facility authorized by the department using specified approved technologies, the material is licensed for end use as an agricultural fertilizer by the Department of Food and Agriculture, as provided, and the material is not derived from, or processed using, specified activities relating to the final deposition or management of solid waste, as provided. (Based on 01/14/2026 text)

AB 1048 (Chen, R) Workers’ compensation.

Last Amended: 01/22/2026

Status: 01/22/2026 - From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on RLS.



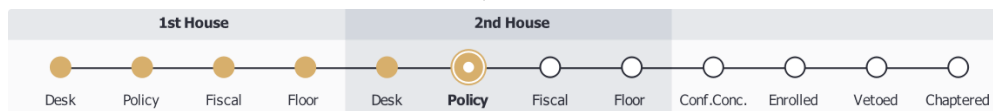
Location: 09/08/2025 - Senate Rules

Summary: Under the workers' compensation system, current law requires an employer to provide medical, surgical, chiropractic, acupuncture, and hospital treatment that is reasonably required to cure or relieve the injured worker from the effects of an injury. Upon payment, adjustment, or denial of a complete or incomplete itemization of medical services, current law requires an employer to provide an explanation of review that includes, among other information, the amount paid and the basis for any adjustment, change, or denial of the item or procedure billed. This bill would, when the basis for any adjustment, change, or denial of an item or procedure is a contract, require the explanation of review to include information on that underlying contract, including whom the rendering medical provider may contact to seek a copy of the underlying contract. The bill would state that disclosure of a medical provider network does not satisfy this requirement and would state that if the contract is not sent to the rendering provider or their agent within 30 business days of the provider's request, the bill shall be reprocessed and paid, as specified. (Based on 01/22/2026 text)

AB 1198 (Haney, D) Public works: prevailing wages.

Last Amended: 01/22/2026

Status: 05/06/2026 - Referred to Com. on L., P.E. & R.



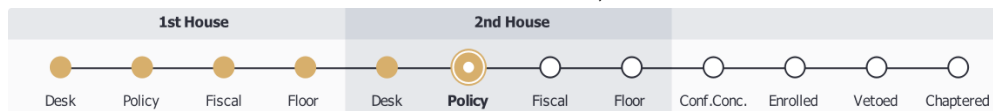
Location: 05/06/2026 - Senate Labor, Public Employment and Retirement

Summary: Current law requires that, except as specified, not less than the general prevailing rate of per diem wages, determined by the Director of Industrial Relations, be paid to workers employed on public works projects. Current law requires the body awarding a contract for a public work to obtain from the director the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is to be performed, and the general prevailing rate of per diem wages for holiday and overtime work, for each craft, classification, or type of worker needed to execute the contract. Under current law, if the director determines during any quarterly period that there has been a change in any prevailing rate of per diem wages in a locality, the director is required to make that change available to the awarding body and their determination is final. Under current law, that determination does not apply to public works contracts for which the notice to bidders has been published. This bill would instead state, commencing July 1, 2027, that if the director determines, within a semiannual period, that there is a change in any prevailing rate of per diem wages in a locality, that determination applies to any public works contract that is awarded or for which notice to bidders is published after July 1, 2027. The bill would authorize any contractor, awarding body, or specified representative affected by a change in rates on a particular contract to, within 20 days, file with the director a verified petition to review the determination of that rate, as specified. The bill would require the director to, upon notice to the interested parties, initiate an investigation or hold a hearing, and, within 20 days after the filing of that petition, except as specified, make a final determination and transmit the determination in writing to the awarding body and to the interested parties. (Based on 01/22/2026 text)

AB 1245 (Stefani, D) State contracts: certification process: forced labor and human trafficking.

Last Amended: 01/22/2026

Status: 05/06/2026 - Referred to Coms. on G.O. and L., P.E. & R.



Location: 05/06/2026 - Senate Governmental Organization

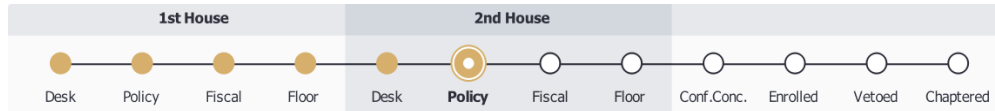
Summary: Current law requires a contract entered into by any state agency for the procurement or laundering of apparel, garments, or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, to require that a contractor certify that nothing furnished to the state pursuant to the contract has been laundered or produced by certain types of labor, including forced labor, as defined. Current law makes any person who falsely certifies pursuant to these provisions guilty of a misdemeanor. This bill would, for a contract entered into or renewed on or after January 1, 2027, with an estimated value that exceeds \$550,000, revise the above contracting requirements to also require a contractor to certify that the contract complies with specified requirements relating to human trafficking, including certain prohibitions on contractors, contractor employees, subcontractors, subcontractor employees, and their agents.

The bill would revise the definition of forced labor to mean knowingly providing or obtaining labor or services of a person by, among other things, threats of serious harm to, or physical restraint against, that person or another person. This bill would require contractors and subcontractors to notify employees of specified prohibited activities and the actions that may be taken against them for violations. The bill would provide that a contractor is ineligible for, and shall not bid on, or submit a proposal for, a contract under these provisions if the contractor has failed to certify its compliance. (Based on 01/22/2026 text)

AB 1383 (McKinnor, D) Public employees' retirement benefits.

Last Amended: 05/13/2026

Status: 05/13/2026 - From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L., P.E. & R.

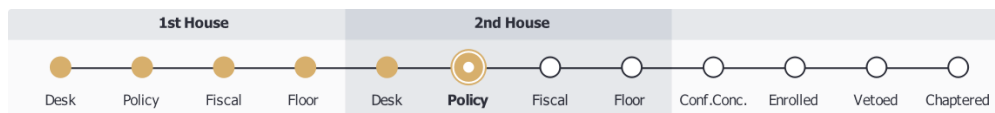


Location: 05/06/2026 - Senate Labor, Public Employment and Retirement

Summary: The Public Employees' Retirement Law (PERL) establishes the Public Employees' Retirement System (PERS) to provide a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law creates the Public Employees' Retirement Fund, which is continuously appropriated for purposes of PERS, including depositing employer and employee contributions. Under the California Constitution, assets of a public pension or retirement system are trust funds. The California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans. In this regard, PEPRA restricts the amount of compensation that may be applied for purposes of calculating a defined pension benefit for a new member, as defined, by restricting it to specified percentages of the contribution and benefit base under a specified federal law with respect to old age, survivors, and disability insurance benefits. Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, creditable service, and age at retirement, subject to certain variations. This bill, for service performed on and after January 1, 2027, would prohibit the pensionable compensation for calendar year 2027 used to calculate the defined benefit paid to a new member of a retirement system subject to PEPRA who retires from the system from exceeding specified percentages of the contribution and benefit base under the specified federal law with respect to old age, survivors, and disability insurance benefits. (Based on 05/13/2026 text)

AB 1617 (Alanis, R) Household hazardous waste: reporting.

Status: 05/06/2026 - Referred to Com. on E.Q.



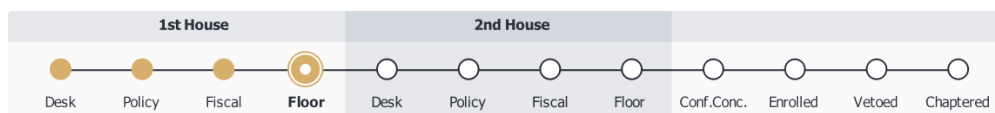
Location: 05/06/2026 - Senate Environmental Quality

Summary: Current regulations require each public agency that is responsible for household hazardous waste management to complete and submit a "Form 303 Household Hazardous Waste Collection Report" (Form 303) electronically to the Department of Resources Recycling and Recovery each year. Current regulations require the reporting timeframe to be July 1 of the previous fiscal year through June 30 of that fiscal year, with the information required to be submitted to the state by October 1 of the following fiscal year. Current law requires a public agency, or its contractor, operating a household hazardous waste collection facility to, on or before October 1 of each year, submit a copy of the completed Form 303 to the officer or agency authorized to implement and enforce specified hazardous materials laws. This bill would require that Form 303 to instead report information for the prior calendar year. (Based on 01/21/2026 text)

AB 1729 (Lee, D) State employment: telework programs.

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #354 A-SECOND READING



Location: 05/15/2026 - Assembly SECOND READING

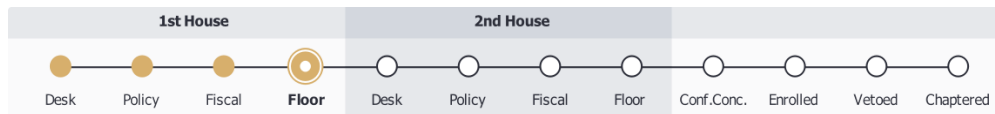
Summary: Existing law requires every state agency to develop and implement a telecommuting plan as part of its telecommuting program in work areas where telecommuting is identified as being both practical and beneficial to the organization. Existing law requires the Department of General Services to establish a unit for purposes of overseeing telecommuting programs that is required to, among other things, develop and update policy, procedures, and guidelines to assist agencies in the planning and implementation of telecommuting programs. Existing law requires the department to establish criteria for evaluating the state's telecommuting program. Existing law defines "telecommuting" for purposes of those provisions. This bill would revise and recast those provisions. The bill would replace the term "telecommuting" with "telework," as defined. The bill would also require the Department of General Services to establish a telework dashboard that displays the cost-effectiveness and efficiency benefits of state telework programs, including documenting annual savings to the state of reduced office space and operating costs. (Based on 02/05/2026 text)

AB 1772 (Papan, D) Fish and wildlife: invasive mussels.

Last Amended: 04/27/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: [05/18/26 #67 A-SECOND READING](#)



Location: 05/15/2026 - Assembly SECOND READING

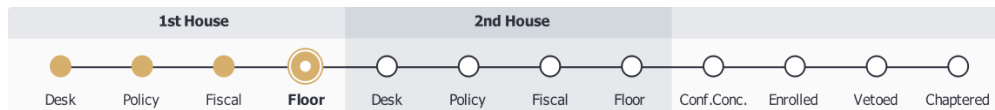
Summary: Existing law, until January 1, 2030, generally prohibits a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water in the state, invasive mussels, and authorizes the Director of Fish and Wildlife or the director's designee to engage in various enforcement activities, including ordering the areas in conveyance that contain water be drained, dried, or decontaminated, as provided. Existing law requires a public or private agency that operates a water supply system to cooperate with the Department of Fish and Wildlife to implement measures to avoid infestation by invasive mussels and to control or eradicate any infestation that may occur in a water supply system. Existing law requires, if invasive mussels are detected, the operator of a water supply system to, in cooperation with the department, prepare and implement a plan to control or eradicate invasive mussels within the system, and eliminate or minimize any potential downstream transport of an invasive mussel. Existing law requires, on or before December 31, 2026, the department to review all approved plans and require all plans that do not specifically address all invasive mussel species known to be present in bodies of water in the state as of January 1, 2026, to be updated or revised appropriately to include all invasive mussel species, on or before September 30, 2027. Existing law requires every invasive mussel species to be addressed in a plan no later than 180 days from the date that the species is listed in a certain regulation. Existing law defines "invasive mussel" for these purposes as any nonnative detrimental mussel, as provided. Under existing law, except as otherwise provided, any violation of the Fish and Game Code, or of any rule, regulation, or order made or adopted under the code, is a crime. This bill would prohibit a conveyance from being launched until a specified drying period has completed, as provided. By expanding the scope of a crime, this bill would impose a state-mandated local program. The bill would require the department to require water supply system operators to update their plans to address all invasive mussel species present in the operator's water system as of January 1, 2026, as provided. (Based on 04/27/2026 text)

AB 1881 (Ramos, D) California Indian Freedom Act of 2026.

Last Amended: 04/16/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: [05/18/26 #381 A-SECOND READING](#)



Location: 05/15/2026 - Assembly SECOND READING

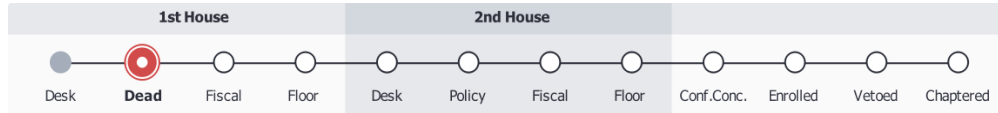
Summary: Existing law establishes various protections for California Native American tribes, including prohibiting a public agency or private party using or occupying public property or operating on public property from interfering with the free expression or exercise of Native American religion as provided in the United States Constitution and the California Constitution. Existing 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. Existing 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 on state public lands, 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 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 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. The bill would require a governmental agency to allow California Indians access to sacred sites on state public lands, as specified. (Based on 04/16/2026 text)

AB 2013 (Bennett, D) High and very high fire risk areas: community water systems: preparedness and resiliency.

Last Amended: 04/06/2026

Status: 04/23/2026 - Failed Deadline pursuant to Rule 61(b)(5). (Last location was EMERGENCY MANAGEMENT on 4/7/2026)



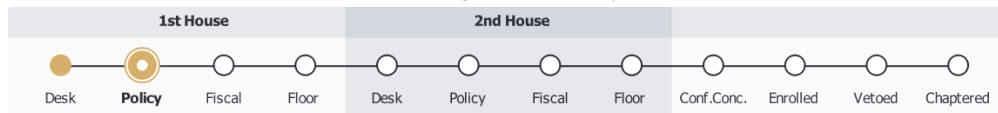
Location: 04/23/2026 - Assembly DEAD

Summary: Existing 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. This bill would require a community water system that services more than 100 customers that are located in a high or very high fire risk area, as defined, to include an annex to its disaster preparedness plans, as provided, that includes information regarding system preparedness and resiliency during a wildfire. The bill would require the annex to contain several things, including, among others, an assessment that identifies the minimum number of and type of water pumps that are necessary to maintain average daily capacity, including, but not limited to, the operation of fire hydrant systems at the rated capacity. (Based on 04/06/2026 text)

AB 2016 (Gonzalez, Jeff, R) State Water Resources Control Board: drinking water: hexavalent chromium removal.

Last Amended: 04/16/2026

Status: 04/27/2026 - In committee: Hearing postponed by committee.



Location: 04/20/2026 - Assembly Environmental Safety and Toxic Materials

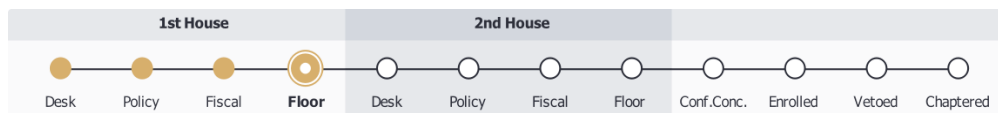
Summary: Would appropriate \$69,425,000 from the General Fund to the State Water Resources Control Board for the purpose of removing hexavalent chromium from drinking water. The bill would require the board to make specified grants to specified entities to undertake construction or planning and design of facilities to remove hexavalent chromium from drinking water. (Based on 04/16/2026 text)

AB 2026 (Aguiar-Curry, D) Water diversion: groundwater recharge: permit.

Last Amended: 04/22/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #147 A-SECOND READING



Location: 05/15/2026 - Assembly SECOND READING

Summary: Existing law declares that all water within the state is the property of the people of the state, but the right to the use of the water may be acquired by appropriation in the manner provided by law. Existing law requires the appropriation to be for some useful or beneficial purpose. Existing law provides, however, that the diversion of floodflows for groundwater recharge does not require an appropriative water right if certain conditions are met, including that a local or regional agency that has adopted a local plan of flood control or has considered flood risks as part of its most recently adopted general plan has given notice, as provided, of imminent risk of flooding and inundation of lands, roads, or structures. Existing law defines "floodflow" for these purposes to include circumstances in which flows would inundate ordinarily dry areas in the bed of a terminal lake to a depth that floods dairies and other ongoing agricultural activities, or areas with substantial residential, commercial, or industrial development. Existing law applies those requirements to diversions commenced before January 1, 2029. Existing law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or from depositing or

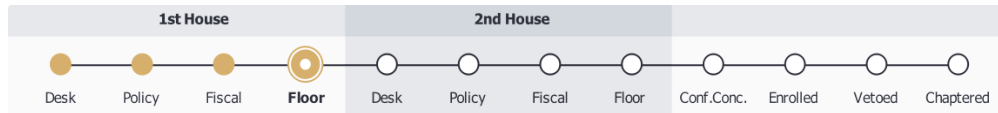
disposing of certain material where it may pass into any river, stream, or lake, without first notifying the Department of Fish and Wildlife of that activity, and entering into a lake or streambed alteration agreement if required by the department to protect fish and wildlife resources, except as specified. This bill would revise and recast those conditions required for the appropriate water right exemption for a diversion of floodflows for groundwater recharge, would apply the requirements to a diversion commenced before January 1, 2034, and would further exempt those diversions from the requirements of CEQA and requirements relating to lake or streambed alteration agreements, subject to conducting tribal consultation, as provided. (Based on 04/22/2026 text)

AB 2032 (Ransom, D) Fish and wildlife: golden mussels.

Last Amended: 04/16/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #398 A-SECOND READING



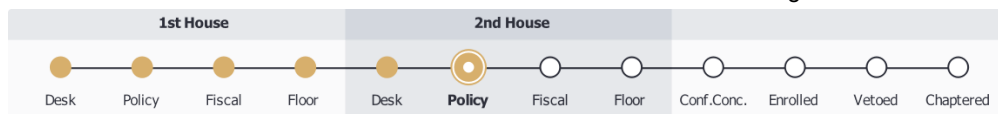
Location: 05/15/2026 - Assembly SECOND READING

Summary: Existing law, until January 1, 2030, 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, as defined. Existing law requires a public or private agency that operates a water supply system to cooperate with the Department of Fish and Wildlife to implement measures to avoid infestation by invasive mussels and to control or eradicate any infestation that may occur in a water supply system, and, if invasive mussels are detected, to prepare and implement a plan, as specified, to control or eradicate invasive mussels within the system. system (control plan). Existing 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, in cooperation with the Department of Food and Agriculture, and only if certain requirements are met. Existing law authorizes the department to issue permits, commonly known as scientific collecting permits, to take or possess any form of plant or animal life for scientific, educational, or propagation purposes. This bill would exempt from the requirement to obtain a restricted species permit for golden mussels a public or private agency that operates a water supply system and has submitted a control plan to the department for maintenance and operational activities to control the spread of golden mussels in the water supply system, as specified. (Based on 04/16/2026 text)

AB 2125 (Bennett, D) Groundwater basin adjudication: notice.

Last Amended: 03/25/2026

Status: 05/12/2026 - In Senate. Read first time. To Com. on RLS. for assignment.



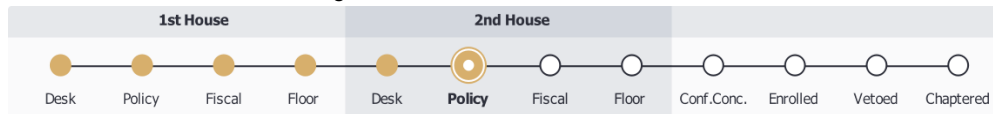
Location: 05/12/2026 - Senate Rules

Summary: Existing law requires a plaintiff who files an action to comprehensively determine rights to extract groundwater from a basin to provide the court a draft notice of commencement of groundwater basin adjudication and a draft form answer to adjudication complaint, as specified. Existing law also requires a plaintiff to file, within a specified timeframe, a motion for approval of the draft notice and draft form answer. Under existing law, once the court approves the draft notice, the plaintiff is required to serve the notice, as specified. Following a court order approving both the notice and draft form answer and authorizing service thereof, existing law requires the plaintiff to take additional steps to provide notice to defendants including, but not limited to, mailing, by registered mail or certified mail, return receipt requested, the notice, complaint, and form answer to all holders of fee title to real property in the basin. Under existing law, if a return receipt is not received for a parcel of real property, the plaintiff must post a copy of the notice, complaint, and form answer in a conspicuous place on the real property. After completing these notice procedures, existing law requires the plaintiff to file a notice of completion of the mailing with the court. Existing law permits a court to authorize any other procedures it finds appropriate and necessary to provide notice to persons who may hold groundwater rights in basin. This bill would impose additional requirements on a plaintiff when filing the notice of completion of mailing. The bill would require the plaintiff to include with the notice of completion an affidavit of the person who mailed the notice and the certified or registered mail delivery receipt for each parcel stating the date, time, and place of mailing. The bill would further require the notice to include as an attachment any certified or registered mail delivery receipts received as of the date of the filing. (Based on 03/25/2026 text)

AB 2127 (Johnson, R) Accessory dwelling units: private sewage disposal systems.

Last Amended: 04/06/2026

Status: 05/14/2026 - Read third time. Passed. Ordered to the Senate. (Ayes 77. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.



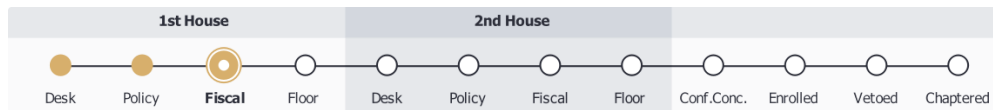
Location: 05/14/2026 - Senate Rules

Summary: The Planning and Zoning Law provides for the creation by ordinance, or by ministerial approval if the local agency has not adopted an ordinance, of an accessory dwelling unit in accordance with specified standards and conditions. Existing law requires the ordinance, if adopted, to meet certain requirements, including designating areas within the jurisdiction where accessory dwelling units may be permitted. Existing law authorizes the designation of areas to be based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. Existing law also requires the ordinance to require approval by the local health officer where a private sewage disposal system is being used, if required. This bill would prohibit a local agency from prohibiting an accessory dwelling unit in an area solely because the lots are served by private sewage disposal systems. The bill would prohibit a local health officer from withholding approval based on a minimum lot size requirement if the private sewage disposal system meets certain operating requirements established by the State Water Resources Control Board for that lot size, and would prohibit the local health officer from requiring the installation of a new or alternative system as a condition of approval if an existing private sewage disposal system is verified to be functioning properly and has the capacity to serve the additional load of an accessory dwelling unit, as provided, and except as specified. (Based on 04/06/2026 text)

AB 2170 (Boerner, D) California Environmental Quality Act: overburdened communities: notices and hearings: translations.

Last Amended: 04/22/2026

Status: 05/14/2026 - In committee: Held under submission.



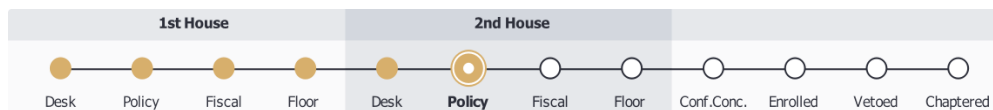
Location: 05/06/2026 - Assembly APPR. SUSPENSE FILE

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. Existing law requires a lead agency to be responsible for determining whether the project is exempt from CEQA and whether an environmental impact report, negative declaration, or mitigated negative declaration is required, as provided. Existing law, for certain projects, establishes a ministerial review process with modified environmental assessment procedures, as provided. This bill, notwithstanding the above-described provisions relating to determinations by a lead agency, would require an environmental impact report, negative declaration, or mitigated negative declaration, as determined by the lead agency, for any project, except as provided, that includes the development, intensification, or substantial expansion of an industrial use if the project is located in or within 1/2 mile of an overburdened community, as defined. The bill would disqualify these projects from receiving a statutory exemption or ministerial review process. (Based on 04/22/2026 text)

AB 2180 (Ward, D) Local government: Proposition 218 Omnibus Implementation Act: proportional cost of service.

Last Amended: 03/11/2026

Status: 05/06/2026 - Referred to Com. on L. GOV.



Location: 05/06/2026 - Senate Local Government

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency. As part of those requirements, the California Constitution mandates that such fees or charges that are extended, imposed, or increased satisfy certain requirements, including, but not limited to, that the amount of the fee or charge imposed upon any parcel or person as an incident of property ownership not exceed the proportional cost of the service attributable to the parcel. Existing law, known as the Proposition 218 Omnibus Implementation Act (act), prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. This bill would authorize a local

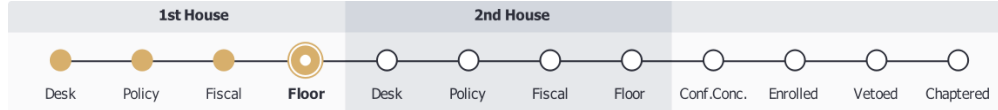
government to demonstrate the proportional cost of the service attributable to the parcel by any method that reasonably allocates the ascertainable cost of providing service to all parcels, if substantiated as provided. The bill would, however, provide that for water or sewer service fee or charge impositions, a local government is not required to provide an exact measure of the cost of the service at each parcel and may instead impose uniform or tiered rates to parcel or customer classes that are defined based on common characteristics indicative of likely water or sewer use. (Based on 03/11/2026 text)

AB 2215 (Calderon, D) Water rights: permits: State Water Project.

Last Amended: 04/16/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #491 A-THIRD READING



Location: 05/15/2026 - Assembly THIRD READING

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

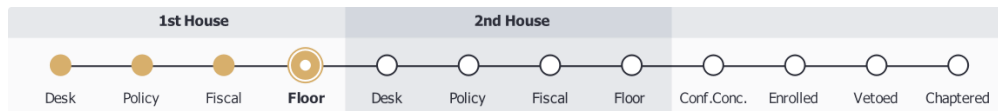
Existing law requires that construction work for a project that will put appropriated water to beneficial use be commenced, prosecuted with due diligence, and completed within the time period specified in the water right permit. Existing law authorizes the State Water Resources Control Board to extend the deadline specified in the permit to commence or complete construction work and to put appropriated water to beneficial use for good cause shown. This bill would require that the time periods for the application of water to beneficial use and for the completion of construction work for specific water right permits held by the Department of Water Resources for the operation of the State Water Project be December 31, 2046. (Based on 04/16/2026 text)

AB 2216 (Aguilar-Curry, D) Sacramento-San Joaquin Delta Conservancy.

Last Amended: 04/06/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #416 A-SECOND READING



Location: 05/15/2026 - Assembly SECOND READING

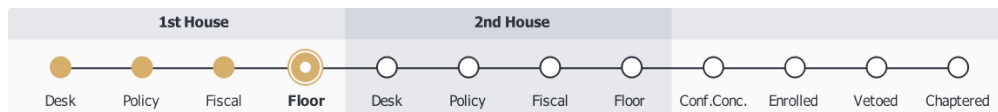
Summary: Existing law establishes in the Natural Resources Agency the Sacramento-San Joaquin Delta Conservancy. Existing law requires the conservancy to act as a primary state agency to implement ecosystem restoration in the Delta and to support efforts that advance environmental protection and the economic well-being of Delta residents. Existing law specifies the composition of the governing board of the conservancy and requires liaison advisers to serve in an advisory, nonvoting capacity. Existing law requires the conservancy to prepare and adopt a strategic plan to achieve the goals of the conservancy and requires the strategic plan to be consistent with certain plans. Existing law authorizes the conservancy to engage in partnerships with nonprofit organizations, local public agencies, and landowners, and authorizes the conservancy to provide grants and loans to state agencies, local public agencies, and nonprofit organizations to further the goals of the conservancy. Existing law establishes the Sacramento-San Joaquin Delta Conservancy Fund in the State Treasury. Existing law makes moneys in the fund available, upon appropriation by the Legislature, for purposes of these provisions. This bill would expand the area covered by the conservancy to include the Valley, as defined. The bill would rename the conservancy the Valley and Delta Conservancy, rename the Sacramento-San Joaquin Delta Conservancy Fund the Valley and Delta Conservancy Fund, and make conforming changes. (Based on 04/06/2026 text)

AB 2218 (Kalra, D) Water policy: California Native American tribes.

Last Amended: 04/16/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #190 A-SECOND READING



Location: 05/15/2026 - Assembly SECOND READING

Summary: Would require the state government to support California Native Americans to maintain cultural and linguistic traditions, practice ecosystem stewardship, and engage in good faith government-to-government

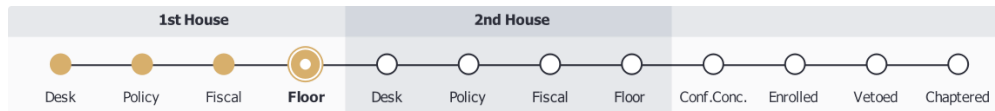
consultations with all California Native American tribes regarding policies that may affect tribal communities. (Based on 04/16/2026 text)

AB 2260 (Connolly, D) Water: restoration management: small restoration use.

Last Amended: 03/17/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #424 A-SECOND READING



Location: 05/15/2026 - Assembly SECOND READING

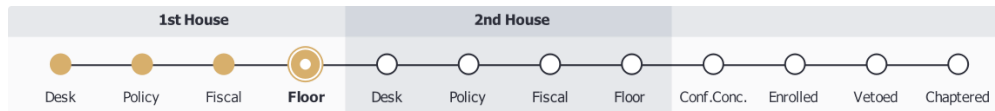
Summary: The Water Rights Permitting Reform Act of 1988 authorizes any person to obtain a right to appropriate water for a small domestic, small irrigation, or livestock stockpond use, as defined, upon registering the use with the State Water Resources Control Board, as prescribed, payment of a registration fee, and application of the water to reasonable and beneficial use with due diligence. This bill would extend the above-described ability to obtain a right to appropriate water to a small restoration use, as provided. The bill would define several terms for these purposes, including defining a small restoration use as a specified use of water for fish and wildlife preservation and enhancement in connection with a project to restore, enhance, or provide habitat for native fish and wildlife, as provided. (Based on 03/17/2026 text)

AB 2322 (Papan, D) Water discharge: commercial, industrial, or institutional sites.

Last Amended: 04/06/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #492 A-THIRD READING



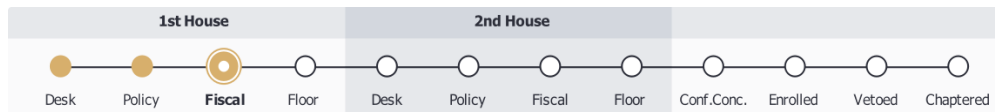
Location: 05/15/2026 - Assembly THIRD READING

Summary: The State Water Resources Control Board and the 9 California regional water quality control boards prescribe waste discharge requirements for the discharge of stormwater by municipalities and industries in accordance with the federal national pollutant discharge elimination system (NPDES) permit program, established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act. Under existing law, the state board and the 9 regional water quality control boards issue permits for the discharge of stormwater from municipal separate storm sewer systems (MS4s). For purposes of issuing permits for the discharge of stormwater from MS4s, this bill define “commercial, industrial, or institutional site” or “CII site” as a privately owned parcel or contiguous parcels of land that are commercial, industrial, or institutional based on the appropriate county tax assessor land use codes, as specified. (Based on 04/06/2026 text)

AB 2447 (Bauer-Kahan, D) Water: Nitrogen Pollution Reduction Act.

Last Amended: 04/06/2026

Status: 05/14/2026 - In committee: Held under submission.



Location: 05/06/2026 - Assembly APPR. SUSPENSE FILE

Summary: Under existing law, the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal state agencies with authority over matters relating to water quality. The act requires the state board to formulate and adopt state policies for water quality control and requires the regional boards to adopt regional water quality control plans in compliance with the state policies. Under the act, the state board and the regional boards prescribe waste discharge requirements for the discharge of waste that could affect the quality of the waters of the state. This bill would require the State Water Resources Control Board to require the regional boards to update the Irrigated Lands Regulatory Program in order to reduce nitrogen waste discharges from commercial irrigated agricultural areas, as provided. The bill would require the regional boards to adopt revised orders with waste discharge requirements on or before January 1, 2028, that are sufficient to meet certain reductions in nitrogen waste discharges. The bill would require the state board to, on or before July 1, 2027, publish both a list of standardized crop names and categories, and a statewide methodology for calculating, and field-level reporting of, nitrogen balances for croplands, including

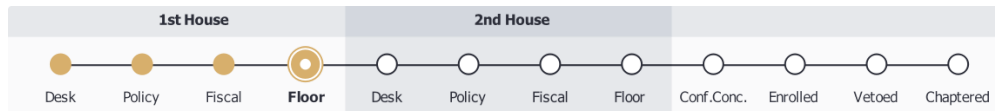
nitrogen fertilizer applications and nitrogen discharges, that account for available soil nitrogen, to be used by the regional boards and incorporated into the revised orders. (Based on 04/06/2026 text)

AB 2469 (Papan, D) Data centers: water use disclosures.

Last Amended: 04/08/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #256 A-SECOND READING



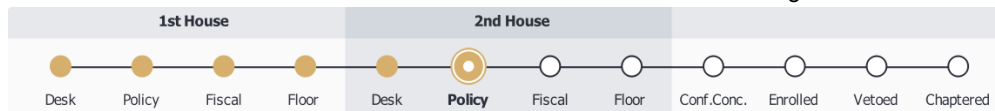
Location: 05/15/2026 - Assembly SECOND READING

Summary: The Planning and Zoning Law authorizes the legislative body of any county or city to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, businesses, residences, and open space, as specified. This bill would prohibit a city, county, or city and county from approving a discretionary or ministerial permit or other entitlement that would result in the construction, or an expansion that increases the maximum peak water use, of a data center unless specified conditions are satisfied, including, among others, that the applicant provides the city, county, or city and a county prescribed information. The bill would include in this prescribed information a water scarcity plan, a water supply assessment, and a water use assessment, each as provided. The bill would also include in the specified conditions that the construction or expansion is not within the boundaries of a groundwater basin designated as critically overdrafted by the Department of Water Resources, except as specified. (Based on 04/08/2026 text)

AB 2568 (Johnson, R) Water district directors: compensation.

Last Amended: 04/27/2026

Status: 05/12/2026 - In Senate. Read first time. To Com. on RLS. for assignment.

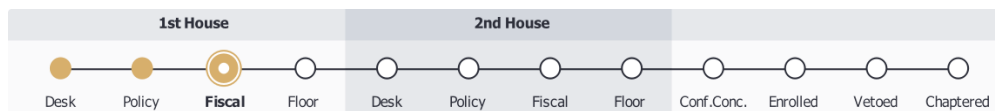


Location: 05/12/2026 - Senate Rules

Summary: Existing law authorizes a water district, as defined, to adopt an ordinance that provides compensation to members of the governing board, as specified. Existing 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, until January 1, 2032, authorize a water district that has at least 90,000 residents within its jurisdiction to adopt an ordinance that compensates members of the governing board for up to a total of 15 days in any calendar month, but would require the members of the governing board of a water district that compensates its members for more than 10 days in a calendar month to annually adopt a written policy describing, based on a finding supported by substantial evidence, why providing compensation for more than 10 days per calendar month is necessary for the effective operation of the water district. (Based on 04/27/2026 text)

AB 2569 (Hart, D) California Environmental Quality Act: natural hazards and adverse environmental conditions.

Status: 05/14/2026 - In committee: Held under submission.



Location: 04/29/2026 - Assembly APPR. SUSPENSE FILE

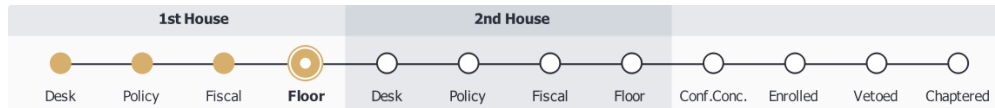
Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would expand those definitions to include impacts on people, as specified. The bill would additionally require the lead agency to include in the EIR a detailed statement on any significant effects that may result from locating the proposed project near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions. Because the lead agency would be required to undertake this additional consideration, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. (Based on 02/20/2026 text)

AB 2619 (Papan, D) Water resources: data centers.

Last Amended: 04/08/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #295 A-SECOND READING



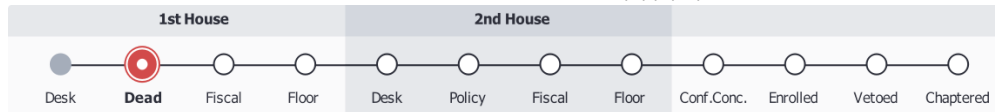
Location: 05/15/2026 - Assembly SECOND READING

Summary: 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. (Based on 04/08/2026 text)

AB 2630 (Bennett, D) Water diversion and use: adoption of regulations.

Last Amended: 03/26/2026

Status: 04/23/2026 - Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/24/2026)



Location: 04/23/2026 - Assembly DEAD

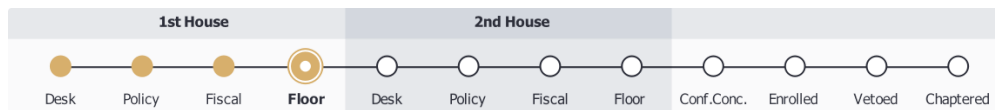
Summary: Existing law authorizes the State Water Resources Control Board to adopt regulations requiring measurement and reporting of water diversion and use by persons, including, among others, those authorized to appropriate water under a permit, a license, a registration for small domestic, small irrigation, or livestock stockpond use, or a certificate for livestock stockpond use. For the initial regulations, existing law requires that they be adopted as emergency regulations and provides that the emergency regulations remain in effect until revised by the state board. Existing law also exempts the initial regulations from the California Environmental Quality Act. This bill would require, until January 1, 2032, 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 03/26/2026 text)

AB 2739 (Soria, D) Water: affordability and system stabilization.

Last Amended: 04/06/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #319 A-SECOND READING



Location: 05/15/2026 - Assembly SECOND READING

Summary: Existing law establishes in the Natural Resources Agency the Department of Water Resources. Existing law vests in the department powers, duties, purposes, responsibilities, and jurisdiction in matters pertaining to water or dams. Existing law declares the responsibility of the state to assist local governments in providing certain essential services and facilities where water resource construction projects financed, in whole or in part, by the state or by the state jointly with the federal government create an undue burden on a local area’s ability to provide these services and facilities. Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would establish in the State Treasury the Water Affordability and System Stabilization Fund for holding the principal and income of the Water Affordability and System Stabilization Trust, which the bill would create. The bill would designate the Treasurer as trustee of the trust, as specified, and would require the trustee,

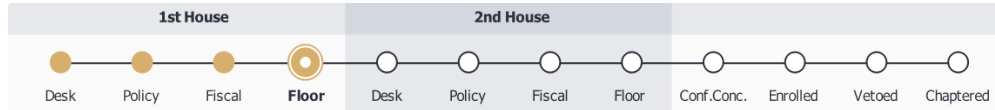
among other things, to hold, manage, and invest the principal of the trust with the obligation of providing a growing perpetual source of annual funding to the Water Rate Assistance Fund, administered by the state board, and the Community Water Affordability Assistance Fund, administered by the department, beginning 25 years after the Legislature transfers funding from the General Fund to the Water Affordability and System Stabilization Fund. (Based on 04/06/2026 text)

AB 2777 (Committee on Environmental Safety and Toxic Materials) State Water Pollution Control Revolving Fund program: loans: outdoor eating areas: water reuse.

Last Amended: 03/26/2026

Status: 05/15/2026 - Set for Hearing 5/18/2026

Calendar: 05/18/26 #330 A-SECOND READING



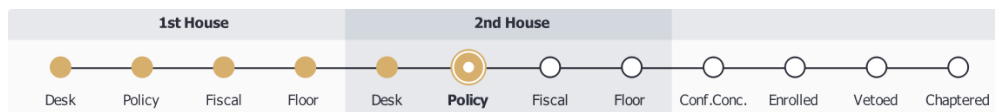
Location: 05/15/2026 - Assembly SECOND READING

Summary: Existing law establishes the State Water Pollution Control Revolving Fund program, pursuant to which state and federal funds are continuously appropriated from the State Water Pollution Control Revolving Fund to the State Water Resources Control Board for loans and other financial assistance for purposes related to the federal Clean Water Act. Existing law establishes the State Water Pollution Control Revolving Fund Administration Fund (administration fund) to provide funds, upon appropriation by the Legislature, to be expended by the state board for payment of the reasonable costs of administering the State Water Pollution Control Revolving Fund. Existing law authorizes the state board to assess an annual charge for financial assistance services, not to exceed 1% of the financial assistance repayment amount and computed according to the true interest cost method, as provided, and requires those annual charges to be deposited into the administration fund. Existing law authorizes the financial service rate to be applied at any time during the term of the financial assistance and requires the rate to remain unchanged for the duration of the financial assistance. Existing law prohibits the financial assistance rate from increasing the financial assistance repayment amount after being applied. Existing law requires the state board to, at least once each fiscal year, adjust the financial assistance service rate. Existing law requires the state board to set the total amount of revenue collected each year through the annual charges at an amount that is equal as practicable to the appropriation amount set forth in the annual Budget Act. This bill would additionally authorize the state board to assess fees in place of an annual charge for financial assistance and would authorize the fees or annual charge to be assessed at any rate as permitted by federal law. (Based on 03/26/2026 text)

SB 239 (Arreguín, D) Open meetings: teleconferencing: subsidiary body.

Last Amended: 04/07/2025

Status: 05/11/2026 - Referred to Com. on L. GOV.



Location: 05/11/2026 - Assembly Local Government

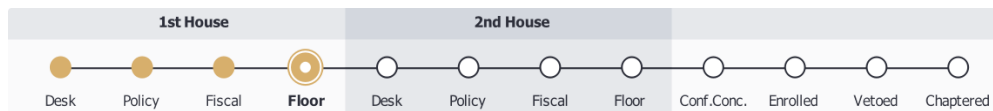
Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified. Current law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference provisions, as specified. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body, as specified. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. (Based on 04/07/2025 text)

SB 872 (McNerney, D) Delta Levees and Canal Subsidence Fund.

Last Amended: 05/14/2026

Status: 05/14/2026 - From committee: Do pass as amended. (Ayes 7. Noes 0.) (May 14). Read second time and amended. Ordered to second reading. (Amended text released 5/15/2026)

Calendar: [05/18/26 #3 S-SENATE BILLS - SECOND READING FILE](#)



Location: 05/14/2026 - Senate SECOND READING

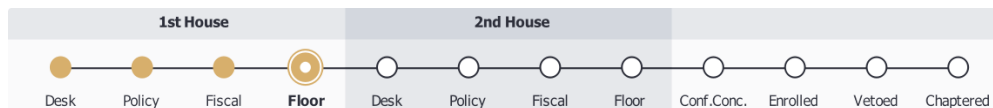
Summary: Existing law, the Sacramento-San Joaquin Delta Reform Act of 2009, declares that the Sacramento-San Joaquin Delta (Delta) is a critically important natural resource for California and the nation and it serves as both the hub of the California water system and the most valuable estuary and wetland ecosystem on the west coast of North and South America. Existing law establishes in the Natural Resources Agency the Department of Water Resources. Existing law requires the department and the Department of Fish and Wildlife to determine the principal options for the Delta and requires the department to evaluate and comparatively rate each option for its ability to do specified things, including, among others, to maintain Delta water quality for Delta users, and to preserve, protect, and improve Delta levees. Existing law establishes in the agency the Sacramento-San Joaquin Delta Conservancy. Existing law requires the conservancy to act as a primary state agency to implement ecosystem restoration in the Delta and to support efforts that advance environmental protection and the economic well-being of Delta residents. Existing law provides for the preservation of specified management areas of the Suisun Marsh, pursuant to a protection plan prepared and adopted by the San Francisco Bay Conservation and Development Commission, as provided. Existing law establishes the Delta Stewardship Council, and requires the council to develop, adopt, and implement a comprehensive long-term management plan for the Delta, known as the Delta Plan, as provided. This bill would establish the Delta Levees and Canal Subsidence Fund in the State Treasury and, upon appropriation, would make the moneys in the fund available to the Secretary of the Natural Resources Agency for expenditure consistent with the allocations described below. The bill would authorize the secretary to seek out, and the fund to accept, state moneys from, among other sources, any bond funds, the General Fund, or the Greenhouse Gas Reduction Fund. (Based on 05/14/2026 text)

SB 899 **(Grove, R) Fire prevention: Wildfire and Forest Resilience Task Force: wildfire smoke.**

Last Amended: 05/14/2026

Status: 05/14/2026 - From committee: Do pass as amended. (Ayes 7. Noes 0.) (May 14). Read second time and amended. Ordered to second reading. (Amended text released 5/15/2026)

Calendar: [05/18/26 #11 S-SENATE BILLS - SECOND READING FILE](#)



Location: 05/14/2026 - Senate SECOND READING

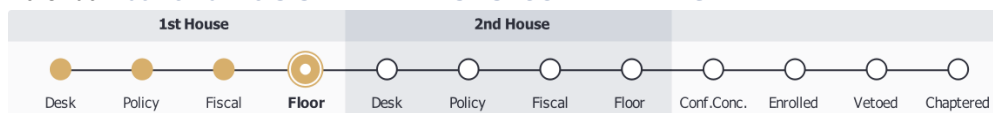
Summary: This bill would require the Wildfire and Forest Resilience Task Force, on or before July 1, 2028, and in cooperation with the Office of Environmental Health Hazard Assessment, the State Air Resources Board, and the State Department of Public Health, to assess the health costs and impacts of wildfire smoke using existing wildfire smoke and health data, as provided. The bill would require the task force, in developing this assessment, to, among other things, develop a model to determine the approximate health benefits of achieving the goals identified in the action plan and make recommendations on how the action plan can increase its health benefits. The bill would authorize the task force to enter into contracts with an independent group to assist with this assessment. The bill would require the task force to include this assessment and additional actions to reduce the health impact of wildfire smoke in the next update to the action plan, as provided. This bill contains other related provisions and other existing laws. (Based on 05/14/2026 text)

SB 951 **(Reyes, D) Employment: technological displacement: notice.**

Last Amended: 05/14/2026

Status: 05/14/2026 - From committee: Do pass as amended. (Ayes 5. Noes 2.) (May 14). Read second time and amended. Ordered to second reading. (Amended text released 5/15/2026)

Calendar: [05/18/26 #23 S-SENATE BILLS - SECOND READING FILE](#)



Location: 05/14/2026 - Senate SECOND READING

Summary: Existing law establishes the Labor and Workforce Development Agency, which is composed of various departments responsible for protecting and promoting the rights and interests of workers in California, including the Division of Labor Standards Enforcement, led by the Labor Commissioner (commissioner), within the

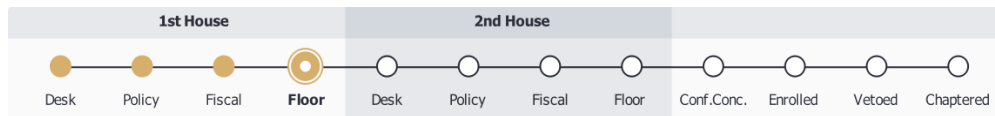
Department of Industrial Relations. Existing law establishes the Employment Development Department (EDD), which is administered by the Director of Employment Development. Under existing law, the Director of Employment Development is vested with specified duties, purposes, responsibilities, and jurisdiction related to job creation activity functions, among other things. This bill would establish the California Worker Technological Displacement Act, which would require an employer, as defined, to provide at least a 60-day advanced written notice, as described, before any technological displacement affecting 25 or more workers during any 30-day period. The bill would require an employer to provide that notice to affected workers, the EDD, and specified local entities. The bill would also require an employer to provide a written technology hiring disruption notice to the EDD when it executes a technological cessation in hiring caused in whole by the adoption of artificial intelligence (AI) or other automating technology. The bill would impose various reporting requirements on the EDD. This bill contains other related provisions and other existing laws. (Based on 05/14/2026 text)

SB 952 (Laird, D) State Water Project: renewable energy resources and zero-carbon resources.

Last Amended: 03/17/2026

Status: 04/28/2026 - Read second time. Ordered to third reading.

Calendar: [05/18/26 #136 S-SENATE BILLS -THIRD READING FILE](#)



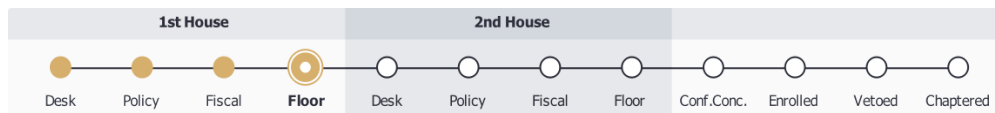
Location: 04/28/2026 - Senate THIRD READING

Summary: Under existing law, it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% of all retail sales of electricity to California end-use customers by December 31, 2040, 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035, as specified. Existing law requires the Department of Water Resources to procure eligible renewable energy resources and zero-carbon resources to satisfy those obligations imposed on the State Water Resources Development System, commonly known as the State Water Project, pursuant to that policy. Existing law requires the department, in conducting procurement, to consider specified factors and requires that all resources procured be used first to meet the department's own electricity needs. This bill would require the department, in conducting procurement, to consider portfolio diversity, resource type, location, and hours of typical peak operation. (Based on 03/17/2026 text)

SB 992 (Niello, R) County auditors: special districts: annual audit exceptions.

Status: 04/30/2026 - Read second time. Ordered to third reading.

Calendar: [05/18/26 #149 S-SENATE BILLS -THIRD READING FILE](#)



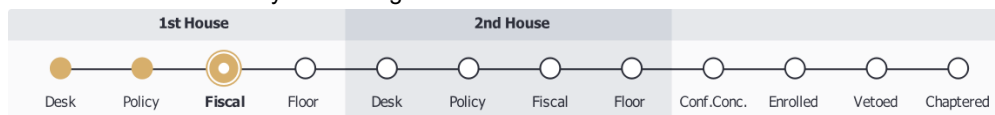
Location: 04/30/2026 - Senate THIRD READING

Summary: Current law requires a county auditor to make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit is not otherwise provided, as specified. Current law authorizes a special district to replace this annual audit with a financial review, or, until January 1, 2027, an agreed-upon procedures engagement or an annual financial compilation of the special district, if specified conditions are met, including that the special district's annual revenues do not exceed \$150,000. Until January 1, 2027, upon receipt of the financial review, agreed-upon procedures engagement, or financial compilation, current law authorizes a county auditor to appoint a certified public accountant or a public accountant to conduct an audit of the special district, as specified. This bill would remove the January 1, 2027, repeal date referenced above, and would increase the revenue cap described above to \$250,000. (Based on 02/05/2026 text)

SB 1001 (Archuleta, D) Local agency, public utility, or mutual water company: personnel access: Personal Identity Verification-Interoperable.

Last Amended: 04/21/2026

Status: 05/14/2026 - May 14 hearing: Held in committee and under submission.

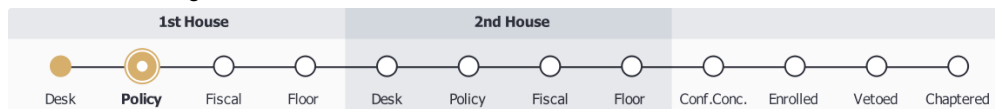


Location: 04/27/2026 - Senate APPR. SUSPENSE FILE

Summary: Existing law authorizes officers of the Department of the California Highway Patrol, police departments, marshal's office or sheriff's office, and officers or employees of the Department of Forestry and Fire Protection or the Department of Fish and Wildlife designated as peace officers to close to all unauthorized persons an area where a menace to the public health or safety created by a calamity exists for the duration of the menace and the immediate area surrounding any emergency field command post or any other command post activated for the purpose of abating a calamity, riot, or other civil disturbance, as specified. Under existing law, an unauthorized person who enters or remains in a closed area, as prescribed, is guilty of a misdemeanor. This bill would, beginning on July 1, 2028, require the Office of Emergency Services, upon request, to issue a local agency, public utility, or mutual water company responsible for public works and critical infrastructure with specified credentialing to facilitate personnel access to an area during or following a natural disaster, act of terrorism, or other man-made disaster. The bill would specify that the credentialing, a Personal Identity Verification-Interoperable (PIV-I), would conform with the federal Personal Identity Verification standards pursuant to federal National Incident Management System guidelines. (Based on 04/21/2026 text)

SB 1035 (Strickland, R) Motor vehicle fuel tax: greenhouse gas reduction programs: suspension.

Status: 03/18/2026 - March 18 set for first hearing. Failed passage in committee. (Ayes 2. Noes 2.) Reconsideration granted.



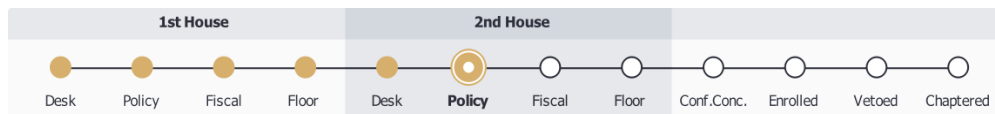
Location: 02/18/2026 - Senate Environmental Quality

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that the statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. Pursuant to the act, the state board has adopted the Low Carbon Fuel Standard regulations. 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. This bill would suspend the Low Carbon Fuel Standard regulations for one year. The bill would also exempt suppliers of transportation fuels from regulations for the use of market-based compliance mechanisms for one year. (Based on 02/11/2026 text)

SB 1036 (Grayson, D) Mitigation Fee Act.

Last Amended: 04/16/2026

Status: 05/11/2026 - Referred to Com. on L. GOV.



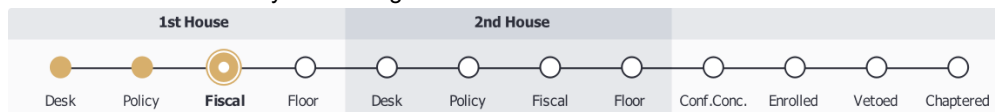
Location: 05/11/2026 - Assembly Local Government

Summary: 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. This bill would require the amount of a fee that is imposed on a development project that demolishes or changes an existing use to be offset to account for the demolition or change so that the amount of the fee is attributable only to the development project's incremental impact on public facilities or services, as provided. (Based on 04/16/2026 text)

SB 1081 (Laird, D) Waste discharge requirements: minimum penalties: exception: publicly owned treatment works.

Last Amended: 04/09/2026

Status: 05/14/2026 - May 14 hearing: Held in committee and under submission.



Location: 04/27/2026 - Senate APPR. SUSPENSE FILE

Summary: The State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality and prescribe waste discharge requirements in accordance with the Porter-Cologne Water

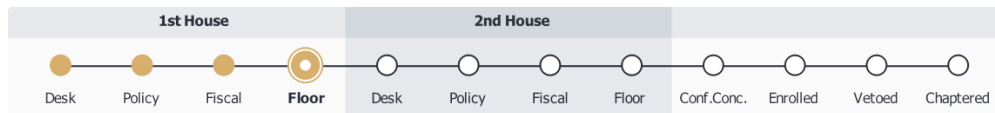
Quality Control Act and the national pollutant discharge elimination system permit program. The act requires mandatory minimum penalties to be assessed for serious violations. The act authorizes the state board or regional board, in lieu of assessing all or a portion of those mandatory minimum penalties against a publicly owned treatment works serving a small community, to instead require the publicly owned treatment works to spend an equivalent amount towards the completion of a compliance project proposed by the publicly owned treatment works if the state board or regional board make specified findings. The act defines “a publicly owned treatment works serving a small community” for these purposes to mean a publicly owned treatment works serving a population of 20,000 persons or fewer or a rural county, with a financial hardship as determined by the state board after consideration of specified factors. This bill would expand the authorization for the state board or regional board to require funding of a compliance project in lieu of the otherwise mandatory penalty to apply to a publicly owned treatment works serving a population of 3,000 persons or fewer, with a financial hardship, determined by the state board, within the 10 years preceding the assessment of the penalty. (Based on 04/09/2026 text)

SB 1085 (Durazo, D) Water supply planning: housing developments.

Last Amended: 04/23/2026

Status: 05/12/2026 - Read second time. Ordered to third reading.

Calendar: [05/18/26 #180 S-SENATE BILLS -THIRD READING FILE](#)



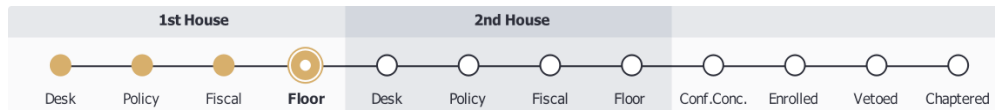
Location: 05/12/2026 - Senate THIRD READING

Summary: 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. Existing 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, among other things, would instead require a city or county, upon receipt of a preliminary application for a housing development project that meets certain conditions, or upon a development application for certain projects being determined as complete or deemed complete, to make that identification of public water systems. The bill would require a city or county, within 15 days of receiving an application that meets either of the above-mentioned criteria, to request each identified public water system to determine whether the projected water demand associated with the proposed project was included in the most recently adopted urban water management plan. (Based on 04/23/2026 text)

SB 1117 (Cervantes, D) Accessory dwelling units and junior accessory dwelling units.

Status: 05/05/2026 - Read second time. Ordered to third reading.

Calendar: [05/18/26 #164 S-SENATE BILLS -THIRD READING FILE](#)



Location: 05/05/2026 - Senate THIRD READING

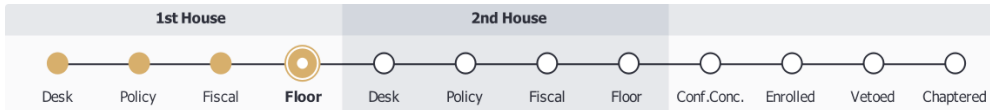
Summary: The Planning and Zoning Law provides for the creation by ordinance, or by ministerial approval if the local agency has not adopted an ordinance, of an accessory dwelling unit (ADU) in accordance with specified standards and conditions. Current law requires fees charged for the construction of ADUs to be determined in accordance with specified provisions of the Mitigation Fee Act. Current law prohibits a local agency, special district, or water corporation from imposing any impact fee upon the development of an ADU that has 750 square feet of interior livable space or less, and requires any impact fees charged for an ADU that has more than 750 square feet of interior livable space to be charged proportionately in relation to the square footage of the primary dwelling unit. This bill would additionally require the charge to be based only on the area in excess of 750 square feet of interior livable space. By changing the duties of local agencies with regard to calculating fees for ADUs, the bill would impose a state-mandated local program. (Based on 02/17/2026 text)

SB 1125 (Menjivar, D) Water Rate Assistance Program.

Last Amended: 05/14/2026

Status: 05/14/2026 - From committee: Do pass as amended. (Ayes 6. Noes 1.) (May 14). Read second time and amended. Ordered to second reading. (Amended text released 5/15/2026)

Calendar: [05/18/26 #52 S-SENATE BILLS - SECOND READING FILE](#)



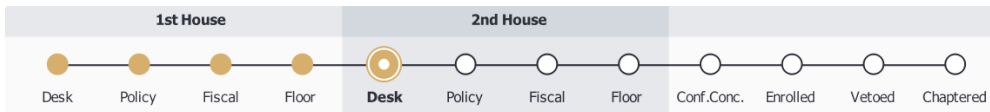
Location: 05/14/2026 - Senate SECOND READING

Summary: Existing law requires the State Water Resources Control Board to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program. Existing law requires the plan to include, among other things, a description of the method for collecting moneys to support and implement the program and a description of the method for determining the amount of moneys that may need to be collected from water ratepayers to fund the program. This bill would establish the Water Rate Assistance Program. As part of the program, the bill would establish the Water Rate Assistance Fund in the State Treasury, available upon appropriation by the Legislature, to provide water affordability assistance for residential water services to low-income residential ratepayers, as specified. The bill would require the state board to take various actions in administering the fund, including, among other things, tracking and managing revenue in the fund separately from all other revenue. The bill would require the state board, in consultation with relevant agencies and after a public hearing, to adopt guidelines for implementation of the program and to adopt an annual report to be posted on the state board's internet website identifying how the fund has performed, as specified. The bill would require the guidelines to include minimum requirements for eligible systems, including the ability to confirm eligibility for enrollment through a request for self-certification of eligibility under penalty of perjury. (Based on 05/14/2026 text)

SB 1139 (Laird, D) Monterey Peninsula Water Management District: nonfunctional turf: noncompliance and enforcement.

Last Amended: 03/23/2026

Status: 04/20/2026 - Read third time. Passed. (Ayes 38. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.



Location: 04/20/2026 - Assembly DESK

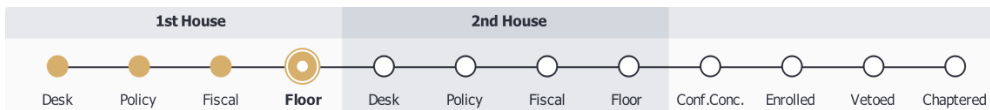
Summary: The Monterey Peninsula Water Management District Law establishes the Monterey Peninsula Water Management District. The act authorizes the district to, among other things, prohibit the use of district water during an emergency caused by drought, or other threatened or existing water shortage, for specific uses that the district finds to be nonessential. Existing 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. Existing 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. Existing 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 the Monterey Peninsula Water Management District pursuant to a locally adopted ordinance or policy. (Based on 03/23/2026 text)

SB 1153 (Caballero, D) Disaster preparedness: urban retail water suppliers and public water systems: wildfire.

Last Amended: 04/28/2026

Status: 05/14/2026 - From committee: Do pass. (Ayes 7. Noes 0.) (May 14). Read second time. Ordered to third reading.

Calendar: [05/18/26 #270 S-SENATE BILLS -THIRD READING FILE](#)



Location: 05/14/2026 - Senate THIRD READING

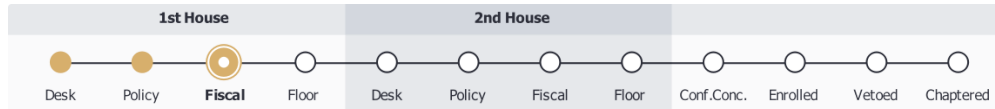
Summary: The California Emergency Services Act requires all public water systems, as defined, with 10,000 or more service connections to review and revise their disaster preparedness plans in conjunction with related agencies, including, but not limited to, local fire departments and the Office of Emergency 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-specific 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, among other things, 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 04/28/2026 text)

SB 1313 (McNerney, D) Drinking water: perfluoroalkyl and polyfluoroalkyl substances.

Last Amended: 04/27/2026

Status: 05/14/2026 - May 14 hearing: Held in committee and under submission.



Location: 05/11/2026 - Senate APPR. SUSPENSE FILE

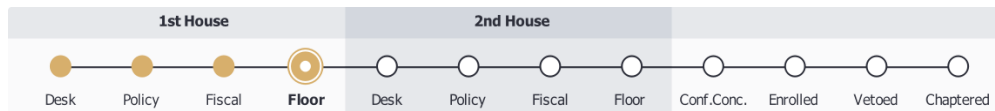
Summary: Existing law establishes the Safe Drinking Water State Revolving Fund, and moneys in the fund are continuously appropriated to the State Water Resources Control Board for the provision of grants and revolving fund loans to provide for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law provides that moneys in the fund and its special accounts may be expended for additional purposes provided in the federal Safe Drinking Water Act. This bill would provide that moneys in the fund and its special accounts may be considered eligible and expended for projects that address perfluoroalkyl and polyfluoroalkyl substances in drinking water. By expanding the purposes for which a continuously appropriated fund may be expended, the bill would make an appropriation. (Based on 04/27/2026 text)

SB 1417 (Pérez, D) Mutual water companies: assessments and water charges: notice.

Last Amended: 04/23/2026

Status: 04/23/2026 - Read second time and amended. Ordered to third reading.

Calendar: 05/18/26 #132 S-SENATE BILLS -THIRD READING FILE



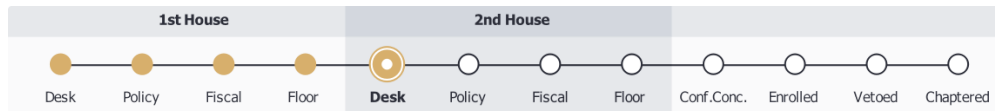
Location: 04/23/2026 - Senate THIRD READING

Summary: Existing law authorizes any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and requires any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use, to provide in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands, as specified. Under existing law, these corporations are known as mutual water companies. This bill would prohibit a mutual water company from charging, issuing a bill, or otherwise seeking to hold tenants of shareholders responsible for the costs of water or its delivery, except for specified tenants, and would require all notices of charges for water to be sent to the last known address of the shareholder or tenant, as applicable. This bill contains other related provisions and other existing laws. (Based on 04/23/2026 text)

SB 1428 (Committee on Natural Resources and Water) Gravity-Based Energy Storage Well Pilot Program: marine invasive species: Wildfire and Forest Resilience Task Force: public lands.

Last Amended: 04/06/2026

Status: 04/20/2026 - Read third time. Passed. (Ayes 38. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.



Location: 04/20/2026 - Assembly DESK

Summary: Existing law authorizes the State Oil and Gas Supervisor to authorize the conversion of not more than 250 wells for use as gravity-based energy storage wells to evaluate their use, including the establishment of appropriate operating conditions and physical parameters to safely store and generate energy. Existing law repeals this authorization on January 1, 2035, and would specify that authorizations issued by the supervisor terminate on that date. This bill would correct an erroneous cross reference for that authorization. (Based on 04/06/2026 text)



PUBLIC AFFAIRS

Local Government Affairs Report

Prepared for the
East Orange County Water District Board of Directors

May 22nd, 2026

OC LAFCO:

- On March 24th, OC LAFCO leadership participated in the first meeting of the Alliance of Local Agency Formation Commissions (Alliance). The meeting included their counterparts from Los Angeles, San Bernardino, and San Diego County LAFCOs and was focused on matters of interest to the four agencies including policy and legislation.

The Alliance was formed in 2025 as an alternative to CALAFCO which had seen the departure of several local LAFCOS in recent years. The Alliance is intended to provide improved coordination and communication on common issues than was being previously offered through CALAFCO.

COUNTY OF ORANGE:

- County CEO-
Despite regular closed session meetings, the Board of Supervisors still has not been able to agree on a replacement for outgoing CEO Michelle Aguirre.
- Approval of 60 residences in unincorporated county canyon area-
At the May 5th meeting, the Board of Supervisors approved the final entitlements to the residential development of 60 single family residences by Shea Homes. Despite the General Plan amendment and zone change being approved in 2004, this development has been held up by concerns over access, safety, traffic and environmental impact. This development is not within the EOCWD service areas.

- Ortega Highway Widening-
At the April 28th meeting, the Board of Supervisors approved a contribution of \$3M towards the Caltrans project to widen the Ortega Highway. This will widen the highway from two lanes to four lanes between Calle Entradero and Reata Road in San Juan Capistrano and unincorporated Orange County. The Project is intended to relieve existing and future traffic congestion along this regional corridor.

Project improvements include:

- Constructing a 12-foot-wide striped median.
 - Reconstructing existing sidewalks.
 - Installing a new traffic signal.
 - Construction of shoulders to accommodate Class II bicycle facilities.
- Prima Deshecha Landfill-
On April 30th Residents held a protest/ town hall meeting at Talega Swim & Athletic Club to protest the increase of capacity at the landfill. The increased capacity is being considered due to the imminent closure of the Olinda landfill near Brea. Prima Deshecha currently processes an average of 2,625 tons of waste per day, with approximately 772 tons per day imported from outside Orange County, primarily from Los Angeles County. The landfill is currently permitted to accept up to 4,000 tons per day and can legally import up to 1,840 tons per day under its existing permit. The proposed expansion would double the permitted daily capacity to 8,000 tons per day, with peak days reaching up to 10,000 tons.
 - Herbicide use in County creeks-
In response to recent public outcry in Orange County regarding the use of herbicides by public agencies, the State Department of Fish and Wildlife is conducting an investigation into complaints of potential violations of the Fish and Game Code in San Juan Creek by Orange County Public Works. Fifth District Supervisor Katrina Foley had previously called for County Public Works to discontinue the use of herbicides to control foliage in San Juan and Trabuco Creeks. Public scrutiny has grown of similar programs in place at other cities and agencies. This issue resulted in a major disruption at the May Board of Supervisors meeting, with Supervisors breaking decorum and arguing at the dias resulting in Chair Chaffee calling a recess of the meeting to restore order to the proceedings.
 - At the May 5th, 2026 Orange County Board of Supervisors meeting, the Board approved the following relevant items, Item #20 *Please note that this item is a continuation of the resolution described in previous reports. No new actions were taken or information provided.*

- Item # 20- Continuation of the Trabuco Canyon Airport Fire local health emergency. The Consolidated Debris Removal Program for the Airport Fire is being completed in several phases:
 - Phase 1- completed on November 15, 2024.
 - Phase 1.5 –completed on January 5, 2025.
 - Phase 2 –*The anticipated completion date remains May 2026.*

ORANGE COUNTY SANITATION DISTRICT (OCSan):

- The Miller-Holder Rhone Lane Sewer Easement Cleanup Project-
As you may have seen in news reports, in April 2026, OC San began the Miller-Holder Rhone Lane Sewer Easement Cleanup Project in Huntington Beach. This project involves clearing improvements that lay within the easement area over the Miller-Holder Rhone Lane Sewer to ensure unimpeded access to a 69-inch wastewater pipeline carrying roughly 10 MGD of wastewater. The pipeline was installed in 1959 and the easement was recorded with the County of Orange in the early 1960s when the property was still farmland. The sewer easement is a 30-foot-wide utility easement consisting of 3,200 linear feet of a 69-inch wastewater pipeline.

The existing homes were built in the 1960s and 1970s. Since the homes were constructed, several homeowners have built structures including pools, grottos, patios, sheds and other improvements within the easement and sometimes directly on top of the sewer pipeline. The construction of some of these improvements received permits from the City of Huntington Beach but none were approved by OC San. Due to the age of the infrastructure and the need for unimpeded access to the pipeline, in 2024 the OC San Board approved moving forward with the efforts to obtain access to the infrastructure.

- Super Critical Water Oxidation (SCWO)-
374Water, Inc., the company working with OCSan to develop the SCWO process, has completed the 48-hours acceptance testing run. This test was intended to demonstrate the ability to deliver contracted design capacity and continuous run endurance. The unit will now be delivered to OC San for continuation of this pilot program, further testing and long-term demonstration of this technology.
- OCSan Service Area Increase and Advanced Prop 218 Noticing-
In November 2025, the OC San Board approved a new flow agreement with IRWD. Based on this updated agreement, regional sewer service billing for some property owners will transition from IRWD to OC San on July 1, 2026. To collect revenue from this new customer base, affected property owners must be properly notified of OC San's rate schedule, requiring the Proposition 218 process to be advanced by one year. This is a complicated set of lengthy agreements and we have the relevant documentation

available for EOCWD Board Members upon request. We will provide a more comprehensive report when the item is heard at OC LAFCO in coming months. A brief OCSan agenda item is attached to this report as Addendum #1.

CITY OF ORANGE:

- At the April 28th, 2026 City Council meeting. The City Council Heard item #3.17
 - Notice of Completion and Acceptance for Well No. 29 Drilling Project
This project consisted of pilot hole drilling, installation of approximately 1,085 feet of 20-inch stainless steel casing and screen, installation of accessory tubing, gravel pack, sanitary seal, hydrogeology testing, well development, and disinfection. The project was completed in February 2026.

The approved project budget was \$2,868,928 and the final construction cost was \$2,426,995. The project was completed under budget because of savings from field condition changes.

- At the May 12th, 2026 City Council meeting. The City Council Heard items #3.8 & 9.1
 - Item #3.8 Payment of \$1,860,000 for the construction of a new 16-inch transmission water main along Orangewood Avenue from the Santa Ana River to Eckhoff Street pursuant to an existing Cooperative Agreement between the City of Orange and the City of Anaheim to fund the construction of the new Orangewood transmission main from Santa Ana River to Eckhoff Street. This proposed transmission main segment is constructed as a part of the joint Orangewood Avenue Street and Bridge Widening Project.

The City of Orange is working in partnership with the City of Anaheim for the installation of a new 16-inch ductile iron pipe and is composed of two phases. Phase 1 installed pipe from State College Boulevard to Santa Ana River and was recently completed as part of the City of Anaheim Orangewood Avenue Street Widening Project. Phase 2 will extend the transmission main from Santa Ana River to Eckhoff Street and will be constructed as part of the City of Anaheim Bridge Widening Project.

- Item #9.1 Consider revenue measures to address ongoing structural General Fund deficits and provide direction for the November 2026 General Municipal Election. The City of Orange continues to face recurring structural General Fund deficits as operating revenues have not kept pace with rising labor costs, inflation, contractual services, and infrastructure maintenance needs.
 - Council Members voted 5-2 to direct staff to come back with a 1% sales tax ballot measure that, if approved, would expire in 10 years and would include a plan on how the additional revenue is spent. In 2024 voters rejected a ½ cent sales tax measure.

- Council Members voted 6-1 to direct staff to bring back a ballot measure to increase the hotel tax from 10% to up to 15% and speak to local hoteliers to get their input.
- Council Members voted 5-2 to direct staff to come back with more information on legalizing cannabis.
- Council Members voted 6-1 to begin the process of putting a measure on the November ballot that if approved would make Orange a charter city.

CITY OF TUSTIN:

- At the May 5th, 2026 City Council meeting. The City Council unanimously approved item # 4: *Please note that this item is a continuation of the resolution described in previous reports. No new actions were taken or information provided.*
 - Item 4- The City Council adopted Resolution 26-12 determining the need exists to continue the local emergency related to the fire and release of chemicals of public health concern from the Navy's North Hangar.

IRVINE RANCH WATER DISTRICT (IRWD):

- Revised Water Banking, Transfers, and Wheeling Policy Position Paper- At their April 27th meeting, the IRWD Board of Directors approved the staff recommended revisions to the 2026 Revised Water Banking, Transfers, and Wheeling Policy Position Paper. Notable items included in this update are:
 - In the event of a loss of imported water, to increase the number of years of stored water available from three years to six years.
 - Pursue an additional 25,000 Acre Feet (AF) of storage capacity.
 - Increased purchases of farmland which include water rights.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC):

- Board Member Compensation Increase- At the April 15th meeting the MWDOC Board held a public hearing to consider an increase in Director compensation. The last Board compensation increase provided a 2.5% increase in the per diem rate from \$327.43 to \$335.62, effective July 1, 2025. This item proposed a 3.2% increase which would place Director compensation at \$346.36 per meeting effective July 1, 2026. The item barely passed with four yes, three no votes.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (Met):

- **Water Supply-**
Metropolitan's total imported supply is estimated to be 1.47 million acre-feet for Calendar Year 2026 at current allocation levels, before stored supply withdrawal. Metropolitan's SWP supply is 574 thousand acre-feet. The Colorado River Lower Basin is at a Level 1 shortage in CY 2026, which does not impact Metropolitan's operations or water supply. Metropolitan's CY 2026 demands, including other obligations, are estimated to be 1.50 MAF. If the current estimated demand and available imported supply is constant, Metropolitan's water supplies are effectively balanced, with a minor supply gap of approximately 30 TAF. Metropolitan has sufficient dry-year storage to address the projected supply gap.

OTHER RELEVANT ITEMS:

- **South Coast Air Quality Management District (SCAQMD) -**
The SCAQMD is planning on bringing forth a proposed rule, PR1110.4, to its Governing Board in Q4 to address emissions from emergency backup generators. SCAQMD staff has compared the agency's current emission requirements for new engines with those of the Sacramento Metropolitan Air Quality Management District (SMAQMD) and the San Joaquin Valley Air Pollution Control District (SJVAPCD). It is likely that SCAQMD will look to adopt the Tier 4 Emission limits that SMAQMD and SJVAPCD currently use. Existing emergency engines are permitted to run 20-30 hours per year for testing, but on average, just one Public Safety Power Shutoff, or PSPS, event typically lasts longer than this duration.
- **The Department of the Interior (DOI) Water Infrastructure Investment-**
The Federal DOI has allocated \$889 million for Western states water infrastructure in California, Idaho, North Dakota, South Dakota, Utah and Wyoming. This allocation is part of the One Big Beautiful Bill Act passed in July of last year. The majority of the funding, amounting to \$540 million will be used for water projects in California. These projects include \$235 million for the Delta-Mendota Canal, \$200 million for the Friant-Kern Canal, \$50 million for the San Luis Canal, \$15 million for the Tehama-Colusa Canal and \$40 million to raise the Shasta Dam.
- **CPUC Residential Climate Credit Shift -**
Beginning in 2026, residential customers will receive their California Climate Credit during peak months when energy use and bills tend to be highest. For residential electric customers of Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E), the Climate Credit will be provided during the peak cooling in August and September, which are peak summer months for California's three largest utilities. Beginning in 2027, residential natural gas customers will receive their credits in

February, aligning with winter heating demand. The change is designed to provide more meaningful, timely financial relief without requiring any action from customers.

- **First Sustainable Groundwater Management Act (SGMA) Groundwater Adjudication Case-**

On March 5th 2026 the Second District Court of Appeals affirmed the trial courts judgement on Los Posas Valley Water Rights Coalition v Ventura County Water Works District no. 1. This is California's first completed appeal process for a comprehensive groundwater adjudication since the passage of the SGMA. Several issues were not settled including property rights and priority, these will likely be appealed and could end up in the US Supreme Court. This ruling settled the issues of:

- The amount of water that can be extracted.
- Stakeholder allocation.
- Basin governance.

- **California Ocean Acidification Status-**

Based on the recent report from The Ocean Science Trust, the amount of seawater that is corrosive to marine life's shells is six times larger off California's coast than before the widespread use of fossil fuels. Acidification can be further intensified by land-based sources of nutrients, such as wastewater, especially near densely populated urban areas. California is taking action on ocean acidification and built one of the most comprehensive ocean monitoring networks on the West Coast, tracking acidity levels in real time and funding research. The State Water Resources Control Board is also considering taking action to address the impacts of land-based nutrients on coastal acidification. Any such actions will likely include outfall owners, permittees and sanitation agencies, especially those located on or near the coast.

OTHER LOCAL ITEMS OF NOTE:

- **Ongoing city management changes in Orange County**

- **Irvine City Manager Retirement-**

On May 17th, Irvine City Manager Sean Crumby announced that he will retire on August 14th, 2026 after less than a year in the position. Mr. Crumby was hired as City Manager in October, 2025 following the resignation of Oliver Chi who brought him from Huntington Beach. Mr. Crumby has close to thirty years of municipal executive experience. He previously served as Public Works Director at Huntington Beach, both Assistant City Manager and Public Works Director for the city of Seal Beach, and a variety of leadership positions in Long Beach.

ADDENDUM 1

Flow Exchange Agreement and GAP Flows Agreement

Presented by:
Justin Fenton
Engineering Manager

Steering Committee
November 19, 2025

OC SAN
ORANGE COUNTY SANITATION DISTRICT

1

Overview

Flow Exchange Agreement

- Best utilizes existing infrastructure
- Simplifies accounting
- Provides operational flexibility

Green Acres Project (GAP) Flows Agreement

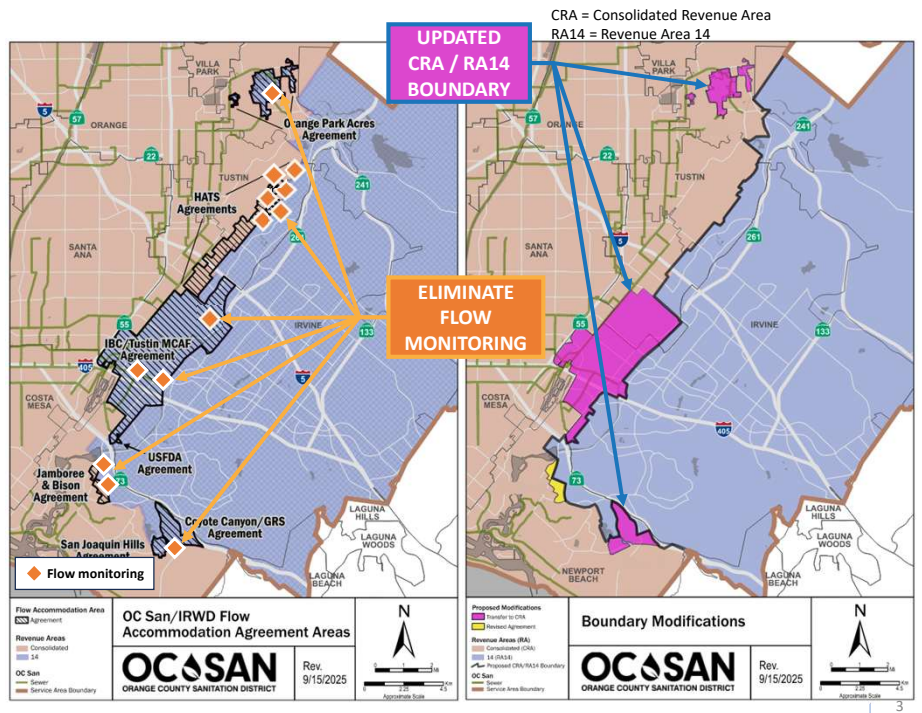
- Replaces and extends to 2045
- Details how IRWD can manage surplus recycled water:
 - Provide to OCWD (GAP or GWRS)
 - Disposal by OC San (Ocean Outfall)

THE
BIG
PICTURE

2

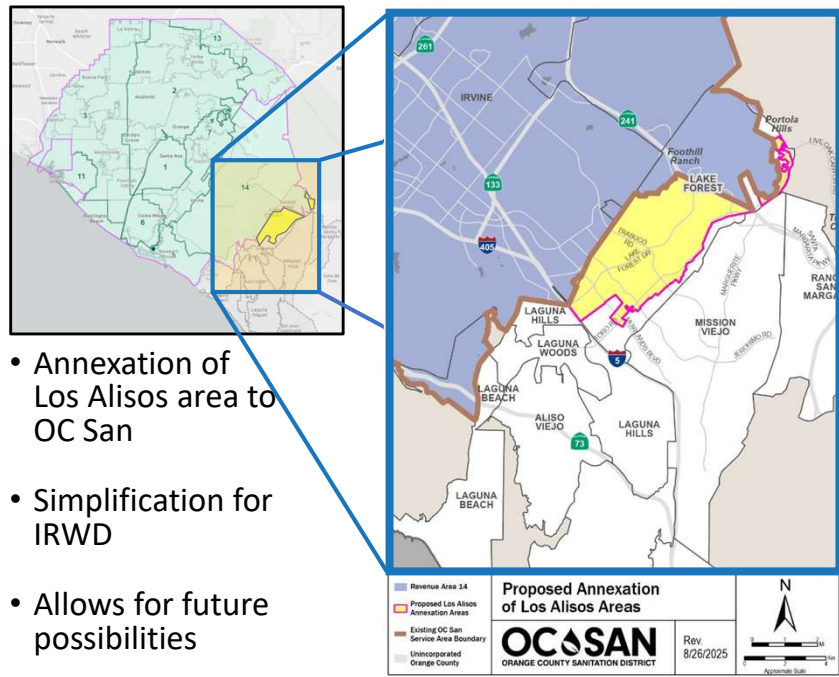
Flow Exchange

- Exist. Infrastructure
- Simplify Accounting



Flow Exchange

- Provides Flexibility



- Annexation of Los Alisos area to OC San
- Simplification for IRWD
- Allows for future possibilities

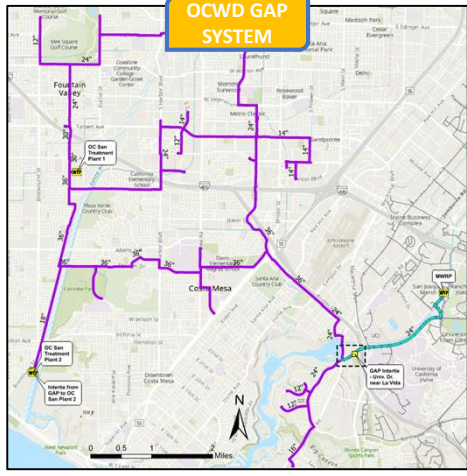
**IRWD
Michelson Water Recycling Plant**



**IRWD
RESERVOIR**



OCWD GAP SYSTEM



**NEWPORT
BACK BAY**



GAP Flows

-IRWD Recycled Water Discharge Options

OCWD GAP SYSTEM



**GAP
USERS**



**OCWD
GWRs FEED**



**OC SAN
OUTFALL**



GAP Flows

-Extend to 2045
-Environmental Benefits

Please review your artwork for layout and accuracy.

ARTWORK PROOF

Approval Send Date: April 22, 2026

Month/Issue: MAY 2026

Size of Advertisement: 5.93" x 6.75"

Color OR Black & White: Color



Water Efficient Landscapes

In California, the largest use of all urban water happens outdoors watering landscapes. Many of our landscapes have grass turf or non water-wise plants that are not suited for our drier, hotter California climate, and require a wasteful amount of water to maintain.

Luckily, outdoor water consumption can be greatly reduced with careful planning, proper plant selection, efficient irrigation systems, and water management best practices. Saving water doesn't mean giving up our gardens!



Every Drop Counts

Learn more at eocwd.com



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER *DMJ*
SUBJECT: DIRECTOR'S REPORTS
DATE: MAY 28, 2026

Background

Board members represented the District at the following meetings in April:

President Murdoch

- 4/3 ACWA Region 10 Spring Conference Planning
- 4/15 EOCWD Engineering & Operations Committee
- 4/16 ACWA Groundwater Quality Subcommittee
- 4/17 ACWA Board of Directors' Closed Session Meeting: 2nd Round Executive Director Candidate Interviews
- 4/20 Special Briefing – ACWA Vision for our Water Future
- 4/21 ACWA Live Webinar
- 4/23 EOCWD Regular Board Meeting

Vice President Thoms

- 4/3 Water Advisory Committee of Orange County (WACO)
- 4/7 ISDOC Executive Committee Meeting
- 4/15 EOCWD Engineering & Operations Committee
- 4/23 EOCWD Regular Board Meeting

Director Davert

- 4/23 EOCWD Regular Board Meeting

Director Sears

- 4/3 Water Advisory Committee of Orange County (WACO)
- 4/23 EOCWD Regular Board Meeting
- 4/30 ISDOC Quarterly Luncheon

Director Marquez

- 4/23 EOCWD Regular Board Meeting

Recommendation

Informational.