SAN JUAN WATER DISTRICT
BOARD MEETING AGENDA
9935 Auburn Folsom Road
Granite Bay, CA 95746

September 23, 2026
6:00 p.m.

This Board meeting will be conducted both in-person at the District's Boardroom at the address above and via videoconference. When all Board members are in the Boardroom, the District's Board meetings are not required to be broadcast via videoconference and are done so as a convenience to the public; furthermore, if the transmission is interrupted for any reason, the meeting will continue in person as scheduled. Members of the public may participate in Board meetings via videoconference per the instructions below.

To attend via videoconference, please use the following link:

Please join the meeting from your computer, tablet or smartphone.
https://meet.goto.com/245724141

You can also dial in using your phone.
United States: +1 (872) 240-3212

Access Code: 245-724-141

Please mute your line.

Whether attending via videoconference or in person, the public is invited to listen, observe, and provide comments during the meeting. The Board President will call for public comment on each agenda item at the appropriate time – if you are attending via videoconference at that time, please unmute your line in order to speak.

*****Important Notice: For any meetings that include a Closed Session, the videoconference will be terminated when the Board adjourns into Closed Session. Members of the public who would like to receive the report out from Closed Session and time of adjournment from Closed Session into Open Session and adjournment of the meeting should provide a valid email address to the District's Board Secretary, Teri Grant, at: tgrant@sjwd.org, before or during the meeting. No other business will be conducted after the Board adjourns from Closed Session into Open Session. Promptly after the meeting, the Secretary will email the written report to all persons timely requesting this information.**

The Board may add an item to the agenda (1) upon a determination by at least three Board members that an emergency situation exists, or (2) upon a determination by at least four Board members (or by three Board members if there are only three Board members present) that the need to take action became apparent after the agenda was posted.

Public comment on items within the jurisdiction of the Board is welcome, subject to reasonable time limitations for each speaker. The order of agenda items may be changed to accommodate those in attendance wishing to address a particular item. Please inform the General Manager if you have such a request.

Documents and materials that are related to an open session agenda item that are provided to the District Board less than 72 hours prior to a regular meeting will be made available for public inspection and copying at the District office during normal District business hours.

If you are an individual with a disability and need assistance or accommodation to participate in this Board meeting, please call Teri Grant, Board Secretary, at 916-791-0115, or email Ms. Grant at tgrant@sjwd.org.

Please silence cell phones and refrain from side conversations during the meeting.

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC FORUM AND COMMENTS

This is the opportunity for members of the public to comment on any item(s) that do not appear on the agenda. During the Public Forum, the Board may ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determination to add the matter to the agenda.

V. CONSENT CALENDAR

All items under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board or Staff request a specific item be removed before the motion to approve the Consent Calendar. Members of the public may request that a Board member or staff ask the Board President to remove an item for separate consideration.

1. Minutes of the Board of Directors Meeting, August 19, 2026 (W & R)
   Recommendation: ***Approve draft minutes***

VI. DISCUSSION AND ACTION ITEMS

1. Prohibited Practices and Enforcement Measures Ordinance Amendment (W & R)
   Action: ***Introduce and consider a motion to waive First Reading of Ordinance No. 26-03 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance 11000***
2. CalPERS Retirement Contract Amendment – Resolution of Intention (W & R)
   Action: ***Adopt Resolution 26-17 declaring the District's intention to approve an amendment to the CalPERS Retirement Benefits Contract***
3. Review of Retail Rate Increase (R)
   Discussion and possible action
4. FIN-5.2 Capital Asset Policy – Proposed Amendments for Bundled Assets (W & R)
   Action: ***Approve retroactive amendment to the Capital Asset Policy, to clarify the definition of bundled assets and create specific asset categories for "Hydrants" and "Meters and Endpoints"***
5. Conjunctive Use and Groundwater Banking Activities Update (W & R)

VII. INFORMATION ITEMS

1. General Manager's Report
   - 1.1 General Manager's Monthly Report (W & R)
     Staff Report on District Operations
   - 1.2 Miscellaneous District Issues and Correspondence
2. Assistant General Manager's Report
   - 2.1 Miscellaneous District Issues and Correspondence
3. Director of Water Resources & Strategic Affairs' Report
   - 3.1 Hydrology Report (W & R)
   - 3.2 Miscellaneous District Issues and Correspondence

4. Director of Finance's Report
    4.1 Miscellaneous District Issues and Correspondence
5. Legal Counsel's Report
    5.1 Legal Matters

VIII. DIRECTORS' REPORTS

1. Sacramento Groundwater Authority (SGA) – T. Costa
2. Regional Water Authority (RWA) – T. Costa
3. Association of California Water Agencies (ACWA)
    3.1 ACWA – P. Tobin
    3.2 Joint Powers Insurance Authority (JPIA) – P. Tobin
4. Other Reports, Correspondence, Comments, Ideas and Suggestions

IX. FUTURE AGENDA ITEMS

1. Requests by Board Members for Agenda Items
2. Meeting Date Changes and Board Attendance

X. COMMITTEE MEETINGS

1. Finance Committee – September 8, 2026

XI. UPCOMING EVENTS

1. 2026 ACWA Fall Conference
    December 1-3, 2026
    Anaheim, CA

President Costa to call for Closed Session

XII. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
    (Section 54956.9) Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 23WM000064, Sacramento County Superior Court
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
    (Section 54956.9) Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 26WM000117, Sacramento County Superior Court

XIII. OPEN SESSION

1. Report from Closed Session

XIV. ADJOURN

UPCOMING MEETING DATES
October 7, 2026 Special Meeting
November 18, 2026

I declare under penalty of perjury that the foregoing agenda for the September 23, 2026, meeting of the Board of Directors of San Juan Water District was posted by September 18, 2026, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and was freely accessible to the public. The agenda and the board packet is also posted on the District's website at sjwd.org.

Teri Grant, Clerk of the Board

(W) – Wholesale
(R) – Retail

The Pledge Of Allegiance

I pledge allegiance to the flag
of the United States of America
and to the republic for which it stands,
one nation under God, indivisible,
with liberty and justice for all.

Back to Agenda

AGENDA ITEM V-1
DRAFT

SAN JUAN WATER DISTRICT
Board of Director's Board Meeting Minutes
August 19, 2026 – 6:00 p.m.

BOARD OF DIRECTORS

Ted Costa	President
Pam Tobin	Vice President
George Machado	Director
Mike McRae	Director
Manuel Zamorano	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Adam Larsen	General Manager
Andrew Pierson	Assistant General Manager
Donna Silva	Director of Finance
Greg Zlotnick	Director of Water Resources & Strategic Affairs
Devon Barrett	Customer Service Manager
Daniel Griego	Field Services Manager
Mike Spencer	Water Treatment Plant Manager
Teri Grant	Clerk of the Board/Executive Assistant
Ryan Jones	General Counsel
Elizabeth Ewens	Water Counsel

OTHER ATTENDEES

Person 1	
Michael Miller	
Entela Fallstead	SJWD Employee
Mark Hargrove	SJWD Employee

AGENDA ITEMS

I. Call to Order
II. Roll Call
III. Pledge of Allegiance
IV. Public Forum and Comments
V. Consent Calendar
VI. Discussion and Action Items
VII. Information Items
VIII. Directors' Reports
IX. Future Agenda Items
X. Committee Meetings
XI. Upcoming Events
XII. Closed Session
XIII. Open Session
XIV. Adjourn

I. CALL TO ORDER

II. ROLL CALL

The Board Secretary took a roll call of the Board. The following directors were present in the Boardroom: Ted Costa, George Machado, Mike McRae, Pam Tobin and Manuel Zamorano.

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC FORUM AND COMMENTS

There were no public comments.

V. CONSENT CALENDAR

All items under the Consent Calendar are considered to be routine and are approved by one motion. There was no separate discussion of these items unless a member of the Board or staff requested a specific item be removed. Consent Calendar item documents are available for review in the Board packet.

1. **Minutes of the Board of Directors Meeting, July 15, 2026 (W & R)**
   Recommendation: Approve draft minutes

2. **Treasurer's Report – Quarter ending June 30, 2025 (W & R)**
   Recommendation: Receive and file

3. **WTP Electrical Panels Rehabilitation Project – Construction Contract (W)**
   Recommendation: To authorize the Engineering Manager to sign a construction contract with Brooke Electrical LLC for the construction of the Water Treatment Plant Electrical Panels Rehabilitation Project (Project)

Vice President Tobin moved to approve Consent Calendar. Director Machado seconded the motion, and it carried unanimously.

VI. DISCUSSION AND ACTION ITEMS

1. **Potential Public Records Act Request Related to CHWD (W)**
   GM Larsen reminded the Board that this item had remained tabled since the May Board meeting. By consensus, the Board directed staff and Legal Counsel Jones to submit a Public Records Act (PRA) request to the Citrus Heights Water District for records including, but not limited to, the following:

   - Grant applications
   - Legal fees
   - Customer Advisory Committee expenses

   President Costa requested that the initial PRA request be submitted first, with a subsequent request for additional records to be developed in consultation with GM Larsen.

2. **Customer Confidence Initiative (W & R)**
GM Larsen reviewed the written staff report included in the Board packet. He explained that staff proposes a four-month pilot program designed to increase public awareness of District services and strengthen customer outreach. He further confirmed that the program's messaging would be coordinated with the Public Information Committee and aligned with the District's website and social media content.

In response to Director McRae's question, GM Larsen advised the Board that the initiative would be funded within the existing budget through the District's current contract with Prosio Communications and the use of internal staff resources.

Vice President Tobin moved to approve the Customer Confidence Initiative and authorize staff to proceed with implementation. Director McRae seconded the motion, and it carried unanimously.

3. **Conjunctive Use and Groundwater Banking Activities Update (W & R)**
Mr. Pierson reported that a draft contract had been prepared for submission to a consultant to conduct a preliminary evaluation of the Baldwin Reservoir site and other properties for potential use as settling ponds. President Costa advised the Board that Sacramento Suburban Water District's study of water banking through injection wells estimated a cost of approximately $750 per acre-foot, compared with a sale price of $650 per acre-foot, indicating that a holding pond may provide a more cost-effective method of banking water. President Costa also expressed his desire to meet the March 2027 deadline for submitting a grant application for the project.

Mr. Zlotnick reported that the Water Bank Program Committee held a productive meeting with Reclamation, advancing efforts to obtain federal acknowledgment.

VII. INFORMATION ITEMS

1. **GENERAL MANAGER'S REPORT**

1.1 General Manager's Monthly Report (W & R)
GM Larsen reported that operations are going well with zero failed water quality samples and turbidity is exceptionally low. He reviewed the written report for July which was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence
GM Larsen reported that the District hosted several events during the previous month, including Kids Day, the family barbecue, and Water Treatment Plant tours for the Citrus Heights Historical Society and Citrus Heights Water District staff. He also informed the Board that an RWA tour of the Water Treatment Plant is planned and that an event at Kokila Reservoir with Kevin Kiley has been scheduled. Mr. Pierson added that representatives from the City of Roseville will also attend a tour of the Water Treatment Plant.

Vice President Tobin reported that she was coordinating a meeting with Supervisor Suzanne Jones, Director Machado, and GM Larsen. President Costa recommended inviting local emergency response personnel to tour the District and stated that he would provide his contact with GM Larsen's information to coordinate a date.

Vice President Tobin noted that data centers have received increased attention because of their significant water use. She stated that she would email the Board a related handout.

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 Miscellaneous District Issues and Correspondence

Mr. Pierson reported that the initial recruitment for the Senior Engineer position did not yield any qualified candidates; accordingly, the position will remain open until filled. He also reminded the Board that the District's reorganization added a position to the Engineering Department. Mike Heasley was selected internally to fill the Engineering Operations Specialist position. This new role is expected to reduce District costs by enabling staff to manage in-house projects that would otherwise require consultant services, including the Hinkle Reservoir Dam Erosion Project and the North Basin Backwash Hoods Project. Estimated savings for these projects are between $200,000 and $300,000.

Mr. Pierson presented an update on the progress of the Kokila Reservoir project and reported that construction remains on schedule for completion by May 1, 2027.

3. DIRECTOR OF WATER RESOURCES & STRATEGIC AFFAIRS' REPORT

3.1 Hydrology Report (W & R)

Mr. Zlotnick presented graphs illustrating Folsom Reservoir levels and reported that current storage had declined significantly due to releases supporting Delta water quality. He noted, however, that storage was projected to end December near the regional target of 300,000 acre-feet. In response to Vice President Tobin's question, Mr. Zlotnick explained that traditional El Niño conditions generally bring greater precipitation to Southern California, whereas the anticipated "Super El Niño" is expected to increase the likelihood of above-average rain and snowfall in Northern California this winter.

3.2 Miscellaneous District Issues and Correspondence

Mr. Zlotnick reported that the State Water Board released its final draft Bay-Delta Water Quality Control Plan, with a 30-day comment period. He expects RWA and ACWA to submit comments; the District will review those comments and then decide if the District should comment as well. He expects the plan to be reviewed for adoption at the October State Board meeting.

4. DIRECTOR OF FINANCE'S REPORT

4.1 Miscellaneous District Issues and Correspondence

In response to President Costa's request, Ms. Silva reviewed the Quarterly Treasurer's Report for the quarter ending June 30. 2026. She explained that this was presented at the Finance Committee meeting. She reported that the overall portfolio decreased by $499,905 for an ending balance of $64.56 million as of June 30, 2026. She explained that this was a planned decline, as the District is using cash reserves to fund projects, such as the Kokila Reservoir Project, and avoid debt.

Ms. Silva reviewed the investment strategy and reminded the Board that she will be increasing the duration of the PFM-managed portfolio to capture higher returns.

She explained that the goal is to increase the average duration from the current 2.12 years to approximately 4 years which will capitalize on currently favorable interest rates.

Ms. Silva reported that the final draw on the EPA grant for the Kokila Reservoir Project was submitted.

5. **Legal Counsel's Report**

5.1 Legal Matters
No report.

VIII. DIRECTORS' REPORTS

1. **Sacramento Groundwater Authority (SGA)**
President Costa reported that he attended the SGA meeting and voted against the governance program approved by the agency. He expressed concern that SGA's Joint Powers Authority (JPA) structure gives the cities and Sacramento County control over Board appointments, thereby limiting the District's ability to select its own representative. Mr. Zlotnick explained that, under the Sustainable Groundwater Management Act (SGMA), Groundwater Sustainability Agencies (GSAs) possess police powers to manage groundwater basins. He noted that this authority raises the question of whether a JPA is still necessary to manage the SGA groundwater basin.

Mr. Zlotnick suggested that the Board might want to consider whether to evaluate SGA's ability to operate as a GSA without its current JPA structure, which limits the District's authority over Board appointments. President Costa requested that Legal Counsel first determine whether the District's status as a Community Services District provides sufficient police powers for direct GSA membership. The Board directed Legal Counsel to complete that analysis before any additional research is undertaken.

2. **Regional Water Authority (RWA)**
President Costa reported that RWA meets in September.

3. **Association of California Water Agencies (ACWA)**

3.1 ACWA - Pam Tobin
Vice President Tobin reviewed the written report included in the Board packet. The report addressed a Proposition 13 measure that, as President Costa clarified, is distinct from the original Proposition 13 but seeks to reaffirm its intent to limit the size of government. In response to Director McRae's question, Director Zamorano stated that President Costa had played a significant role in advancing the original Proposition 13 while working for Paul Gann.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin
Vice President Tobin reviewed a written report which is included in the Board packet.

4. **Other Reports, Correspondence, Comments, Ideas and Suggestions**
There were no other matters discussed.

IX. FUTURE AGENDA ITEMS

1. **Requests by Board Members for Agenda Items**
   Vice President Tobin would like to include some information on data centers in the next Board packet.

2. **Meeting Date Changes and Board Attendance**
   Vice President Tobin requested that the September Board meeting be changed due to a conflict on her calendar. The Board discussed and agreed to a date.

   Vice President Tobin moved to reschedule the September 16, 2026, Board meeting to September 23, 2026, as a regular Board meeting. President Costa seconded the motion, and it carried unanimously.

X. COMMITTEE MEETINGS

1. **Personnel Committee – August 4, 2026**
   The committee meeting minutes were included in the Board packet.

2. **Finance Committee – August 11, 2026**
   The committee meeting minutes were included in the Board packet.

3. **Engineering Committee – August 12, 2026**
   The committee meeting minutes were included in the Board packet.

XI. UPCOMING EVENTS

1. **2026 ACWA Fall Conference**
   December 1-3, 2026
   Anaheim, CA

At 7:08 p.m., President Costa announced that the Board was adjourning to Closed Session and there were no public comments.

XII. CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
   (Section 54956.9) Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 23WM000064, Sacramento County Superior Court

2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
   (Section 54956.9) Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 26WM000117, Sacramento County Superior Court

3. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
   Pursuant to Government Code § 54957
   Title: General Manager

4. **CONFERENCE WITH LABOR NEGOTIATORS**
Pursuant to Government Code § 54957.6
Agency designated representatives: TBD
Employee group: Unrepresented employee (General Manager)

XIII. OPEN SESSION

There was no reportable action.

XIV. ADJOURN

The meeting was adjourned at 8:40 p.m.

____
EDWARD J. "TED" COSTA, President
Board of Directors
San Juan Water District

ATTEST:________________________________
TERI GRANT, Clerk of the Board

Back to Agenda

AGENDA ITEM VI-1

STAFF REPORT

To:	Board of Directors
From:	Devon Barrett, Customer Service Manager
Date:	September 23, 2026
Subject:	Prohibited Practices and Enforcement Measures Ordinance Amendment

RECOMMENDED ACTION

Staff requests that the Board of Directors introduce and waive the first reading of Ordinance 26-03 amending Ordinance 11000, Prohibited Practices and Enforcement Measures, to incorporate the prohibition on the use of potable water to irrigate nonfunctional turf. Recommendation for final adoption of Ordinance 26-03 will occur at the November Board meeting, along with staff's recommendation for approval of Board Policy ADM-3.7, Nonfunctional Turf Irrigation.

BACKGROUND

Assembly Bill 1572 (AB 1572), enacted in 2023 and codified in California Water Code section 10608.14, prohibits the use of potable water to irrigate nonfunctional turf on specified commercial, industrial, institutional, public agency, and common-interest properties. Nonfunctional turf generally means turf that is not located in a recreational use area or community space and includes turf within street rights-of-way and parking lots. The law does not apply to private residential properties, and cemeteries are excluded from the commercial, industrial, and institutional property prohibition.

The prohibition takes effect in phases. It applies beginning January 1, 2027, to property owned by the Department of General Services and most property owned by local governments, local or regional public agencies, and public water systems; January 1, 2028, to other institutional properties and commercial and industrial properties; January 1, 2029, to common areas of homeowners' associations, common interest developments, and community service organizations or similar entities; and January 1, 2031, or later if state conversion funding is not available, to qualifying public properties in disadvantaged communities.

Water Code section 10608.14 requires public water systems, no later than January 1, 2027, to revise their regulations, ordinances, or policies governing water service to include the statutory prohibition and its allowance for potable irrigation to the extent necessary to maintain the health of trees and other perennial nonturf plantings or to address an immediate health and safety need. Public water systems must also communicate the requirements to customers by that date.

CURRENT STATUS

Ordinance 11000 currently addresses leaks and wasteful use of water in Section 11000.01 and provides for enforcement measures in Section 11000.02. It does not specifically address the use of potable water to irrigate nonfunctional turf. Because AB 1572 establishes a separate statutory prohibition, the proposed amendment does not define irrigation of nonfunctional turf as a wasteful use of water under Section 11000.01.

The proposed ordinance instead adds a new top-level Section 11000.02, Nonfunctional Turf. The section will incorporate the requirements of Water Code section 10608.14(a) and (b) through a proposed Board Policy ADM-3.7, which will prohibit the use of potable water to irrigate nonfunctional turf in accordance with those requirements, and directs implementation and enforcement through the policy and the ordinance's enforcement provisions.

The existing Enforcement Measures section is renumbered from Section 11000.02 to Section 11000.03, and each subsequent section of Ordinance 11000 is renumbered accordingly. The introductory language in the enforcement section is also revised so the General Manager may use enforcement actions authorized by the Code, applicable Board policy, or state law. Available measures may include a notice of violation, an opportunity to correct the violation, administrative penalties where authorized, or discontinuance of service. The existing notice and customer-review protections continue to apply before discontinuance of water service.

The proposed Board Policy ADM-3.7 will contain the detailed implementation provisions. The policy:

- **Definitions:** Uses the applicable statutory definitions for functional turf, nonfunctional turf, recreational use areas, community space, common areas, common interest developments, homeowners' associations, disadvantaged communities, potable water, and related terms.
- **Prohibition and effective dates:** Includes the requirements of Water Code section 10608.14(a) and (b), including each phased compliance date and the limited allowances for trees, other perennial nonturf plantings, and immediate health and safety needs.
- **Customer guidance:** Clarifies that AB 1572 regulates the water source used for irrigation; it does not require turf removal. Functional turf may continue to be irrigated with potable water, and nonfunctional turf may be irrigated with recycled or other nonpotable water.
- **Tree and plant health:** Provides practical irrigation guidance intended to maintain trees and perennial nonturf plantings while minimizing incidental irrigation of surrounding nonfunctional turf.
- **Communication and assistance:** Requires customer communication by January 1, 2027, and authorizes technical assistance, irrigation guidance, educational resources, and information regarding available rebates or incentive programs.
- **Enforcement and review:** Establishes a generally education-first approach, with information and notice before additional action for continued or repeated noncompliance, and allows customers to request review of a District determination.

- **State certification:** Describes the separate state certification requirements beginning June 30, 2030, for qualifying commercial, industrial, and institutional properties and June 30, 2031, for qualifying common-area properties. Certifications are submitted to the State Water Resources Control Board, not to the District.

The proposed policy, which will be brought to the Board for approval at the November Board meeting, does not create additional local exemptions or waivers beyond those provided by state law, and it does not establish a new fixed District fine schedule. Water Code section 10608.14 permits, but does not require, the District to enforce the prohibition. The proposed framework gives staff authority to educate customers, document and review potential violations, and use enforcement measures already authorized by District ordinance, policy, or state law when warranted.

IMPLEMENTATION

If the ordinance and policy are approved, staff will identify potentially affected accounts, develop website and customer communication materials, and begin outreach in advance of the January 1, 2027, deadline. Any aerial imagery, landscape measurements, or other screening data used to identify potential nonfunctional turf will be treated as an initial compliance-assistance tool. Staff will verify site conditions and apply the statutory definitions before making a compliance or enforcement determination.

Customers may comply by discontinuing potable irrigation of nonfunctional turf or by using recycled or another lawful nonpotable water source. Staff may also provide information regarding irrigation modifications and landscape conversion resources; however, landscape conversion is not required by AB 1572.

FINANCIAL CONSIDERATIONS

Implementation will require staff time for customer identification, communication, technical assistance, site review, recordkeeping, and any necessary enforcement. Customer outreach can primarily be incorporated into existing District communication channels. Any future rebate, incentive, consultant, or expanded enforcement costs would be brought to the Board through the normal budget or contracting process. No new fee or dedicated funding appropriation is proposed with this action.

ATTACHMENTS

Attached to this report are the proposed amending ordinance with a redline-strikeout and clean version of Ordinance 11000, Prohibited Practices and Enforcement Measures, and the proposed Board Policy ADM-3.7, Nonfunctional Turf Irrigation.

ORDINANCE NO. 26-03

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT AMENDING ORDINANCES NO. 11000

The Board of Directors of the San Juan Water District ordains as follows:

Section 1. Purpose and Authority. The purpose of this ordinance is to amend Ordinance No. 11000 of the District Code of Ordinances to implement California Water Code section 10608.14, which prohibits the use of potable water to irrigate nonfunctional turf on specified properties. This ordinance is adopted pursuant to California Water Code sections 10608.14 and 1846, Government Code section 61060, and other applicable law.

Section 2. Amendments. Ordinance No. 11000 (Prohibited Practices and Enforcement Measures) is hereby amended as follows and as depicted in the redline version that is attached to this ordinance as Exhibit 1:

A. A new Section 11000.02, Nonfunction Turf is added.

B. Existing Section 11000.02, Enforcement Measures, is renumbered as Section 11000.03, and the introductory paragraph is amended.

C. Existing Sections 11000.02.1, 11000.02.2, 11000.02.3, and 11000.02.4 are renumbered as Sections 11000.03.1, 11000.03.2, 11000.03.3, and 11000.03.4, respectively.

D. Existing Section 11000.03, Non-Service Areas, and its subsections 11000.03.1 and 11000.03.2 are renumbered as Section 11000.04 and subsections 11000.04.1 and 11000.04.2, respectively.

E. Existing Sections 11000.04, 11000.05, 11000.06, 11000.07, and 11000.08 are renumbered as Sections 11000.05, 11000.06, 11000.07, 11000.08, and 11000.09, respectively.

Section 3. Effective Date. These ordinances shall take effect 30 days after its adoption.

Section 4. Publication. Within 15 days from the date of adoption of this ordinance, the Clerk of the Board shall publish it once in a newspaper of general circulation published and circulated within the District.

INTRODUCED by the Board of Directors on the 23rd day of September 2026.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District at a regular meeting on the 18th day of November 2026 by the following vote:

AYES:
NOES:
ABSENT:

Ted Costa
President, Board of Directors

Attest:

TERI GRANT
Clerk of the Board

Ordinance Type	**District Operations**	Date Adopted	**June 28, 2006**
Ordinance Number & Title	**11000 - Prohibited Practices and Enforcement Measures**	Date Amended	**July 17, 2024**

The District may refuse to furnish water and may discontinue water service to any premises where apparatus, appliances or equipment using water is found by the District to be dangerous, unmaintained, inaccessible, or unsafe, where the use of water on such premises is found to be detrimental or injurious to the facilities or water service furnished by the District to other Customers, where negligent or wasteful use of water exists that affects the District's water service, where a Customer violates any District ordinance, rule or regulation or breaches any agreement made with the District, or to protect the District from fraud or abuse.

No one except a District-authorized employee, agent, contractor or permittee shall at any time operate, interfere with or tamper with the District water service mains, pipes, meters, valves, connections, or any other parts or facilities of the water system.

No ground wire or electric circuit shall be attached or grounded to any District pipe, plumbing or other facilities. Any Person who makes, or permits to be made, such a connection will be liable to the District for any damage, loss or injury resulting from the connection.

11000.01 Leaks or Wasteful Use of Water

Water shall be used only for beneficial uses. All unnecessary and wasteful uses of water are prohibited. No Customer shall knowingly permit leaks or other wasteful use of water.

11000.01.1 Wasteful Use of Water Defined

Wasteful use of water shall be defined as including but not limited to, permitting water to escape onto roads or flow above or below ground to neighboring property, onto land previously irrigated and over-saturated or by flooding property to an unreasonable depth or in an unreasonable amount for any reason.

11000.01.2 Water Service Discontinued

Water service may be discontinued to Customers found to be wasting water until the conditions causing such waste have been remedied to the satisfaction of the District.

11000.02 Nonfunctional Turf

The requirements of California Water code section 10608.14(a) and (b), as may be amended, are incorporated into the District's water service requirements through Board Policy ADM-3.7, Nonfunctional Turf Irrigation Policy. The use of potable water to irrigate nonfunctional turf is prohibited in accordance with those requirements. Implementation and enforcement of this section shall be in accordance with Board Policy ADM-3.7 and Section 11000.03 of this Code.

11000.~~02~~03 Enforcement Measures

In the event of violation of any terms of this Code of Ordinances, other than failure of a Customer to pay their bill, the General Manager may ~~discontinue water service and disconnect the premises from the District water service system by the following procedures~~take such enforcement action as authorized by this Code, applicable board policy, or state law. Enforcement measures may include notice of violation, an opportunity to correct the violation, administrative penalties where authorized, or discontinuance of water service. Prior to discontinuance of water service, the District shall comply with the following procedures.

11000.~~02~~03.1 Written Notice to Customers

At least ten days before the proposed discontinuance, the District shall provide written notice to the Customer and the property owner, if other than the Customer, of the District's intent to discontinue service and the grounds upon which the action is taken. Notice shall be mailed to the address of record and hand delivered to the service address.

11000.~~02~~03.2 Customer Right of Review

Before discontinuance of service, the Customer or property owner shall have the opportunity to discuss the reason for the proposed discontinuance with the General Manager, or his or her designee, who shall be empowered to review all letters and statements, rectify any errors, and settle controversies pertaining to the discontinuance of service (including a decision to rescind or suspend the proposed discontinuance of service).

11000.~~02~~03.3 Dates for Discontinuance of Service

No service shall be discontinued on any Saturday, Sunday, legal holiday, or any time during which the District's business offices are not open to the public, except for an emergency condition that requires the service to be terminated to avoid property damage or health or safety concerns.

11000.~~02~~03.4 Penalty for Unauthorized Service Connection

A penalty plus costs incurred may be assessed for each unauthorized service found to be connected to a private or District pipeline. See District's Schedule of Rates, Fees, Charges, and Deposits for the current unauthorized connection fee.

11000.~~03~~04 Non-Service Areas

11000.~~03~~04.1 Except as provided in Section 12000 of this Code, no Customer may use or permit use of water for any premises other than that described in the application for service or for any premises outside the boundaries of the District.

11000.~~03~~04.2 Water service shall not be supplied to more than one parcel of land through one meter or service connection. A "parcel" shall be deemed to mean land or property identified as a parcel by the County Tax Assessor.

11000.~~04~~05 Resale of Water

Customer may not resell, transfer or assign any portion of the water furnished by the District except upon prior written approval from the District in accordance with Section 13000.05.

11000.~~05~~06 Fire Hydrants or Other District Facilities

No Person may withdraw water from any fire hydrant, blow-off valve, or other connection to the facilities of the District without a permit. Such permit shall provide that all withdrawals shall be made through a meter. Additional permit requirements are set forth in Section 12000.03.2, Class E. The provisions of this paragraph shall not apply to withdrawals of water made from fire hydrants or other facilities for fire department purposes or to withdrawals made by other governmental agencies with prior District approval.

11000.~~06~~07 Unauthorized Connection

Any property found to be connected to District water mains contrary to or in violation of any of the provisions of this Code of Ordinances shall be subject to immediate disconnection without notice. If a service is so disconnected, before service is restored, an unauthorized connection fee (as set forth in the District's current Schedule of Rates, Fees, Charges, and Deposits), plus the actual cost of the appropriate service installation and repair of any damage to District property, mains or other facilities and all other applicable capital facilities fees or other required fees, shall be paid to the District by the property owner of record.

11000.~~07~~08 Remote Meters

Remote meters shall not be permitted unless the District determines that a remote meter is necessary due to extraordinary circumstances.

11000.~~08~~09 Encroachments

Encroachments into District or public easements shall not be allowed without an executed encroachment agreement as defined in Ordinance 20000.

Revision History:

Revision Date	Description of Changes	Requested By
6/25/08	Ord. 08-001 repealed all prior ordinances	
7/17/24	To address situations that were not previously covered by ordinances.	Legal Affairs Committee

Section	ADM-3 Administration	Approval Date	
Policy	ADM-3.7 Nonfunctional Turf Irrigation	Latest Revision	

ADM-3.7 Nonfunctional Turf Irrigation

3.7.1 Purpose and Authority

This policy establishes the District's requirements and procedures for implementation of California Water Code section 10608.14 (Assembly Bill 1572) and Ordinance 11000.02. This policy governs the use of potable water to irrigate nonfunctional turf within the District's retail service area and is intended to include the requirements of Water Code section 10608.14(a) and (b).

The District shall administer this policy consistent with applicable state law. If the State Water Resources Control Board revises a compliance deadline pursuant to Water Code section 10608.14(c), the District shall update this policy as necessary.

3.7.2 Definitions

"Common areas" means that portion of a common interest development or of a property owned or managed by a homeowners' association or a community service organization or similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property.

"Common interest development" means any of the following: (a) a community apartment project; (b) a condominium project; (c) a planned development; or (d) a stock cooperative.

"Community service organization or similar entity" means a nonprofit entity, other than an association, that is organized to provide services to residents of the common interest development or to the public in addition to the residents, to the extent community common area or facilities are available to the public. The term does not include an entity organized solely to raise moneys and contribute to other nonprofit organizations qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code that provide housing or housing assistance.

"Community space" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

"Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

"Functional turf" means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.

“Homeowners’ association” means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

“Nonfunctional turf” means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots.

“Potable water” means water that is suitable for human consumption.

“Recreational use area” means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

“Turf or turfgrass” means a living ground cover surface of mowed grass.

3.7.3 Prohibition of Irrigation of Nonfunctional Turf

The following requirements are adopted from California Water Code section 10608.14(a) and (b):

(a) 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 is prohibited as of the following dates:

(1) All properties owned by the Department of General Services, beginning January 1, 2027.

(2) All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.

(3) All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.

(4) All common areas of properties of homeowners’ associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029.

(5) All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

(b) Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need.

3.7.4 Interpretation and Customer Guidance

The District shall apply the definitions in Section 3.7.2 when determining whether turf is functional or nonfunctional. The law prohibits the use of potable water to irrigate nonfunctional turf; it does not require removal of turf. Functional turf may continue to be irrigated with potable water, and nonfunctional turf may be irrigated with recycled or other nonpotable water.

Private residential properties are not subject to the prohibition. Common areas of homeowners' associations, common interest developments, and community service organizations or similar entities are subject to the prohibition beginning on the applicable date in Section 3.7.3. Cemeteries are excluded from the commercial, industrial, and institutional property prohibition.

3.7.5 Trees and Other Perennial Nonturf Plantings

Potable water may be used in an area containing nonfunctional turf to the extent necessary to ensure the health of trees and other perennial nonturf plantings. This allowance does not change the classification of the surrounding turf and does not authorize potable irrigation for the purpose of maintaining the nonfunctional turf.

Where trees or perennial nonturf plantings are intermixed with nonfunctional turf or served by the same irrigation system, the District recommends that customers, where feasible and consistent with plant health:

- Adjust irrigation systems to water only the area under individual or clustered tree canopies or perennial nonturf plantings and minimize irrigation of surrounding nonfunctional turf.
- Cap or turn off spray nozzles that are not needed to irrigate trees or perennial nonturf plantings.
- Convert overhead spray zones to drip irrigation where feasible and not detrimental to tree or plant health. Supplemental watering and a gradual reduction in watering volume may be necessary to maintain plant health.
- Consider replacing nonfunctional turf surrounding trees with low-water-use or native plants, low-water-use groundcover, shrubs, or other climate-appropriate landscaping, with corresponding irrigation modifications.
- Move or isolate trees or perennial nonturf plantings to a separate irrigation valve where feasible.

3.7.6 Customer Communication

On or before January 1, 2027, the District shall communicate the requirements in Section 3.7.3 to its customers. The method of communication may include the District website, bill messages or inserts, direct mail or electronic communications, social media, educational materials, or other appropriate methods. The District shall maintain information regarding the requirements on its public website.

3.7.7 Compliance Assistance

The District may provide technical assistance, landscape and irrigation guidance, information regarding available rebates or incentive programs, and other educational resources to assist affected customers with compliance. Landscape conversion is not required by AB 1572; customers may comply by discontinuing potable irrigation of nonfunctional turf or by using another lawful water source.

3.7.8 Enforcement

Pursuant to California Water Code section 10608.14(g), the District may enforce the requirements of this policy and Ordinance 11000.02. Enforcement shall be conducted pursuant to Ordinance 11000.03 and other applicable District ordinances, policies, and state law.

The District will generally use an education-first approach. When the District determines that a violation has occurred, staff may provide educational information and a notice describing the violation and corrective action. Continued or repeated noncompliance may be subject to additional enforcement measures authorized by Ordinance 11000.03 or state law.

Noncompliance may also be subject to civil liability and penalties under California Water Code section 1846 or to civil liability and penalties imposed by an urban retail water supplier pursuant to a locally adopted ordinance or policy. An entity authorized by Water Code section 10608.14(g) that is not the retail public water system must provide the retail public water system 30 days' notice before enforcing the chapter against a property served by that system.

3.7.9 State Compliance Certification

Owners of commercial, industrial, or institutional property with more than 5,000 square feet of irrigated area, other than a cemetery, are required by state law to certify compliance to the State Water Resources Control Board beginning June 30, 2030, and every three years thereafter through 2039. Owners of property with more than 5,000 square feet of irrigated common area that is a homeowners' association, common interest development, or community service organization or similar entity are required to certify beginning June 30, 2031, and every three years thereafter through 2040. These certifications are made to the State Water Resources Control Board and are not District certification requirements.

3.7.10 Review of Determinations

A customer may request District review of a determination regarding whether turf is functional or nonfunctional or whether an irrigation practice is consistent with the tree, perennial nonturf planting, or immediate health and safety provisions of this policy. The General Manager or designee shall review the relevant facts and apply the definitions and requirements of this policy and state law.

3.7.11 Policy Review

The General Manager shall monitor changes to California Water Code section 10608.14 and related State Water Resources Control Board actions and recommend amendments to this policy when necessary to maintain consistency with state law.

Revision History:

Revision Date	Description of Changes	Requested By

Back to Agenda

AGENDA ITEM VI-2

STAFF REPORT

To: Board of Directors

From: Donna Silva, Director of Finance

Date: September 23, 2026

Subject: CalPERS Retirement Contract Amendment – Resolution of Intention

RECOMMENDED ACTION

Adopt Resolution 26-17 declaring the District's intention to approve an amendment to the CalPERS Retirement Benefits Contract.

BACKGROUND

The Board approved the provision of pension benefits through the California Public Employees Retirement System (CalPERS) via contract effective December 1, 1976. The contract has been amended 4 times, with the most recent amendment being effective February 14, 2009.

The California Public Employee's Pension Reform Act of 2013, codified as Article 4 of the California Public Employee's Retirement Law went into effect on January 1, 2013. Under this new law employees hired on or after January 1, 2013 , or those hired earlier, but with a break in service of six months or greater, receive a lesser maximum retirement benefit of 2% per year of service at age 62. While the act became law on January 1, 2013 the contract between the District and CalPERS for retirement benefits has not been updated to reflect the change in benefits required by the law.

CalPERS is now working with individual agencies to update their pension contracts to reflect the California Public Employee's Pension Reform Act of 2013. No other changes are proposed, and this contract amendment does not affect the pension benefits currently offered to employees of the San Juan Water District.

CalPERS has a very specific process that must be followed to amend the contract. The first step of the process is for the District to adopt a Resolution of Intention to Amend the contract and provide Certification of Board Action. This is what is before you at this meeting.

Once approved, staff will provide the resolution and certification to CalPERS. No sooner than 20 days after adopting the resolution of intention, the District may adopt the final resolution approving the contract amendment. Because there is no October board meeting currently scheduled, that will come before Board at the November regula meeting.

Attachments:

Resolution 26-17 (including Exhibit)

RESOLUTION OF INTENTION

TO APPROVE AN AMENDMENT TO CONTRACT

BETWEEN THE

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AND THE

BOARD OF DIRECTORS
SAN JUAN WATER DISTRICT

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To include Public Employes' Pension Reform Act language.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

By:_________________________________
Presiding Officer

____
Title

____
Date adopted and approved

CalPERS

EXHIBIT

AMENDMENT TO CONTRACT

BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
BOARD OF DIRECTORS
SAN JUAN WATER DISTRICT

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective December 1, 1976, and witnessed November 10, 1976, and as amended effective August 28, 1998, May 23, 2001, June 29, 2002, and February 14, 2009, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

A. Paragraphs 1 through 13 are hereby stricken from said contract as executed effective February 14, 2009, and hereby replaced by the following paragraphs numbered 1 through 15 inclusive:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. Normal retirement age" shall mean age 60 for classic local miscellaneous members and age 62 for new local miscellaneous members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after December 1, 1976, making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:

   a. Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.

b. Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.

c. Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:

   a. Employees other than local safety members (herein referred to as local miscellaneous members).

5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

   In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

   a. SAFETY EMPLOYEES.

6. Assets heretofore accumulated with respect to members in the local retirement system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of the assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system has been credited to the individual membership account of each such employee under the Public Employees' Retirement System.

7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment before and not on or after June 29, 2002, shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Full and Modified).

8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after June 29, 2002, shall be determined in accordance with Section 21354.3 of said Retirement Law subject to the reduction provided therein for Federal Social Security (3% at age 60 Full and Modified).

9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Supplemental to Federal Social Security).

10. Public Agency elected and elects to be subject to the following optional provisions:

    a. Section 20042 (One-Year Final Compensation) for those classic local miscellaneous members entering membership on or prior to February 14, 2009.

    b. Section 20475 (Different Level of Benefits): Section 20042 (One-Year Final Compensation) is not applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after February 14, 2009.

    c. Section 20903 (Two Years Additional Service Credit).

    d. Section 20965 (Credit for Unused Sick Leave).

11. Public Agency, in accordance with Government Code Section 20834, shall not be considered an "employer" for purposes of the Public Employees' Retirement Law. Contributions of the Public Agency shall be fixed and determined as provided in Government Code Section 20834, and such contributions hereafter made shall be held by the Board as provided in Government Code Section 20834.

12. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.

13. Public Agency shall also contribute to said Retirement System as follows:

    a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

    b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

14. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

15. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the day of , .

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY ___________________________________
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS & PREFUNDING PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
SAN JUAN WATER DISTRICT

BY ___________________________________
PRESIDING OFFICER

____
Witness Date

Attest:

____
Clerk

Back to Agenda

AGENDA ITEM VI-4

STAFF REPORT

To: Board of Directors

From: Donna Silva, Director of Finance
Entela Fallstead, Senior Accountant

Date: September 23, 2026

Subject: FIN-5.2 Capital Asset Policy – Proposed Amendments for Bundled Assets

RECOMMENDED ACTION

Staff recommends that the Board amend the Capital Asset Policy (the policy) to clarify the definition of bundled assets and create specific asset categories for “Hydrants” and “Meters and Endpoints”. Staff request this amendment be retroactive to the 2025-26 fiscal year.

BACKGROUND

Capital assets are defined under this Policy as assets owned by the District that:

1. Are acquired for use in District operations, and
2. Are long-term in nature.

According to Generally Accepted Accounting Principles (GAAP), the cost of long-lived assets must be allocated over the periods in which they provide benefit. This allocation is accomplished through depreciation and is reported in the District’s Annual Comprehensive Financial Report (ACFR). This approach differs from budgetary accounting, where capital assets are expensed at the time of purchase.

The District’s Capital Asset Policy outlines procedures for identifying, valuing, and depreciating capital assets. It includes guidance on capitalization thresholds, useful life estimates, and the treatment of donated or disposed assets. The policy was first adopted in October 2017 and has been amended periodically, most recently in August 2025, to increase the capitalization threshold from $5,000 to $10,000.

In April 2022 the District amended the policy to include bundled assets in accordance with Governmental Accounting Standards Board Implementation Guide No. 2021-1. This implementation guide addresses numerous topics, one of which is the accounting treatment of bundled assets. Per the implementation guide:

> *Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture, and library books are examples of asset types that may not meet a capitalization policy on an individual basis, yet could be significant collectively. In this example, if the $150,000 aggregate amount (100 computers costing $1,500 each) is significant, the government should capitalize the computers.*

Proposed Changes and Rationale:
In the April 2022 policy amendment specific categories of assets were identified that would be capitalized when bundled. While the policy contained language suggesting that assets whose individual acquisition costs are less than the threshold be bundled if they were significant in the aggregate, it also specifically identified classes of assets that should be bundled. As a result, the current policy is not clear on whether staff has the discretion to determine when a bundle of assets not specifically listed in the policy, should be capitalized. In doing the year-end accounting work for FY 2025-26 this became problematic.

The District has been striving to replace 20 fire hydrants per year. Initially this work was outsourced and the cost of each hydrant exceeded the capitalization threshold, so each hydrant was individually capitalized. In FY 2025-26 the Field Services department began installing them in-house, saving the District money. As a result, the cost of an individual hydrant replacement fell below the threshold if done in house, but above the threshold if outsourced.

It does not make sense to capitalize some, but not all hydrants when the only difference is who installed them. Therefore, staff recommends adding hydrants to the list of bundled assets and adding language that "any other group of like assts that when bundled are significant in the aggregate and not bundling would create inconsistent capitalization" as an instance where bundling and capitalization would conform to the policy.

Because this first became an issue in FY 2025-26 staff recommend retroactive approval of this policy amendment to FY 2025-26.

A clean version of the proposed policy and a redline version showing the changes are attached for review.

ATTACHMENTS
FIN-5.2 Capital Asset Policy – Red-lined Version
FIN-5.2 Capital Asset Policy – Clean

Board Policy Manual

SAN JUAN WATER
SINCE 1854

Section	**FIN-5 Finance**	Approval Date	**10/11/17**
Policy	**FIN-5.2 Capital Asset Policy**	Latest Revision	**8/14/25**
		Effective	**FY 2025-26**

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FIN-5.2 Capital Asset Policy

5.2.1 Purpose

The purpose of this policy is to establish guidance in identifying, capitalizing, depreciating, and accounting for District capital assets.

5.2.2 Definitions

A capital asset is defined under this Policy as an asset owned by the District that is: 1) acquired for use in District operations, and 2) long-term in nature.

5.2.3 Capital Improvement Program

District infrastructure will be maintained at a level that ensures the delivery of a reliable water supply of the highest quality at reasonable and equitable costs. Long-term capital improvement plans are created with each Master Plan. The capital improvement plan is a planning tool which assists the District in the construction and replacement of capital facilities required to provide water service to current and future customers. The Long Term Capital Improvement Plan is updated each year based on a number of factors including new projects not identified in Master Plan, funding availability, and available staff resources.

5.2.4 Categories

Capital assets shall be segregated into the following categories:

A. Land (non-depreciable)
B. Land Improvements with a limited life, such as driveways, walks, fences, landscaping, andparking areas.
C. Pump Stations and Improvements
D. Buildings and Improvements (excluding Water Treatment Plant)
E. Water Treatment Plant and Improvements
F. Mains/Pipelines and Improvements
G. Meters & Endpoints
H. Reservoirs and Improvements
I. Equipment and Furniture, such as large tools, vehicle trailers, tractors, ~~meters, hydrants~~,computer equipment, furniture, and fixtures
J. Vehicles, such as cars and trucks
K. Software

L. Subscription Based Technology Arrangements
M. Other Intangibles

5.2.5 Capitalization Thresholds

Capital assets eligible for capitalization, must have:

A. An estimated useful life of greater than 1 year from the date of acquisition; **and**
B. A minimum individual asset value of $10,000. If the asset is shared between Wholesale and Retail, the combined total value must be at least $10,000 to qualify for capitalization.
C. Assets cannot be grouped together to meet the minimum $10,000 value, with the exception of bundled assets as mentioned below.
D. Bundled Assets: assets whose individual acquisition costs are less than $10,000 if the bundle of like assets in the aggregate are significant. The following items, District considers the following to be bundled assets:
   - All meter replacements, capitalize as an annual asset
   - Service Lateral installation and replacements: capitalize by development project and/or as one annual asset
   - Hydrant Installations and Replacements: Hydrant installations and replacements completed by District Field Services staff shall be capitalized as a bundled asset when the individual cost of each hydrant installation or replacement is less than $10,000 but the aggregate cost of all hydrant installations and replacements during the fiscal year is significant. Costs may be capitalized by project or as an annual asset, as appropriate. This bundled asset treatment does not apply to hydrant installations or replacements performed by outside contractors when the cost of an individual hydrant installation or replacement equals or exceeds the District's capitalization threshold of $10,000, as those hydrants ~~costs~~ shall be capitalized individually.
   - Any other group of like assets that when bundled are significant in the aggregate and not bundling would create inconsistent capitalization.
E. A lease agreement that extends beyond one year (including extensions) and a total lease value of at least $100,000.

5.2.6 Valuation of Capital Assets

The value assigned to capital assets shall be determined as follows:

A. Purchased or Constructed Capital Assets
The value is determined using the original cost of the asset, including all reasonably identifiable costs incurred to acquire, construct, and place an asset into service. Studies are not capitalized, unless they can be related to a specific asset.

B. Donated Capital Assets
The capitalized value of donated assets shall be determined using the fair market value at the time of donation. If the fair market value of the asset is not available or cannot be reasonably determined, an estimated cost may be determined using the best available information. The value of donated intangible assets shall be accounted for separate from donated tangible capital assets.

Fair Market or Appraised Value at date of donation includes

- Installation costs;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Other normal or necessary costs required to place the asset in its intended location and condition for use.

Leased Assets (Right to Use)

- Value of lease liability;
- Lease prepayments made for future periods;
- Direct ancillary costs necessary to place asset into service (excluding debt issuance costs)

5.2.7 Capitalization of Costs Subsequent to Acquisition

Additional costs incurred after a capital asset is placed in use shall be accounted for as follows:

A. Additions:
An "Addition" is defined as an expenditure that either significantly extends the useful life or productivity of an existing capital asset or creates a new capital asset. All "Additions" to existing capital assets should be capitalized as long as the asset meets the criteria of section 5.2.5 above.

B. Improvements and Replacements:
"Improvements and Replacements" are defined as expenditures that involve substituting a similar capital asset, or portion thereof, for an existing one. All "Improvements and Replacements" to existing capital assets should be capitalized as long as the asset meets the criteria of section 5.2.5 above. If the existing asset's book value is determinable, then the existing asset should be removed from the books when taken out of service. If the existing asset is not separately identifiable, then the replacement may be capitalized as the existing asset's book value is assumed to be negligible. The Director of Finance is authorized to make a determination when this policy does not provide clear direction.

C. Rearrangement or Reinstallation:
"Rearrangement or Reinstallation" costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All "Rearrangement or Reinstallation" costs should be expensed in the period incurred.

D. Repairs and Maintenance:
"Repairs and Maintenance" costs are defined as expenditures that involve maintaining the asset in good or ordinary repair. All "Repairs and Maintenance" costs should be expensed in the period incurred.

5.2.8 Depreciation or Amortization of Capital Assets

Capital assets shall be depreciated or amortized on a straight-line basis beginning the first day of the month following acquisition in accordance with the following schedule:

Category	Useful Life in Years
Pump Stations/Pressure Control Stations & Improvements	
Variable Frequency Drives (VFD)	12 to 35
Pumps	15 to 20
Motor Control Centers (MCC)	20
Generators	20 to 25
Pressure/Control Valve Stations	20 to 35
Pump Station Building	30 to 40

Category	Useful Life in Years
Land Improvements	
Paving/Resurfacing	7 to 30
Landscaping	10
Fencing	10 to 35
Cement Work	20
Decking	20 to 35
Equipment & Furniture	
Computer Equipment	5 to 10
Furniture	5 to 10
Other Small Equipment (survey equipment, leak detectors, etc.)	5 to 10
Copy Machines and Plotters	5 to 10
Shop Equipment (welders, pipe threaders, presses, etc.)	5 to 15
SCADA	7 to 10
Trailers, including Vacuum Trailers	10
Tractors, Backhoes, Forklifts	8 to 25
Dump Trucks	20
~~Meter Endpoints~~	~~10~~
~~Meters – Water~~	~~20 to 25~~
~~Hydrants~~	~~25 to 70~~
Sewer Lift Station	25 to 50
Fuel tanks	25 to 50
Building and improvements	
Hot Water Heater	10 to 15
HVAC	10 to 20
Lighting	20
Solar Facility	20 to 35
Network Cabling	25
Roof	25 to 33
Office Buildings	30 to 50
Treatment Plant & improvements	
Filtrate Pumps	10
Chlorine Feed System	10 to 15
ERS Filter Media	15
Alum Feed Pump and Feed System	10 to 20
Backwash Hoods and Pumps	15 to 35
Polymer System	25 to 35
Solids Handling	25 to 35
Alum Tank	25
Sedimentation Basin Sludge Vacuum System	25
Chemical Feed Pump	25

Category	Useful Life in Years
Treatment Plant Building	30 to 50
Flocculation & Sedimentation Basins	35
Filter Basins	35
Treatment Plant Building Improvements (see Buildingand Improvements)	See Building and Improvements above
Mains/Pipelines	
Wholesale Meters	10 to 20
Cathodic Protection	25
Air Release Valve	25
Pipelines	30 to 75
Mains	30 to 80
Services (HDPE)	40
Valves	50
Hydrants	25-70
Reservoirs & improvements	
Reservoir	25 to 50
Tanks	25 to 50
Meters and Endpoints	
Meters - Water	20-25
Meter Endpoints	10
Vehicles (see Equipment for tractors, backhoes, and trailers)	10
Software (including SCADA)	10
Subscription Based Technology Arrangements	Useful life is equal to the noncancellable term of the contract, including renewal periods that are reasonably certain to be exercised
Intangible	Varies based on life of asset

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Where the useful life is listed by a range, factors such as material type, physical environment of the asset, intensity of expected use and others as may be provided by Project and/or Department Managers will be used to determine placement within the range.

The depreciation period of an asset financed by debt shall not be less than the length of time for the debt.

5.2.9 Physical Inventory of Capital Assets

A physical inventory of the following categories of capital assets shall be performed at least annually:

A. Machinery and Equipment
B. Fleet Equipment
C. Office Furniture and Fixtures
D. Computer Equipment, Purchases Software and Telephones

The results of the physical inventory shall be reconciled with the District's fixed asset system.

5.2.10 Disposal of Capital Assets

Capital assets that have become obsolete shall be disposed of in a manner that returns the maximum value to the District and its ratepayers.

In most cases the assets are sent to auction; however, the Finance Director determines the best method of disposal.

State law prohibits District employees from purchasing District property (Government Code section 1090).

Revision History:

Revision Date	Description of Changes	Requested By
8/19/20	Numerous changes – see Board staff report dated 8/19/20	Finance Committee
4/27/22	Add bundled asset purchases and leases, revise useful lives – see Board staff report dated 4/27/2022.	Finance Department
12/14/22	Changed bundled asset 5.2.5 – See Board staff report dated 12/14/2022.	Finance Committee
2/28/24	Added language to specifically include that capital assets should be written off when they are disposed of or placed out of service	Finance Committee
8/14/25	Changed 5.2.5 Capitalization Thresholds from $5,000 to $10,000	Finance Committee

Section	FIN-5 Finance	Approval Date	10/11/17
Policy	FIN-5.2 Capital Asset Policy	Latest Revision	8/14/25
		Effective	FY 2025-26

FIN-5.2 Capital Asset Policy

5.2.1 Purpose

The purpose of this policy is to establish guidance in identifying, capitalizing, depreciating, and accounting for District capital assets.

5.2.2 Definitions

A capital asset is defined under this Policy as an asset owned by the District that is: 1) acquired for use in District operations, and 2) long-term in nature.

5.2.3 Capital Improvement Program

District infrastructure will be maintained at a level that ensures the delivery of a reliable water supply of the highest quality at reasonable and equitable costs. Long-term capital improvement plans are created with each Master Plan. The capital improvement plan is a planning tool which assists the District in the construction and replacement of capital facilities required to provide water service to current and future customers. The Long Term Capital Improvement Plan is updated each year based on a number of factors including new projects not identified in Master Plan, funding availability, and available staff resources.

5.2.4 Categories

Capital assets shall be segregated into the following categories:

A. Land (non-depreciable)
B. Land Improvements with a limited life, such as driveways, walks, fences, landscaping, andparking areas.
C. Pump Stations and Improvements
D. Buildings and Improvements (excluding Water Treatment Plant)
E. Water Treatment Plant and Improvements
F. Mains/Pipelines and Improvements
G. Meters & Endpoints
H. Reservoirs and Improvements
I. Equipment and Furniture, such as large tools, vehicle trailers, tractors, , computer equipment, furniture, and fixtures
J. Vehicles, such as cars and trucks
K. Software

L. Subscription Based Technology Arrangements
M. Other Intangibles

5.2.5 Capitalization Thresholds

Capital assets eligible for capitalization, must have:

A. An estimated useful life of greater than 1 year from the date of acquisition; **and**
B. A minimum individual asset value of $10,000. If the asset is shared between Wholesale and Retail, the combined total value must be at least $10,000 to qualify for capitalization.
C. Assets cannot be grouped together to meet the minimum $10,000 value, with the exception of bundled assets as mentioned below.
D. Bundled Assets: assets whose individual acquisition costs are less than $10,000 if the bundle of like assets in the aggregate are significant. The following items, District considers the following to be bundled assets:
    - All meter replacements, capitalize as an annual asset
    - Service Lateral installation and replacements: capitalize by development project and/or as one annual asset
    - Hydrant Installations and Replacements: Hydrant installations and replacements completed by District Field Services staff shall be capitalized as a bundled asset when the individual cost of each hydrant installation or replacement is less than $10,000 but the aggregate cost of all hydrant installations and replacements during the fiscal year is significant. Costs may be capitalized by project or as an annual asset, as appropriate. This bundled asset treatment does not apply to hydrant installations or replacements performed by outside contractors when the cost of an individual hydrant installation or replacement equals or exceeds the District's capitalization threshold of $10,000, as those hydrants shall be capitalized individually. Any other group of like assets that when bundled are significant in the aggregate and not bundling would create inconsistent capitalization.
E. A lease agreement that extends beyond one year (including extensions) and a total lease value of at least $100,000.

5.2.6 Valuation of Capital Assets

The value assigned to capital assets shall be determined as follows:

A. Purchased or Constructed Capital Assets
   The value is determined using the original cost of the asset, including all reasonably identifiable costs incurred to acquire, construct, and place an asset into service. Studies are not capitalized, unless they can be related to a specific asset.

B. Donated Capital Assets
   The capitalized value of donated assets shall be determined using the fair market value at the time of donation. If the fair market value of the asset is not available or cannot be reasonably determined, an estimated cost may be determined using the best available information. The value of donated intangible assets shall be accounted for separately from donated tangible capitalassets.

Fair Market or Appraised Value at date of donation includes

- Installation costs;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Other normal or necessary costs required to place the asset in its intended location and condition for use.

Leased Assets (Right to Use)

- Value of lease liability;
- Lease prepayments made for future periods;
- Direct ancillary costs necessary to place asset into service (excluding debt issuance costs)

5.2.7 Capitalization of Costs Subsequent to Acquisition

Additional costs incurred after a capital asset is placed in use shall be accounted for as follows:

A. Additions:
An "Addition" is defined as an expenditure that either significantly extends the useful life or productivity of an existing capital asset or creates a new capital asset. All "Additions" to existing capital assets should be capitalized as long as the asset meets the criteria of section 5.2.5 above.

B. Improvements and Replacements:
"Improvements and Replacements" are defined as expenditures that involve substituting a similar capital asset, or portion thereof, for an existing one. All "Improvements and Replacements" to existing capital assets should be capitalized as long as the asset meets the criteria of section 5.2.5 above. If the existing asset's book value is determinable, then the existing asset should be removed from the books when taken out of service. If the existing asset is not separately identifiable, then the replacement may be capitalized as the existing asset's book value is assumed to be negligible. The Director of Finance is authorized to make a determination when this policy does not provide clear direction.

C. Rearrangement or Reinstallation:
"Rearrangement or Reinstallation" costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All "Rearrangement or Reinstallation" costs should be expensed in the period incurred.

D. Repairs and Maintenance:
"Repairs and Maintenance" costs are defined as expenditures that involve maintaining the asset in good or ordinary repair. All "Repairs and Maintenance" costs should be expensed in the period incurred.

5.2.8 Depreciation or Amortization of Capital Assets

Capital assets shall be depreciated or amortized on a straight-line basis beginning the first day of the month following acquisition in accordance with the following schedule:

Category	Useful Life in Years
Pump Stations/Pressure Control Stations & Improvements	
Variable Frequency Drives (VFD)	12 to 35
Pumps	15 to 20
Motor Control Centers (MCC)	20
Generators	20 to 25
Pressure/Control Valve Stations	20 to 35
Pump Station Building	30 to 40

Category	Useful Life in Years
Land Improvements	
Paving/Resurfacing	7 to 30
Landscaping	10
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Cement Work	20
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Dump Trucks	20
Sewer Lift Station	25 to 50
Fuel tanks	25 to 50
Building and improvements	
Hot Water Heater	10 to 15
HVAC	10 to 20
Lighting	20
Solar Facility	20 to 35
Network Cabling	25
Roof	25 to 33
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Treatment Plant & improvements	
Filtrate Pumps	10
Chlorine Feed System	10 to 15
ERS Filter Media	15
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Polymer System	25 to 35
Solids Handling	25 to 35
Alum Tank	25
Sedimentation Basin Sludge Vacuum System	25
Chemical Feed Pump	25

Category	Useful Life in Years
Treatment Plant Building	30 to 50
Flocculation & Sedimentation Basins	35
Filter Basins	35
Treatment Plant Building Improvements (see Buildingand Improvements)	See Building and Improvements above
Mains/Pipelines	
Wholesale Meters	10 to 20
Cathodic Protection	25
Air Release Valve	25
Pipelines	30 to 75
Mains	30 to 80
Services (HDPE)	40
Valves	50
Hydrants	25-70
Reservoirs & improvements	
Reservoir	25 to 50
Tanks	25 to 50
Meters and Endpoints	
Meters - Water	20-25
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Back to Agenda

AGENDA ITEM VII-1.1

STAFF REPORT

To: Board of Directors

From: Adam Larsen, General Manager

Date: September 23, 2026

Subject: General Manager's Monthly Report (August)

RECOMMENDED ACTION

For information only, no action requested.

TREATMENT PLANT OPERATIONS

Water Production

Item	August 2026	August 2025	Difference
Monthly Production AF	6,494.30	6,297.88	3.02%
Daily Average MG	68.26	66.18	3.05%
Annual Production AF	30,292.42	29,982.44	1.02%

Water Turbidity

Item	August 2026	July 2026	Difference
Raw Water Turbidity NTU	1.95	1.56	20.0%
Treated Water Turbidity NTU	.017	0.17	0.0%
Monthly Turbidity Percentage Reduction	99.129%	98.935%	

*Folsom Lake Reservoir Storage Level AF**

Item	2026	2025	Difference
Lake Volume AF	463,190	475,565	-2.67%

AF – Acre Feet
MG – Million Gallons
NTU – Nephelometric Turbidity Unit
* Total Reservoir Capacity: 977,000 AF

Other Items of Interest:

- None

SYSTEM OPERATIONS

Distribution Operations:

Item	August 2026	July 2026	Difference
Leaks and Repairs	6	9	-3
Mains Flushed	15	19	-4
Valves Exercised	0	0	+0
Hydrants Maintenance	2	0	+2
Back Flows Tested	2	2	0
Customer Service Calls	52	31	+21

Distribution System Water Quality:

Water Quality Samples Taken	# Failed Samples	Supporting Information
40 Lab 17 In-House	0	

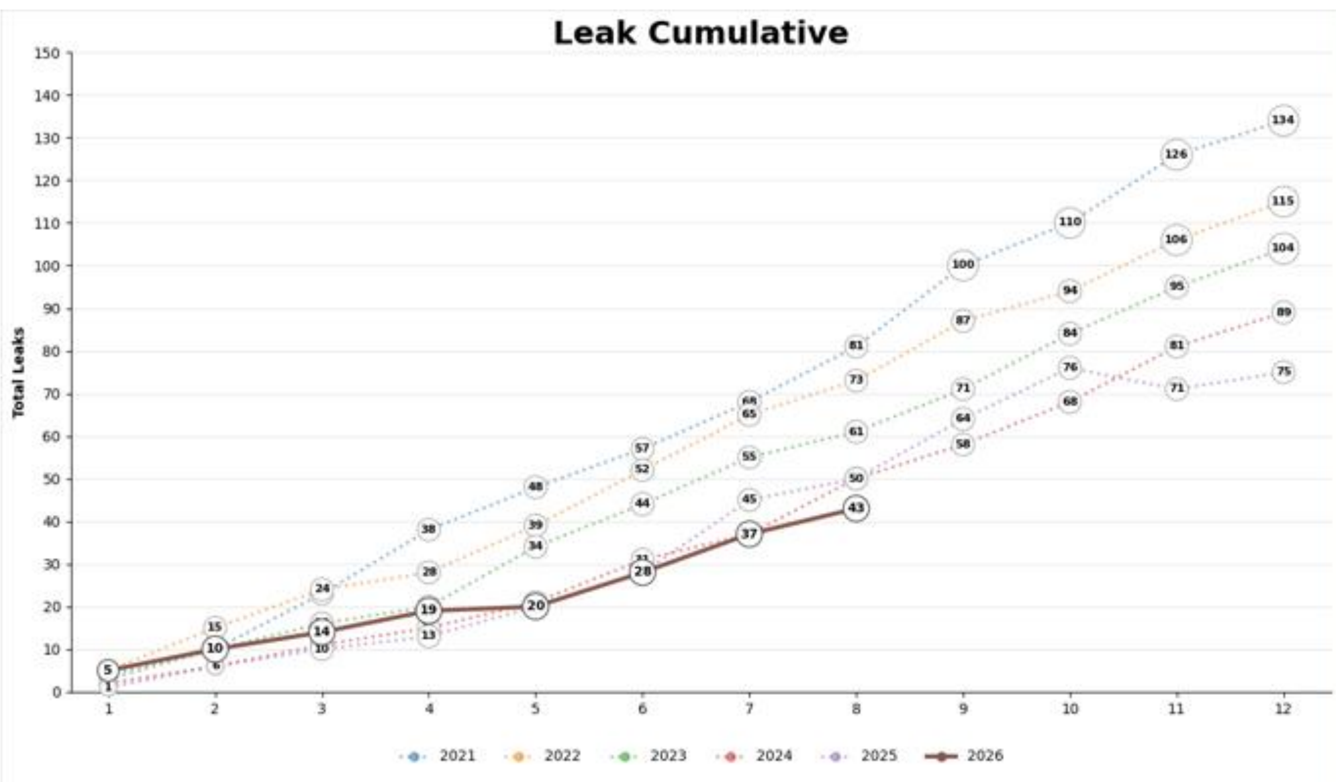

Figure 1: Annual Distribution System Leaks (through August)
Note: 2026 data through August.

CUSTOMER SERVICE ACTIVITIES

Billing Information for Month of August

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
3700	949	0	0

Water Efficiency Activities for August

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
6	108	3	50

Other Activities

- None

ENGINEERING - NEW URBAN DEVELOPMENTS (SJWD Retail Service Area)

Project Title	Description	Status	Issues / Notes
Chula Acres	4-Lot Minor Subdivision (8149 Excelsior Ave)	In Construction	Water main installed. Construction on hold
Greenside Parcel Split (5640 Macargo)	Minor parcel split of 2.0-Ac parcel into 3 lots	In Construction	Services installed, project near completion
The Ivy at Granite Bay (formerly Pond View)	Senior Living Community (5620, 5630, 5640, 5650 Douglas Blvd; APNs 048-142-089, -092)	In Construction	Construction to start in summer of 2026
The Residences at GB	4-Lot Minor Subdivision (NW Cor. Barton & E Rsvl Pkwy)	In Design Review	Project on hold
Hawk Estates	6-Lot Minor Subdivision (Dearwester Ln)	In Design Review	2nd plan review submitted May 2026
Whitehawk I	24 Lot Subdivision (Douglas, east of Sierra College)	In Design Review	2nd plan review submitted Nov 2024
WellQuest Granite Bay Cottages	16 Senior Housing Units (just east of 9747 Sierra College Blvd)	In Construction	Pre-construction meeting in Sept 2025
Excelsior Oaks	12-Lot Subdivision (Excelsior Ave, west of Peerless Ave)	In Design Review	3rd plan review submitted Jun 2026
Orange Meadow Estates	6-Lot Subdivision (Santa Juanita Ave, south of Oak Ave)	In Design Review	Plans approved for construction

ENGINEERING - CAPITAL PROJECTS

Status Update for Current Retail Projects

Project Title	Description	Status	Issues / Notes
Kokila Reservoir Replacement	Replace existing hypalon lined and covered reservoir with a new concrete tank	In Construction	Notice to Proceed issued August 27, 2025
Canyon Falls Village and "Subway" PRS Replacements	Rehabilitation of existing Pressure Reducing Stations (near the intersections of Canyon Falls Dr and Santa Juanita Ave, and AFR and Park Pl)	In Design	Construction in FY 26/27
Service Line Replacement Projects (85/year)	Yearly program to replace 85 services per year as identified in the 2020 Retail Master Plan	FY23/24 on hold FY24/25 completed. FY 26/27 in Design	FY23/24 replacements (ACE Shopping Center) on hold and FY24/25 (Hidden Lakes Subd 1 & 2) completed. Design for FY26/27 replacements underway
Air Release Valve Replacements (45/year for next 20 years)	Replacement of 45 Air Release Valves per year for the 20 years as identified in the 2020 Retail Master Plan	FY24/25 In Construction FY26/27 in Design.	FY24/25 in construction. Design for FY26/27 underway
Lakeland Dr Pipeline Replacement	Replacement of approx. 650-lf of 8-in pipe with new 12-in (from Douglas Blvd to W Granite Dr)	In Design	Design in-house in FY26/27, Construction in FY27/28
W Hidden Lakes Dr Pipeline Replacement	Replacement of approx. 950-lf of existing 8-in pipe with new 12-in (from 7960 W Hidden Lakes Dr to Haley Dr)	In Design	Design in-house in FY26/27, Construction in FY27/28
Fuller Dr Pipeline Extension	Installation of approx. 575-lf of new 10-in pipe (Fuller Dr, just east of AFR)	In Design	Design in-house in FY26/27, Construction in FY27/28
Santa Juanita Ave Pipeline Replacement	Replacement of approx. 1,500-lf of existing 3-in pipe with new 8-in (from 8045 Santa Junita Ave to Barton Rd)	In Design	Design underway
Cavitt Stallman Pipeline (Oak Pine to Sierra Ponds and Sierra Ponds to Vogel Valley)	Installation of approx. 2,000-lf of 12-in pipe from Oak Pine to Sierra Ponds, and approx. 6,900-lf of 12-in pipe from Sierra Ponds to Vogel Valley	In Design	Design in FY26/27. Plan to send RFP to consultants in Nov 2026
Seeno Ave and Greenhills Dr Pipeline Replacements	Replacement of approx. 3,000-lf of 10-in pipe on Seeno, and approx. 1,800-lf of pipe on Greenhills	In Design	Design in FY26/27. Plan to send RFP to consultants in Nov 2026
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY26/27

Status Update for Current Wholesale Projects

Project Title	Description	Status (% Complete)	Issues/ Notes
Backwash Hood Rehabilitation and Rail Track Improvements	Rehabilitate or replace the two oldest Filter Backwash Hoods in the North and South basins, and replacement of the Rail Track	In Construction	Repairs completed on first Hood. Construction on second Hood to start in Nov 2026
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY26/27
Water Treatment Plan Electrical Panel Relocation	Relocation of the existing electrical panel at the Water Treatment Plant (WTP)	In Bid	Bids received 8/6/26. Board approval on 8/19/26.
Reline of 60-in Pipeline and replacement of 60-in, 48-in, and installation of new 72-in valves at WTP and District campus.	Reline the 60-in Treated Water 1 pipeline and the replacement of the existing Treated Water 1 60-in valve, the 48-in Valve on the 48-in Bypass Pipeline, and the installation of a new 72-in valve on the Hinkle to Bacon Pipeline	In Design	Design started in April 2026. Valves have been purchased and are in fabrication. Construction is tentative for FY26/27 but most likely FY27/28
Launder & Settling Tube Evaluation and Replacement	Structural evaluation of the existing fiberglass launderers at the WTP	In Design	Consultant working on finalizing Technical Memo
Hinkle Reservoir Embankment Restoration and Repair	Restoration of the west-slope of the existing Hinkle Reservoir Embankment	In Design	Design completed in-house. Working on SWPPP. Plan to advertise for Bid in Sept/Oct 2026
Setting water channel resurface and joint repair.	Restoration of the existing south settling water channel and "F" structure at WTP	In Design	Design in FY26/27. Planning to issue design RFP in Aug 2026. Inspection planned for Dec 2026
Filter Channel and Underdrain Lining	Restoration of the existing concrete channel and underdrain structures at the WTP	In Design	Design in FY26/27. Planning to issue design RFP in Aug 2026. Inspection planned for Jan 2027
Filter Influent/Effluent Valve Replacement	Replacement of two (2) rectangular butterfly valves in the Filter influent channel and three (3) butterfly valves in the Filter effluent manifold	In Design	Design in FY26/27. Planning to issue design RFP in Aug 2026
North/South Influent Meter & Valve Actuator Replacements	Replacement of the North and South Venturi flowmeters, valves, and electric actuators	In Design	Flowmeters, valves, & actuators have been purchased and are in fabrication. Construction in FY 27/28

SAFETY & REGULATORY TRAINING – August 2026

Training Course	Staff
Hot Works (Welding/Cutting/Brazing)	Affected Staff
Machine Guarding	Affected Staff

HUMAN RESOURCES

Update on New Employees or Other HR Items

Position	New Employee Name	Date Started
Electrical & Instrumentation Technician	TBD	
Senior Engineer	TBD	
Reorganization – Promotions:		
Assistant General Manager	Andrew Pierson	August 2026
Engineering Manager	Mark Hargrove	August 2026
Facilities Maintenance Manager	Darren Van Dusen	August 2026
Facilities Maintenance Lead	Cody Sinnock	August 2026

FINANCE/BUDGET

See attached

Wholesale Operating Income Statement

San Juan Water District, CA

Group Summary

For Fiscal: 2026-2027 Period Ending: 08/31/2026

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 010 - WHOLESALE					
Revenue					
41000 - Water Sales	12,916,100.00	12,916,100.00	0.00	2,202,078.37	10,714,021.63
43000 - Rebate	2,500.00	2,500.00	0.00	0.00	2,500.00
45000 - Other Operating Revenue	500.00	500.00	3.15	6.30	493.70
49000 - Other Non-Operating Revenue	291,200.00	291,200.00	0.00	-5,422.76	296,622.76
Revenue Total:	**13,210,300.00**	**13,210,300.00**	**3.15**	**2,196,661.91**	**11,013,638.09**
Expense					
51000 - Salaries and Benefits	5,493,400.00	5,493,400.00	352,094.11	872,586.80	4,620,813.20
52000 - Debt Service Expense	784,600.00	784,600.00	0.00	39,466.87	745,133.13
53000 - Source of Supply	943,300.00	943,300.00	10,944.13	100,625.76	842,674.24
54000 - Professional Services	829,200.00	829,200.00	18,596.48	56,537.08	772,662.92
55000 - Maintenance	670,400.00	670,400.00	18,509.86	69,735.81	600,664.19
56000 - Utilities	328,800.00	328,800.00	4,477.01	8,206.67	320,593.33
57000 - Materials and Supplies	1,235,200.00	1,235,200.00	159,239.51	305,219.28	929,980.72
58000 - Public Outreach	32,200.00	32,200.00	0.00	2,665.00	29,535.00
59000 - Other Operating Expenses	919,500.00	919,500.00	4,644.90	103,505.84	815,994.16
69000 - Other Non-Operating Expenses	3,300.00	3,300.00	0.00	0.00	3,300.00
69900 - Transfers Out	238,600.00	238,600.00	0.00	0.00	238,600.00
Expense Total:	**11,478,500.00**	**11,478,500.00**	**568,506.00**	**1,558,549.11**	**9,919,950.89**
Fund: 010 - WHOLESALE Surplus (Deficit):	**1,731,800.00**	**1,731,800.00**	**-568,502.85**	**638,112.80**	**1,093,687.20**
Total Surplus (Deficit):	**1,731,800.00**	**1,731,800.00**	**-568,502.85**	**638,112.80**	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESALE	1,731,800.00	1,731,800.00	-568,502.85	638,112.80	1,093,687.20
Total Surplus (Deficit):	**1,731,800.00**	**1,731,800.00**	**-568,502.85**	**638,112.80**	

Wholesale Capital Income Statement

San Juan Water District, CA

Group Summary

For Fiscal: 2026-2027 Period Ending: 08/31/2026

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 011 - Wholesale Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,555,500.00	1,555,500.00	60,119.84	0.00	1,555,500.00
44000 - Connection Fees	75,000.00	75,000.00	3,658.00	10,180.00	64,820.00
49000 - Other Non-Operating Revenue	897,600.00	897,600.00	0.00	-29,016.79	926,616.79
49990 - Transfer In	238,600.00	238,600.00	0.00	0.00	238,600.00
Revenue Total:	**2,766,700.00**	**2,766,700.00**	**63,777.84**	**-18,836.79**	**2,785,536.79**
Expense					
55000 - Maintenance	826,200.00	826,200.00	0.00	6,164.00	820,036.00
61000 - Capital Outlay	8,535,900.00	8,535,900.00	0.00	34,958.24	8,500,941.76
Expense Total:	**9,362,100.00**	**9,362,100.00**	**0.00**	**41,122.24**	**9,320,977.76**
Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):	**-6,595,400.00**	**-6,595,400.00**	**63,777.84**	**-59,959.03**	**-6,535,440.97**
Total Surplus (Deficit):	**-6,595,400.00**	**-6,595,400.00**	**63,777.84**	**-59,959.03**	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
011 - Wholesale Capital Outl…	-6,595,400.00	-6,595,400.00	63,777.84	-59,959.03	-6,535,440.97
Total Surplus (Deficit):	**-6,595,400.00**	**-6,595,400.00**	**63,777.84**	**-59,959.03**	

Retail Operating Income Statement

San Juan Water District, CA

Group Summary

For Fiscal: 2026-2027 Period Ending: 08/31/2026

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 050 - RETAIL					
Revenue					
41000 - Water Sales	18,274,100.00	18,274,100.00	2,388.67	13,725.60	18,260,374.40
45000 - Other Operating Revenue	540,400.00	540,400.00	39,618.86	36,352.36	504,047.64
49000 - Other Non-Operating Revenue	367,900.00	367,900.00	248.33	16,052.91	351,847.09
Revenue Total:	**19,182,400.00**	**19,182,400.00**	**42,255.86**	**66,130.87**	**19,116,269.13**
Expense					
41000 - Water Sales	4,000.00	4,000.00	208.63	425.71	3,574.29
51000 - Salaries and Benefits	7,857,600.00	7,857,600.00	498,291.25	1,301,462.05	6,556,137.95
52000 - Debt Service Expense	375,200.00	375,200.00	0.00	26,311.25	348,888.75
53000 - Source of Supply	3,695,500.00	3,695,500.00	0.00	737,462.25	2,958,037.75
54000 - Professional Services	1,067,600.00	1,067,600.00	20,888.43	40,531.90	1,027,068.10
55000 - Maintenance	362,700.00	362,700.00	17,751.31	79,970.94	282,729.06
56000 - Utilities	700,200.00	700,200.00	79,062.62	152,675.97	547,524.03
57000 - Materials and Supplies	401,600.00	401,600.00	12,804.46	37,339.45	364,260.55
58000 - Public Outreach	90,000.00	90,000.00	0.00	3,905.00	86,095.00
59000 - Other Operating Expenses	1,210,700.00	1,210,700.00	31,949.09	130,603.16	1,080,096.84
69000 - Other Non-Operating Expenses	7,100.00	7,100.00	0.00	0.00	7,100.00
69900 - Transfers Out	2,380,300.00	2,380,300.00	0.00	0.00	2,380,300.00
Expense Total:	**18,152,500.00**	**18,152,500.00**	**660,955.79**	**2,510,687.68**	**15,641,812.32**
Fund: 050 - RETAIL Surplus (Deficit):	**1,029,900.00**	**1,029,900.00**	**-618,699.93**	**-2,444,556.81**	**3,474,456.81**
Total Surplus (Deficit):	**1,029,900.00**	**1,029,900.00**	**-618,699.93**	**-2,444,556.81**	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	1,029,900.00	1,029,900.00	-618,699.93	-2,444,556.81	3,474,456.81
Total Surplus (Deficit):	**1,029,900.00**	**1,029,900.00**	**-618,699.93**	**-2,444,556.81**	

Retail Capital Income Statement

San Juan Water District, CA

Group Summary

For Fiscal: 2026-2027 Period Ending: 08/31/2026

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 055 - Retail Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,555,500.00	1,555,500.00	60,119.85	0.00	1,555,500.00
44000 - Connection Fees	25,000.00	25,000.00	39,489.00	114,850.00	-89,850.00
49000 - Other Non-Operating Revenue	315,500.00	315,500.00	0.00	-21,726.60	337,226.60
49990 - Transfer In	2,380,300.00	2,380,300.00	0.00	0.00	2,380,300.00
Revenue Total:	**4,276,300.00**	**4,276,300.00**	**99,608.85**	**93,123.40**	**4,183,176.60**
Expense					
54000 - Professional Services	125,000.00	125,000.00	0.00	0.00	125,000.00
55000 - Maintenance	63,300.00	63,300.00	0.00	0.00	63,300.00
61000 - Capital Outlay	19,405,300.00	19,405,300.00	73,283.62	994,625.28	18,410,674.72
Expense Total:	**19,593,600.00**	**19,593,600.00**	**73,283.62**	**994,625.28**	**18,598,974.72**
Fund: 055 - Retail Capital Outlay Surplus (Deficit):	**-15,317,300.00**	**-15,317,300.00**	**26,325.23**	**-901,501.88**	**-14,415,798.12**
Total Surplus (Deficit):	**-15,317,300.00**	**-15,317,300.00**	**26,325.23**	**-901,501.88**	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-15,317,300.00	-15,317,300.00	26,325.23	-901,501.88	-14,415,798.12
Total Surplus (Deficit):	**-15,317,300.00**	**-15,317,300.00**	**26,325.23**	**-901,501.88**	

Summary

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
201144	Hinkle Reservoir Temporary Tanks ai	-750.00	0.00	-750.00
215120	Kokila Reservoir (Replace Hypalon w	34,294.00	731,567.23	-697,273.23
241106	Launderer & Settling Tube Evaluatioi	0.00	6,164.00	-6,164.00
241107	72-Inch Transmission Pipeline - Joint	0.00	7,357.94	-7,357.94
251115	Reline 60-in Pipeline from Filters to I	0.00	7,357.94	-7,357.94
251117	Replacement of TW1 60-in Valve (Va	0.00	7,357.94	-7,357.94
251119	Replacement of 48-in Valve on 48-in	0.00	7,357.93	-7,357.93
261133	WTP Electrical Panel Relocation	0.00	5,526.49	-5,526.49
265165	FY25-26 Air/Vacuum Relief Valve Re|	0.00	25,902.50	-25,902.50
275179	FY 26-27 Wharf Hydrant Replacemer	0.00	878.46	-878.46
275181	FY 26–27 Failed Svc Lat Repl (incl pa\	0.00	142,972.27	-142,972.27
275183	FY 26-27 Meter Replacement Progra	0.00	14,428.84	-14,428.84
	Project Totals:	**33,544.00**	**956,871.54**	**-923,327.54**

Group Summary

Group		Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset		33,544.00	935,991.66	-902,447.66
CIP - Expense		0.00	20,879.88	-20,879.88
	Group Totals:	**33,544.00**	**956,871.54**	**-923,327.54**

Type Summary

Type		Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Engineering		33,544.00	956,871.54	-923,327.54
	Type Totals:	**33,544.00**	**956,871.54**	**-923,327.54**

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-20030	Retentions Payable	750.00	0.00	750.00
011-700-54120	Professional Services - Other	0.00	6,164.00	6,164.00
011-700-61145	Capital Outlay - WTP & Impro...	0.00	5,526.49	5,526.49
011-700-61150	Capital Outlay - Mains/Pipeli...	0.00	29,431.75	29,431.75
055-20030	Retentions Payable	-34,294.00	0.00	-34,294.00
055-700-61150	Capital Outlay - Mains/Pipeli...	0.00	169,753.23	169,753.23
055-700-61153	Capital Outlay - Meters and E...	0.00	14,428.84	14,428.84
055-700-61155	Capital Outlay - Reservoirs & ...	0.00	731,567.23	731,567.23
	GL Account Totals:	**-33,544.00**	**956,871.54**	**923,327.54**

San Juan Water District, CA

Balance Sheet
Account Summary
As Of 08/31/2026

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
Asset					
Type: 1000 - Assets					
10010 - Cash and Investments	6,957,764.87	30,931,140.50	4,496,328.61	22,297,436.51	64,682,670.49
10510 - Accounts Receivable	1,677.10	0.01	1,550,895.71	1,249,999.99	2,802,572.81
11000 - Inventory	6,523.12	0.00	405,432.47	118,224.20	530,179.79
12000 - Prepaid Expense	204,468.63	0.00	72,708.09	0.00	277,176.72
12850 - Lease Receivable	929,947.33	0.00	929,947.36	0.00	1,859,894.69
14010 - Deferred Outflows	3,110,723.40	0.00	3,015,880.08	0.00	6,126,603.48
17010 - Capital Assets - Work in Progress	458,476.17	0.00	647,281.18	0.00	1,105,757.35
17150 - Capital Assets - Land Non-depreciable	120,712.00	0.00	166,272.00	0.00	286,984.00
17160 - Capital Assets - Improvements Other Than Buildings	1,292,811.55	0.00	316,104.82	0.00	1,608,916.37
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	9,575,450.81	0.00	16,622,628.81
17300 - Capital Assets - Buildings & Improvements	1,336,421.99	0.00	395,896.72	0.00	1,732,318.71
17350 - Capital Assets - Water Treatement Plant & Imp	44,615,682.09	0.00	16,000.00	0.00	44,631,682.09
17400 - Capital Assets - Mains/Pipelines & Improvements	28,130,034.95	0.00	63,795,560.29	0.00	91,925,595.24
17410 - Capital Assets - Meters	17,097.25	0.00	1,782,452.69	0.00	1,799,549.94
17500 - Capital Assets - Reservoirs & Improvements	27,025,881.53	0.00	2,492,421.90	0.00	29,518,303.43
17700 - Capital Assets - Equipment & Furniture	14,058,942.87	0.00	1,437,940.35	0.00	15,496,883.22
17750 - Capital Assets - Vehicles	444,033.81	0.00	1,133,914.37	0.00	1,577,948.18
17800 - Capital Assets - Software	296,006.46	0.00	697,450.61	0.00	993,457.07
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-49,735,481.76	0.00	-35,489,478.61	0.00	-85,224,960.37
Total Type 1000 - Assets:	**86,985,097.36**	**30,931,140.51**	**57,438,459.45**	**23,665,660.70**	**199,020,358.02**
Total Asset:	**86,985,097.36**	**30,931,140.51**	**57,438,459.45**	**23,665,660.70**	**199,020,358.02**
Liability					
Type: 1000 - Assets					
10510 - Accounts Receivable	0.00	0.00	125,316.50	0.00	125,316.50
Total Type 1000 - Assets:	**0.00**	**0.00**	**125,316.50**	**0.00**	**125,316.50**
Type: 2000 - Liabilities					
20010 - Accounts Payable	309,238.40	39,415.75	233,607.14	822,580.24	1,404,841.53
20100 - Retentions Payable	0.00	102,421.06	0.00	284,973.53	387,394.59
21200 - Salaries & Benefits Payable	47,937.46	0.00	83,011.37	0.00	130,948.83
21250 - Payroll Taxes Payable	0.01	0.00	-0.01	0.00	0.00
21300 - Compensated Absences	612,248.72	0.00	788,863.33	0.00	1,401,112.05
21373 - Deferred Inflows of Resources - Leases	878,275.08	0.00	878,274.27	0.00	1,756,549.35

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
21500 - Premium on Issuance of Bonds Series 2017	792,566.98	0.00	528,377.96	0.00	1,320,944.94
21600 - OPEB Liability	2,005,735.43	0.00	2,678,314.37	0.00	4,684,049.80
21700 - Pension Liability	1,806,625.72	0.00	2,221,865.18	0.00	4,028,490.90
22010 - Deferred Income	0.00	0.00	139,261.00	0.00	139,261.00
22050 - Deferred Inflows	1,128,000.47	0.00	1,286,618.63	0.00	2,414,619.10
23000 - Loans Payable	23,091,873.93	0.00	3,649,468.08	0.00	26,741,342.01
24000 - Current Bonds Payables	471,000.00	0.00	314,000.00	0.00	785,000.00
24250 - Bonds Payable 2017 Refunding	11,532,000.00	0.00	7,688,000.00	0.00	19,220,000.00
24300 - Loan - Refunding	2,764,509.08	0.00	1,501,050.37	0.00	4,265,559.45
29010 - Other Payables	17,691.00	0.00	53,072.00	0.00	70,763.00
Total Type 2000 - Liabilities:	**45,457,702.28**	**141,836.81**	**22,043,783.69**	**1,107,553.77**	**68,750,876.55**
Total Liability:	**45,457,702.28**	**141,836.81**	**22,169,100.19**	**1,107,553.77**	**68,876,193.05**
Equity					
Type: 3000 - Equity					
30100 - Investment in Capital Assets	35,605,846.21	0.00	32,531,165.81	0.00	68,137,012.02
30500 - Designated Reserves	4,371,330.88	30,849,262.73	5,051,228.78	22,003,443.11	62,275,265.50
30600 - Restricted Fund Balance	0.00	0.00	0.00	1,456,165.70	1,456,165.70
30700 - Restricted Debt Service Reserve	912,105.19	0.00	131,521.48	0.00	1,043,626.67
Total Type 3000 - Equity:	**40,889,282.28**	**30,849,262.73**	**37,713,916.07**	**23,459,608.81**	**132,912,069.89**
Total Total Beginning Equity:	**40,889,282.28**	**30,849,262.73**	**37,713,916.07**	**23,459,608.81**	**132,912,069.89**
Total Revenue	2,196,661.91	-18,836.79	66,130.87	93,123.40	2,337,079.39
Total Expense	1,558,549.11	41,122.24	2,510,687.68	994,625.28	5,104,984.31
Revenues Over/Under Expenses	**638,112.80**	**-59,959.03**	**-2,444,556.81**	**-901,501.88**	**-2,767,904.92**
Total Equity and Current Surplus (Deficit):	**41,527,395.08**	**30,789,303.70**	**35,269,359.26**	**22,558,106.93**	**130,144,164.97**
Total Liabilities, Equity and Current Surplus (Deficit):	**86,985,097.36**	**30,931,140.51**	**57,438,459.45**	**23,665,660.70**	**199,020,358.02**

Check Report

San Juan Water District, CA

By Vendor Name

Date Range: 08/06/2026 - 09/03/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
	Void	08/11/2026	Regular	0.00	0.00	62147
	Void	08/18/2026	Regular	0.00	0.00	62166
	Void	08/26/2026	Regular	0.00	0.00	62194
	Void	09/01/2026	EFT	0.00	0.00	410941
01041	Afman, Todd R	09/01/2026	Regular	0.00	51.19	62195
03109	Alfa Laval Inc.	08/26/2026	EFT	0.00	10,089.51	410923
03406	Alpha Analytical Laboratories Inc.	08/11/2026	Regular	0.00	1,572.00	62138
03406	Alpha Analytical Laboratories Inc.	08/18/2026	Regular	0.00	900.00	62151
03406	Alpha Analytical Laboratories Inc.	09/01/2026	Regular	0.00	1,875.00	62196
01073	Amarjeet Singh Garcha	08/18/2026	Regular	0.00	2,800.00	62152
01328	Association of California Water Agencies / Joint	09/01/2026	EFT	0.00	8,590.68	410940
01200	Berco Redwood, Incorporated	08/26/2026	Regular	0.00	2,869.48	62178
04010	Bizon Group Inc	08/18/2026	Regular	0.00	9,683.63	62153
04106	Brady Worldwide Inc	08/11/2026	Regular	0.00	1,569.54	62139
03853	Brower Mechanical CA LLC	08/26/2026	Regular	0.00	3,363.00	62179
03853	Brower Mechanical CA LLC	09/01/2026	Regular	0.00	1,216.98	62197
01234	Bryce Consulting, Inc.	08/18/2026	Regular	0.00	3,000.00	62154
01235	BSK Associates	09/01/2026	EFT	0.00	91.10	410942
01437	California Utilities Emergency Association	09/01/2026	EFT	0.00	850.00	410943
03861	Calton, John C	09/01/2026	Regular	0.00	3,820.00	62198
03714	Caltrol Inc	09/01/2026	EFT	0.00	243.53	410944
04087	Capital Remodel & Design Inc.	09/01/2026	EFT	0.00	11,548.00	410945
03226	Capitol Sand & Gravel Co.	08/18/2026	Regular	0.00	2,591.13	62155
03226	Capitol Sand & Gravel Co.	08/26/2026	Regular	0.00	1,667.41	62180
03706	Capra Environmental Services, Corp.	08/18/2026	EFT	0.00	19,950.00	410907
03221	Chemtrade Chemicals Corporation	08/11/2026	EFT	0.00	11,845.46	410895
03221	Chemtrade Chemicals Corporation	08/26/2026	EFT	0.00	34,448.40	410924
01372	City of Folsom	09/01/2026	Regular	0.00	39.67	62199
04117	CivicPlus, LLC	08/26/2026	EFT	0.00	11,520.00	410925
01378	Clark Pest Control of Stockton	08/26/2026	Regular	0.00	538.00	62181
04078	Columbia Bank	08/18/2026	Regular	0.00	36,972.00	62156
03235	Construction Supply Holdings II, LLC	08/18/2026	Regular	0.00	1,279.17	62157
03235	Construction Supply Holdings II, LLC	09/01/2026	Regular	0.00	2,011.75	62200
04054	Cooperative Personnel Services	08/11/2026	EFT	0.00	565.00	410896
02448	Crane & Hoist Services, Ltd	08/26/2026	EFT	0.00	960.00	410926
04003	Cumming Management Group, Inc.	09/01/2026	EFT	0.00	2,865.00	410946
03890	Datalink Networks, Inc.	08/11/2026	EFT	0.00	10,313.94	410897
01521	DataProse, LLC	08/26/2026	EFT	0.00	4,840.77	410927
04009	E.W. Carroll & Son, Inc.	08/18/2026	EFT	0.00	375.00	410908
03775	ECORP Consulting, Inc.	09/01/2026	Regular	0.00	4,011.25	62201
01574	Endress + Hauser, Inc.	08/18/2026	EFT	0.00	3,249.91	410909
01611	Ferguson Enterprises, Inc	08/18/2026	EFT	0.00	198.36	410910
03702	Flowline Contractors, Inc.	08/11/2026	EFT	0.00	53,184.77	410898
03702	Flowline Contractors, Inc.	08/18/2026	EFT	0.00	71,740.70	410911
03702	Flowline Contractors, Inc.	09/01/2026	EFT	0.00	66,313.11	410947
01644	Franchise Tax Board	08/18/2026	Regular	0.00	75.00	62158
01644	Franchise Tax Board	08/18/2026	Regular	0.00	64.95	62159
01651	Future Ford, Inc.	08/18/2026	EFT	0.00	4,606.86	410912
04063	Gateway Pacific Contractors, Inc.	08/18/2026	EFT	0.00	702,468.00	410913
01684	Government Finance Officers Association	08/26/2026	Regular	0.00	380.00	62182
03091	Granite Bay Ace Hardware	08/11/2026	Regular	0.00	80.78	62140
03091	Granite Bay Ace Hardware	08/26/2026	Regular	0.00	1,005.37	62183
03091	Granite Bay Ace Hardware	09/01/2026	Regular	0.00	105.11	62202
02567	Grant, Teri	08/18/2026	Regular	0.00	199.20	62160

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01706	Graymont Western US Inc.	08/26/2026	EFT	0.00	18,163.00	410928
01733	Harris Industrial Gases	08/11/2026	Regular	0.00	113.42	62141
03687	HD Supply Facilities Maintenance Ltd.	08/18/2026	EFT	0.00	514.99	410914
04114	Heritage Landscape Supply Group, Inc.	08/26/2026	Regular	0.00	670.68	62184
02093	iPROMOTEu.com, Inc	08/26/2026	EFT	0.00	939.21	410929
02093	iPROMOTEu.com, Inc	09/01/2026	EFT	0.00	1,404.05	410948
03884	JLR Environmental Consulting, LLC	08/18/2026	EFT	0.00	42,222.25	410915
03884	JLR Environmental Consulting, LLC	08/26/2026	EFT	0.00	67,497.50	410930
03992	Jon K Takata Corporation	08/26/2026	EFT	0.00	14,282.31	410931
01959	Les Schwab Tire Centers of California Inc	08/18/2026	Regular	0.00	723.87	62161
01959	Les Schwab Tire Centers of California Inc	09/01/2026	Regular	0.00	336.62	62203
02024	MCI WORLDCOM	09/01/2026	Regular	0.00	55.05	62204
02027	Mcmaster-Carr Supply Company	08/18/2026	EFT	0.00	27.71	410916
03888	Medina, Michael	08/26/2026	Regular	0.00	215.00	62185
01472	Mel Dawson, Inc.	08/11/2026	EFT	0.00	3,939.47	410899
03991	NATEC International, Inc.	09/01/2026	Regular	0.00	2,540.00	62205
03550	Netwrix Corporation	08/18/2026	Regular	0.00	3,921.64	62162
02119	Northern California Water Association	08/18/2026	Regular	0.00	6,841.67	62163
02131	ODP Business Solutions, LLC	08/11/2026	Regular	0.00	1,526.54	62142
02131	ODP Business Solutions, LLC	08/18/2026	Regular	0.00	309.40	62164
02150	Pace Supply Corp	08/26/2026	EFT	0.00	1,194.29	410932
02150	Pace Supply Corp	09/01/2026	EFT	0.00	1,680.70	410949
02158	Pacific Storage Company	08/18/2026	EFT	0.00	242.19	410917
04037	Pavion Corp.	09/01/2026	EFT	0.00	2,964.17	410950
02146	PG&E	08/18/2026	Regular	0.00	40,323.46	62165
03917	Philips, April R	08/18/2026	Regular	0.00	340.30	62167
02216	Placer County Public Works	08/26/2026	Regular	0.00	220.00	62186
02216	Placer County Public Works	09/01/2026	Regular	0.00	3,048.77	62206
02225	Polydyne, Inc	08/26/2026	EFT	0.00	879.15	410933
03961	Prosio Communications	08/26/2026	Regular	0.00	5,920.00	62187
03377	RDO Equipment, Co.	08/11/2026	EFT	0.00	1,847.27	410900
02283	Recology Auburn Placer	08/11/2026	Regular	0.00	890.85	62143
02283	Recology Auburn Placer	09/01/2026	Regular	0.00	159.84	62207
03828	Richard D. Jones, A Professional Law Corporatio	08/26/2026	Regular	0.00	19,950.20	62188
02328	Rocklin Windustrial Co	08/26/2026	Regular	0.00	3,145.35	62189
03681	RS Americas, Inc.	08/11/2026	EFT	0.00	879.33	410901
03681	RS Americas, Inc.	08/18/2026	EFT	0.00	683.04	410918
03385	S J Electro Systems Inc	09/01/2026	EFT	0.00	4,993.75	410951
02357	Sacramento Municipal Utility District (SMUD)	08/18/2026	Regular	0.00	36,157.70	62168
02452	Sierra National Construction, Inc.	08/26/2026	Regular	0.00	23,646.61	62190
03822	SIJ Holdings LLC	08/11/2026	EFT	0.00	2,489.44	410902
03822	SIJ Holdings LLC	08/18/2026	EFT	0.00	1,655.30	410919
03375	Sorensen, Elishia	08/26/2026	Regular	0.00	301.00	62191
02514	State Water Resources Control Board - SWRCB	08/11/2026	Regular	0.00	80.00	62144
03830	Stoel Rives LLP	08/26/2026	EFT	0.00	11,469.05	410934
01411	SureWest Telephone	08/26/2026	Regular	0.00	4,380.71	62192
04064	Teknita LLC	08/18/2026	EFT	0.00	21,347.00	410920
02564	Telstar Instruments	08/26/2026	EFT	0.00	5,234.32	410935
02581	The Ferguson Group, LLC	09/01/2026	EFT	0.00	21,261.00	410952
04095	The W.W.Williams Company LLC	09/01/2026	EFT	0.00	14,891.08	410953
03799	Thirkettle Corporation	08/11/2026	EFT	0.00	21,748.22	410903
02629	Trench & Traffic Supply Inc.	09/01/2026	EFT	0.00	871.82	410954
03763	Trucksmart	08/11/2026	Regular	0.00	186.45	62145
02281	UBEO West, LLC	09/01/2026	Regular	0.00	503.75	62208
02643	Underground Service Alert of Northern Californ	08/11/2026	EFT	0.00	11,815.26	410904
03298	United Rentals (North America), Inc.	08/11/2026	EFT	0.00	2,493.81	410905
02667	US Bank Corporate Payments Sys (CalCard)	08/19/2026	Bank Draft	0.00	23,787.95	474-524923-26
02667	US Bank Corporate Payments Sys (CalCard)	08/19/2026	Bank Draft	0.00	10,401.10	474-524923-26
02665	US BANK St. Paul	08/11/2026	EFT	0.00	3,450.00	410906
03986	Vaneli's Inc.	08/26/2026	EFT	0.00	66.25	410936
02690	Verizon Wireless	08/11/2026	Regular	0.00	3,364.12	62146

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02690	Verizon Wireless	08/26/2026	Regular	0.00	3,253.57	62193
02700	Viking Shred LLC	08/11/2026	Regular	0.00	76.00	62148
01687	W. W. Grainger, Inc.	08/11/2026	Regular	0.00	125.79	62149
01687	W. W. Grainger, Inc.	08/18/2026	Regular	0.00	1,087.43	62169
02710	WageWorks, Inc.	08/26/2026	EFT	0.00	110.00	410937
03387	WageWorks, Inc	08/18/2026	EFT	0.00	540.57	410921
03831	Water Works Engineers, LLC	08/11/2026	Regular	0.00	1,194.50	62150
02730	Western Area Power Administration	09/01/2026	EFT	0.00	8,800.00	410955
03969	Xylem Dewatering Solutions, Inc.	08/18/2026	EFT	0.00	125,490.00	410922
04104	Yorke Engineering, LLC	08/26/2026	EFT	0.00	5,686.50	410938
04005	Zanjero, Inc.	08/26/2026	EFT	0.00	827.50	410939
03642	Zenner Performance Meters, Inc.	09/01/2026	Regular	0.00	6,299.28	62209

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	105	61	0.00	255,651.18
Manual Checks	0	0	0.00	0.00
Voided Checks	0	3	0.00	0.00
Bank Drafts	2	2	0.00	34,189.05
EFT's	102	61	0.00	1,455,459.60
	209	**127**	**0.00**	**1,745,299.83**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	105	61	0.00	255,651.18
Manual Checks	0	0	0.00	0.00
Voided Checks	0	3	0.00	0.00
Bank Drafts	2	2	0.00	34,189.05
EFT's	102	61	0.00	1,455,459.60
	209	**127**	**0.00**	**1,745,299.83**

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	8/2026	1,571,857.58
999	INTERCOMPANY	9/2026	173,442.25
			1,745,299.83

San Juan Water District, CA

Vendor History Report

By Vendor Name

Posting Date Range 07/01/2026 - 08/31/2026

Payment Date Range -

Payable Number / Item Description	Description / Units	Price	Post Date / Amount	1099 / Account Number	Payment Number	Payment Date / Account Name	Amount / Dist Amount	Shipping	Tax	Discount	Net	Payment
Vendor Set: 01 - Vendor Set 01												
02162 - Tobin, Pamela							**48.64**	**0.00**	**0.00**	**0.00**	**48.64**	**48.64**
Exp Reimb 09-2026	ACWA JPIA Meetings Mileage		7/31/2026		410965	9/8/2026	48.64	0.00	0.00	0.00	48.64	48.64
ACWA JPIA Meetings Mi	0.00	0.00	48.64	010-010-52110		Training - Meetings, Education & Tr	24.32					
				050-010-52110		Training - Meetings, Education & Tr	24.32					
					Vendors: (1)	Total 01 - Vendor Set 01:	**48.64**	**0.00**	**0.00**	**0.00**	**48.64**	**48.64**
					Vendors: (1)	Report Total:	**48.64**	**0.00**	**0.00**	**0.00**	**48.64**	**48.64**

San Juan Water District, CA

Pay Code Report

Summary By Employee

7/1/2026 - 8/31/2026

Payroll Set: 01-San Juan Water District

Employee Number	Employee Name	Pay Code	# of Payments	Units	Pay Amount
0690	Costa, Ted	Reg - Regular Hours	2	11.00	2,200.00
			0690 - Costa Total:	**11.00**	**2,200.00**
0265	Machado, George	Reg - Regular Hours	2	10.00	2,000.00
			0265 - Machado Total:	**10.00**	**2,000.00**
1056	McRae, Michael	Reg - Regular Hours	2	6.00	1,200.00
			1056 - McRae Total:	**6.00**	**1,200.00**
0650	Tobin, Pamela	Reg - Regular Hours	2	17.00	3,400.00
			0650 - Tobin Total:	**17.00**	**3,400.00**
1039	Zamorano, Manuel	Reg - Regular Hours	2	7.00	1,400.00
			1039 - Zamorano Total:	**7.00**	**1,400.00**
			Report Total:	**51.00**	**10,200.00**

San Juan Water District, CA

Pay Code Report

Account Summary

7/1/2026 - 8/31/2026

Payroll Set: 01-San Juan Water District

Account	Account Description		Units	Pay Amount
010-010-58110	Director - Stipend		25.50	5,100.00
		010 - WHOLESALE Total:	**25.50**	**5,100.00**
050-010-58110	Director - Stipend		25.50	5,100.00
		050 - RETAIL Total:	**25.50**	**5,100.00**
		Report Total:	**51.00**	**10,200.00**

Pay Code Report

Pay Code Summary

7/1/2026 - 8/31/2026

Payroll Set: 01-San Juan Water District

Pay Code	Description	# of Payments	Units	Pay Amount
Reg - Regular Hours	Regular Hours	10	51.00	10,200.00
		Report Total:	**51.00**	**10,200.00**

Monthly Investment Transactions

pfm asset management

Customer Service
PO Box 11813
Harrisburg, PA 17108-1813

ACCOUNT STATEMENT

SAN JUAN WATER DISTRICT

For the Month Ending
August 31, 2026

Client Management Team

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Relationship Manager
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415-393-7270
kaunea@pfmam.com

Joseph Creason, CFA
Director – Senior Fixed Income Portfolio Manager
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Harrisburg, PA 17101-2141
717-231-6217
creasonj@pfmam.com

Contents

Accounts included in Statement

76921400	SAN JUAN WATER DISTRICT

SAN JUAN WATER DISTRICT
FINANCE DIRECTOR
9935 AUBURN FOLSOM ROAD
GRANITE BAY, CA 95746

Online Access https://www.pfmam.com **Customer Service** 1-717-232-2723

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management ("PFMAM") is a division of U.S. Bancorp Asset Management, Inc. ("USBAM"), a SEC-registered investment adviser. USBAM is direct subsidiary of U.S. Bank National Association ("U.S. Bank") and an indirect subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM maintains a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

Proxy Voting PFMAM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFMAM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

Questions About an Account PFMAM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFMAM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFMAM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFMAM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference. If you do not receive a report from the custodian on at least a quarterly basis, please notify your relationship manager at your custodian and PFMAM.

Account Control PFMAM does not have the authority to withdraw funds from or deposit funds to the custodian outside the scope of services provided by PFMAM. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

Amortized Cost The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFMAM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFMAM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFMAM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Shares of some local government investment programs and TERM funds are distributed by representatives of USBAM's affiliate, U.S. Bancorp Investments, Inc. which is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Hotline at 1-800-289-9999 or at the FINRA website address https://www.finra.org/investors/investor-contacts. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.

Key Terms and Definitions

Dividends on local government investment program funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally $1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed.

Average maturity represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

Monthly distribution yield represents the net change in the value of one share (normally $1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

YTM at Cost The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.

YTM at Market The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

Managed Account A portfolio of investments managed discretely by PFMAM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

Unsettled Trade A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFMAM within 60 days of receipt. If you have other concerns or questions regarding your account, or to request an updated copy of PFMAM's current disclosure statement, please contact a member of your client management team at PFMAM Service Operations at the address below.

PFM Asset Management
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

NOT FDIC INSURED **NO BANK GUARANTEE** **MAY LOSE VALUE**

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Managed Account Summary Statement

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Transaction Summary - Managed Account	
Opening Market Value	**$10,820,861.54**
Maturities/Calls	(1,037,277.65)
Principal Dispositions	(137,376.40)
Principal Acquisitions	1,222,117.79
Unsettled Trades	0.00
Change in Current Value	(7,376.42)
Closing Market Value	**$10,860,948.86**

Cash Transactions Summary - Managed Account	
Maturities/Calls	1,015,000.00
Sale Proceeds	137,448.34
Coupon/Interest/Dividend Income	32,355.34
Principal Payments	22,277.65
Security Purchases	(1,222,369.69)
Net Cash Contribution	(1,000.00)
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account	
Interest/Dividends/Coupons Received	32,427.28
Less Purchased Interest Related to Interest/Coupons	(251.90)
Plus Net Realized Gains/Losses	787.95
Total Cash Basis Earnings	**$32,963.33**

Cash Balance	
Closing Cash Balance	**$117,986.08**

Earnings Reconciliation (Accrual Basis)	Total
Ending Amortized Value of Securities	10,943,494.79
Ending Accrued Interest	67,762.80
Plus Proceeds from Sales	137,448.34
Plus Proceeds of Maturities/Calls/Principal Payments	1,037,277.65
Plus Coupons/Dividends Received	32,355.34
Less Cost of New Purchases	(1,222,369.69)
Less Beginning Amortized Value of Securities	(10,893,549.01)
Less Beginning Accrued Interest	(66,398.20)
Total Accrual Basis Earnings	**$36,022.02**

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Portfolio Summary and Statistics

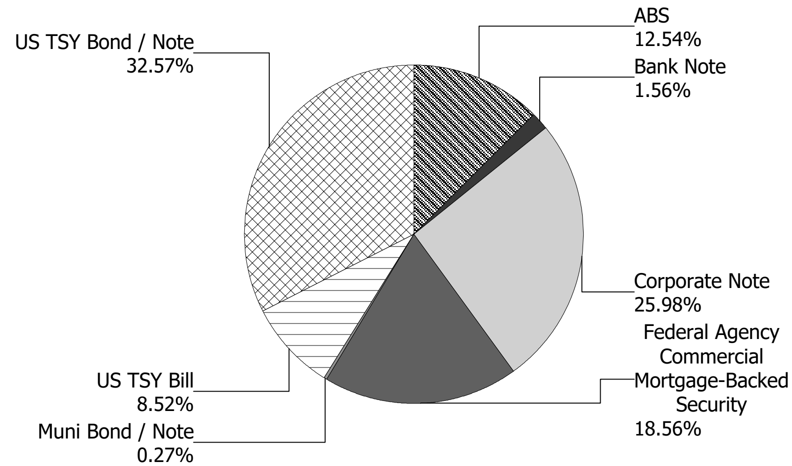
For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

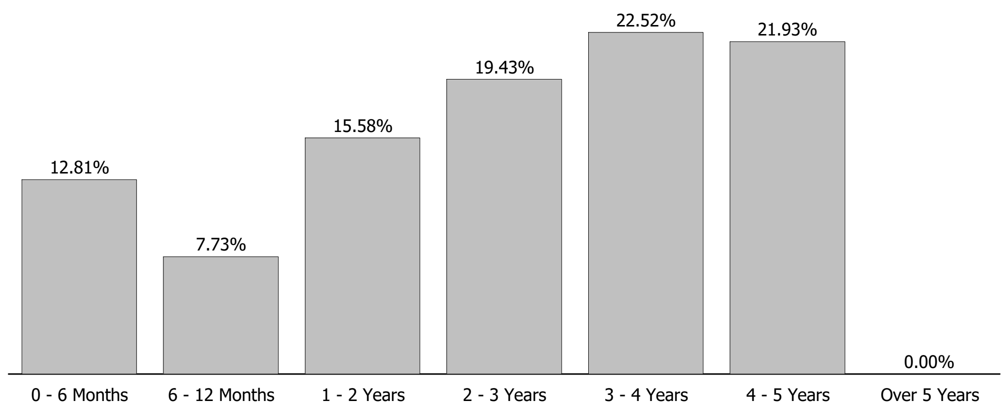
Account Summary

Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	3,595,000.00	3,537,572.09	32.57
U.S. Treasury Bill	925,000.00	924,815.00	8.52
Municipal Bond / Note	30,000.00	29,535.45	0.27
Federal Agency Commercial Mortgage-Backed Security	2,014,796.26	2,016,171.97	18.56
Corporate Note	2,878,000.00	2,821,546.66	25.98
Bank Note	170,000.00	169,244.88	1.56
Asset-Backed Security	1,371,961.51	1,362,062.81	12.54
Managed Account Sub-Total	**10,984,757.77**	**10,860,948.86**	**100.00%**
Accrued Interest		67,762.80	
Total Portfolio	**10,984,757.77**	**10,928,711.66**	
Unsettled Trades	**0.00**	**0.00**	

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	4.19%
Yield to Maturity at Market	4.32%
Weighted Average Days to Maturity	935

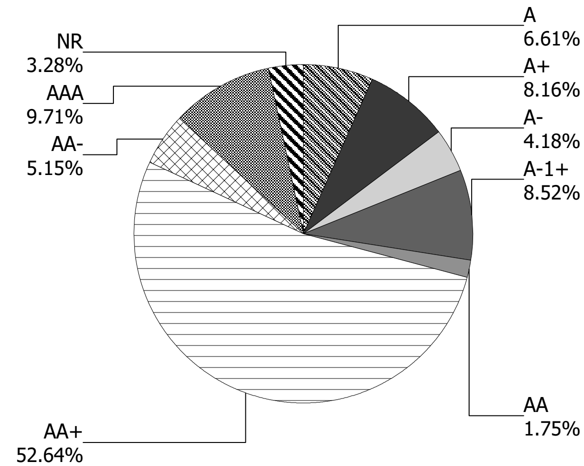
Managed Account Issuer Summary

SAN JUAN WATER DISTRICT - 76921400

Issuer Summary

Issuer	Market Value of Holdings	Percent
Adobe Inc	99,165.10	0.91
Ally Auto Receivables Trust	19,896.30	0.18
Alphabet Inc	134,632.67	1.24
Amazon.com Inc	156,015.48	1.44
American Express Co	99,599.00	0.92
BA Credit Card Trust	134,076.70	1.23
Bank of America Corp	166,806.39	1.54
Bank of New York Mellon Corp	98,909.00	0.91
BlackRock Inc	152,588.30	1.40
Capital One Financial Corp	88,796.71	0.82
Caterpillar Inc	78,275.05	0.72
Charles Schwab Corp	73,418.75	0.68
Cisco Systems Inc	30,161.07	0.28
Citigroup Inc	102,307.60	0.94
Deere & Co	100,832.11	0.93
Eli Lilly & Co	74,193.00	0.68
Federal Home Loan Mortgage Corp	1,927,678.59	17.75
Federal National Mortgage Association	88,493.38	0.81
Fifth Third Auto Trust	16,825.31	0.15
Ford Credit Auto Owner Trust	89,103.78	0.82
GM Financial Consumer Automobile Receiv	23,984.80	0.22
Home Depot Inc	98,475.70	0.91
Honda Auto Receivables Owner Trust	214,951.42	1.98
Hyundai Auto Receivables Trust	158,552.96	1.46
JPMorgan Chase & Co	359,697.79	3.31
Kenvue Inc	56,356.22	0.52
Mastercard Inc	94,424.30	0.87
Meta Platforms Inc	161,249.55	1.48
Morgan Stanley	169,244.88	1.56
National Rural Utilities Cooperative Fi	49,511.70	0.46
Novartis AG	140,844.45	1.30
PepsiCo Inc	64,839.78	0.60

Credit Quality (S&P Ratings)



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Managed Account Issuer Summary

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Issuer	Market Value of Holdings	Percent
PNC Financial Services Group Inc	213,339.34	1.96
Salesforce Inc	84,631.27	0.78
ServiceNow Inc	9,945.16	0.09
State of Hawaii	29,535.45	0.27
State Street Corp	49,941.55	0.46
Target Corp	74,394.23	0.68
Texas Instruments Inc	89,570.30	0.82
TotalEnergies SE	106,985.34	0.99
Toyota Auto Receivables Owner Trust	208,338.44	1.92
Toyota Motor Corp	74,615.78	0.69
United States Treasury	4,462,387.09	41.10
Verizon Master Trust	99,149.50	0.91
Walmart Inc	34,207.57	0.31
Total	**$10,860,948.86**	**100.00%**

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Managed Account Detail of Securities Held

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	135,000.00	AA+	Aa1	04/05/22	04/07/22	124,300.20	2.77	497.03	134,810.45	134,668.03
US TREASURY N/B DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	160,000.00	AA+	Aa1	08/25/22	08/26/22	140,662.50	3.21	136.96	156,698.74	155,267.84
US TREASURY N/B DTD 08/15/2017 2.250% 08/15/2027	9128282R0	130,000.00	AA+	Aa1	09/01/22	09/06/22	123,251.17	3.40	135.12	128,698.12	127,618.40
US TREASURY N/B DTD 11/15/2024 4.125% 11/15/2027	91282CLX7	240,000.00	AA+	Aa1	03/03/25	03/04/25	240,787.50	3.99	2,932.34	240,361.70	239,550.00
US TREASURY N/B DTD 01/03/2023 3.875% 12/31/2027	91282CGC9	250,000.00	AA+	Aa1	01/03/23	01/03/23	249,335.94	3.93	1,658.46	249,822.97	248,632.75
US TREASURY N/B DTD 02/28/2023 4.000% 02/29/2028	91282CGP0	80,000.00	AA+	Aa1	05/31/23	05/31/23	80,581.25	3.83	8.84	80,182.92	79,637.52
US TREASURY N/B DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	70,000.00	AA+	Aa1	05/16/23	05/17/23	70,306.25	3.53	1,067.69	70,099.27	69,256.25
US TREASURY N/B DTD 05/01/2023 3.500% 04/30/2028	91282CHA2	35,000.00	AA+	Aa1	05/01/23	05/01/23	34,833.20	3.61	412.77	34,944.55	34,536.53
US TREASURY N/B DTD 10/31/2024 4.125% 10/31/2029	91282CLR0	70,000.00	AA+	Aa1	11/14/24	11/15/24	69,480.47	4.29	972.96	69,656.35	69,373.85
US TREASURY N/B DTD 10/31/2024 4.125% 10/31/2029	91282CLR0	275,000.00	AA+	Aa1	11/01/24	11/04/24	274,323.24	4.18	3,822.35	274,555.53	272,540.13
US TREASURY N/B DTD 12/31/2024 4.375% 12/31/2029	91282CMD0	190,000.00	AA+	Aa1	01/06/25	01/07/25	189,606.64	4.42	1,423.06	189,728.22	189,658.57
US TREASURY N/B DTD 01/31/2025 4.250% 01/31/2030	91282CMG3	90,000.00	AA+	Aa1	02/03/25	02/04/25	89,585.16	4.35	332.61	89,707.01	89,444.52
US TREASURY N/B DTD 03/31/2025 4.000% 03/31/2030	91282CMU2	290,000.00	AA+	Aa1	04/01/25	04/02/25	291,450.00	3.89	4,880.87	291,067.68	285,752.08
US TREASURY N/B DTD 04/30/2025 3.875% 04/30/2030	91282CMZ1	130,000.00	AA+	Aa1	03/19/26	03/20/26	130,106.64	3.85	1,697.42	130,095.93	127,496.46

pfm asset management

Managed Account Detail of Securities Held

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 05/31/2023 3.750% 05/31/2030	91282CHF1	175,000.00	AA+	Aa1	06/02/25	06/03/25	172,750.98	4.04	1,667.52	173,271.82	170,754.85
US TREASURY N/B DTD 06/30/2025 3.875% 06/30/2030	91282CNK3	75,000.00	AA+	Aa1	07/01/25	07/01/25	75,225.59	3.81	497.54	75,176.62	73,467.75
US TREASURY N/B DTD 07/31/2025 3.875% 07/31/2030	91282CNN7	200,000.00	AA+	Aa1	08/27/25	08/28/25	201,406.25	3.72	673.91	201,138.63	195,820.40
US TREASURY N/B DTD 09/30/2025 3.625% 09/30/2030	91282CPA3	100,000.00	AA+	Aa1	10/30/25	10/31/25	99,570.31	3.72	1,525.27	99,638.31	96,875.00
US TREASURY N/B DTD 09/30/2025 3.625% 09/30/2030	91282CPA3	160,000.00	AA+	Aa1	10/01/25	10/02/25	159,725.00	3.66	2,440.44	159,772.19	155,000.00
US TREASURY N/B DTD 12/31/2025 3.625% 12/31/2030	91282CPR6	40,000.00	AA+	Aa1	12/31/25	12/31/25	39,856.25	3.70	248.23	39,874.23	38,660.92
US TREASURY N/B DTD 02/02/2026 3.750% 01/31/2031	91282CPW5	95,000.00	AA+	Aa1	02/05/26	02/10/26	94,996.29	3.75	309.78	94,996.94	92,220.49
US TREASURY N/B DTD 02/02/2026 3.750% 01/31/2031	91282CPW5	405,000.00	AA+	Aa1	02/02/26	02/02/26	403,623.64	3.83	1,320.65	403,772.56	393,150.51
US TREASURY N/B DTD 04/30/2026 3.875% 04/30/2031	91282COK0	35,000.00	AA+	Aa1	05/04/26	05/05/26	34,711.52	4.06	457.00	34,728.66	34,104.49
US TREASURY N/B DTD 07/31/2026 4.375% 07/31/2031	91282CRA1	165,000.00	AA+	Aa1	08/03/26	08/04/26	164,819.53	4.40	627.72	164,822.43	164,084.75
Security Type Sub-Total		**3,595,000.00**					**3,555,295.52**	**3.86**	**29,746.54**	**3,587,621.83**	**3,537,572.09**
U.S. Treasury Bill											
TREASURY BILL DTD 09/04/2025 0.000% 09/03/2026	912797RS8	100,000.00	A-1+	P-1	08/06/26	08/10/26	99,760.30	3.60	0.00	99,980.03	99,980.00
TREASURY BILL DTD 09/04/2025 0.000% 09/03/2026	912797RS8	825,000.00	A-1+	P-1	08/03/26	08/04/26	822,513.66	3.62	0.00	824,834.25	824,835.00
Security Type Sub-Total		**925,000.00**					**922,273.96**	**3.61**	**0.00**	**924,814.28**	**924,815.00**

pfm asset management

Managed Account Detail of Securities Held

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Municipal Bond / Note											
HAWAII ST-TXBL-GP (CALLABLE) DTD 04/30/2026 4.212% 04/01/2031	419792S23	30,000.00	AA+	Aa2	04/16/26	04/30/26	30,000.00	4.21	424.71	30,000.00	29,535.45
Security Type Sub-Total		**30,000.00**					**30,000.00**	**4.21**	**424.71**	**30,000.00**	**29,535.45**
Federal Agency Commercial Mortgage-Backed Security											
FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	88,953.79	AA+	Aa1	05/19/23	05/24/23	86,215.67	4.29	248.11	88,771.39	88,630.08
FHMS K064 A2 DTD 05/01/2017 3.224% 03/01/2027	3137BXQY1	94,131.02	AA+	Aa1	08/16/23	08/18/23	88,792.03	4.94	252.90	93,291.27	93,591.93
FHMS K065 A2 DTD 07/01/2017 3.243% 04/01/2027	3137F1G44	55,000.00	AA+	Aa1	08/16/23	08/18/23	51,856.84	4.93	148.64	54,445.74	54,589.54
FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	88,343.69	AA+	Aa1	08/17/23	08/22/23	82,615.15	4.97	229.47	87,125.91	87,516.53
FHMS K507 A1 DTD 09/01/2023 4.800% 04/01/2028	3137HAMR4	83,806.31	AA+	Aa1	09/20/23	09/28/23	82,491.13	5.19	335.23	83,284.07	83,987.08
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	49,518.25	AA+	Aa1	07/19/23	07/27/23	49,517.00	4.78	197.12	49,517.79	49,564.45
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	99,720.57	AA+	Aa1	07/13/23	07/20/23	100,716.58	4.59	400.46	100,087.55	99,894.18
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BODE6	89,284.62	AA+	Aa1	07/18/23	07/31/23	87,770.97	4.58	311.75	88,707.51	88,493.38
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	100,000.00	AA+	Aa1	09/07/23	09/14/23	98,520.70	4.99	387.50	99,359.79	99,889.10
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	100,000.00	AA+	Aa1	10/11/23	10/19/23	97,806.40	5.25	395.00	99,030.52	99,984.10
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	75,000.00	AA+	Aa1	10/25/23	10/31/23	72,608.78	5.60	303.13	73,889.76	75,137.48
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	100,000.00	AA+	Aa1	09/20/23	09/28/23	98,804.70	5.07	400.00	99,457.81	100,173.70

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Commercial Mortgage-Backed Security											
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	40,000.00	AA+	Aa1	11/14/23	11/21/23	39,884.36	5.14	168.97	39,945.73	40,238.80
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	55,000.00	AA+	Aa1	11/28/23	12/07/23	54,841.99	4.93	222.75	54,925.43	55,105.27
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	46,038.02	AA+	Aa1	12/11/23	12/21/23	46,467.92	4.79	191.83	46,246.30	46,268.25
FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5	55,000.00	AA+	Aa1	01/10/24	01/18/24	55,549.40	4.50	216.52	55,274.11	54,962.27
FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	60,000.00	AA+	Aa1	02/01/24	02/08/24	60,599.94	4.34	228.60	60,301.84	59,814.42
FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5	70,000.00	AA+	Aa1	03/19/24	03/28/24	71,690.15	4.83	315.00	70,906.77	71,017.87
FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5	90,000.00	AA+	Aa1	03/05/24	03/14/24	92,698.74	4.67	401.63	91,413.13	91,089.18
FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPD0	100,000.00	AA+	Aa1	02/14/24	02/22/24	102,694.00	4.79	450.00	101,397.00	101,329.30
FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0	100,000.00	AA+	Aa1	02/29/24	03/07/24	102,999.70	4.79	456.42	101,567.34	101,520.70
FHMS K520 A2 DTD 04/01/2024 5.180% 03/01/2029	3137HCKV3	55,000.00	AA+	Aa1	04/23/24	04/30/24	55,223.25	5.09	237.42	55,126.11	55,491.70
FHMS K524 A2 DTD 07/01/2024 4.720% 05/01/2029	3137HDV56	80,000.00	AA+	Aa1	07/16/24	07/25/24	80,491.28	4.58	314.67	80,296.53	79,980.96
FHMS K526 A2 DTD 08/01/2024 4.543% 07/01/2029	3137HDXL9	90,000.00	AA+	Aa1	08/07/24	08/15/24	90,841.86	4.33	340.72	90,516.72	89,509.05
FHMS K530 A2 DTD 11/01/2024 4.792% 09/01/2029	3137HHJL6	100,000.00	AA+	Aa1	11/19/24	11/27/24	100,520.70	4.67	399.33	100,350.28	100,042.10
FHMS K557 A2 DTD 03/01/2026 3.936% 01/01/2031	3137HQSP7	50,000.00	AA+	Aa1	03/03/26	03/12/26	49,999.05	3.94	164.00	49,999.19	48,350.55

pfm asset management

Managed Account Detail of Securities Held

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		**2,014,796.26**					**2,002,218.29**	**4.80**	**7,717.17**	**2,015,235.59**	**2,016,171.97**
Corporate Note											
TARGET CORP (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	15,000.00	A	A2	01/19/22	01/24/22	14,974.50	1.99	37.38	14,998.09	14,878.85
TARGET CORP (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	60,000.00	A	A2	01/27/22	01/31/22	59,963.40	1.96	149.50	59,997.25	59,515.38
BANK OF NY MELLON CORP (CALLABLE) DTD 01/26/2022 2.050% 01/26/2027	06406RBA4	70,000.00	A	Aa3	01/26/22	01/28/22	70,225.40	1.98	139.51	70,014.42	69,418.37
ADOBE INC (CALLABLE) DTD 02/03/2020 2.150% 02/01/2027	00724PAC3	100,000.00	A+	A1	12/13/22	12/15/22	92,310.00	4.20	179.17	99,223.76	99,165.10
PNC FINANCIAL SERVICES (CALLABLE) DTD 05/19/2017 3.150% 05/19/2027	693475AT2	105,000.00	A-	A3	12/07/22	12/09/22	98,590.80	4.69	937.13	103,966.52	104,188.98
PNC FINANCIAL SERVICES (CALLABLE) DTD 05/19/2017 3.150% 05/19/2027	693475AT2	110,000.00	A-	A3	12/06/22	12/08/22	102,786.20	4.80	981.75	108,837.50	109,150.36
AMAZON.COM INC (CALLABLE) DTD 06/03/2020 1.200% 06/03/2027	023135BR6	110,000.00	AA	A1	07/19/22	07/21/22	98,514.90	3.56	322.67	108,216.93	107,527.53
HOME DEPOT INC (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	100,000.00	A	A2	01/26/23	01/30/23	94,340.00	4.16	1,298.89	98,731.26	98,475.70
KENVUE INC (CALLABLE) DTD 10/17/2023 5.050% 03/22/2028	49177JAF9	56,000.00	A	A2	06/27/25	06/30/25	57,322.16	4.12	1,249.03	56,755.18	56,356.22
JPMORGAN CHASE & CO (CALLABLE) DTD 04/22/2024 5.571% 04/22/2028	46647PEE2	150,000.00	A	A1	08/08/24	08/09/24	153,100.50	4.95	2,994.41	150,771.12	150,909.90
SERVICENOW INC DTD 05/15/2026 4.250% 05/15/2028	81762PAF9	10,000.00	A	A2	05/12/26	05/15/26	9,963.80	4.44	125.14	9,968.96	9,945.16
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	45,000.00	A	A1	07/11/23	07/14/23	44,932.95	4.98	290.81	44,974.93	45,374.45
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	55,000.00	A	A1	07/14/23	07/18/23	55,539.00	4.73	355.44	55,201.97	55,457.66
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 08/25/2025 4.150% 08/25/2028	63743HFZ0	50,000.00	NR	A2	08/19/25	08/25/25	49,944.00	4.19	34.58	49,962.22	49,511.70

pfm asset management

Managed Account Detail of Securities Held

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
CITIBANK NA (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	100,000.00	A+	Aa3	05/01/24	05/03/24	101,934.00	5.30	2,450.16	100,947.04	102,307.60
BANK OF AMERICA CORP (CALLABLE) DTD 01/24/2025 4.979% 01/24/2029	06051GMK2	70,000.00	A-	A1	04/01/25	04/02/25	70,775.60	4.66	358.21	70,397.72	70,275.80
STATE STREET CORP (CALLABLE) DTD 08/20/2024 4.530% 02/20/2029	857477CN1	50,000.00	A	Aa3	08/14/24	08/20/24	50,000.00	4.53	69.21	50,000.00	49,941.55
CATERPILLAR FINL SERVICE DTD 02/24/2026 3.750% 02/23/2029	14913UBJ8	70,000.00	A	A1	02/18/26	02/24/26	69,907.60	3.80	58.33	69,922.90	68,548.97
CISCO SYSTEMS INC (CALLABLE) DTD 02/26/2024 4.850% 02/26/2029	17275RBR2	30,000.00	AA-	A1	11/12/25	11/13/25	30,787.50	3.99	20.21	30,600.26	30,161.07
BLACKROCK INC (CALLABLE) DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	10,000.00	AA-	Aa3	03/05/24	03/14/24	9,981.90	4.74	218.03	9,990.31	10,026.72
BLACKROCK INC (CALLABLE) DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	90,000.00	AA-	Aa3	04/09/24	04/11/24	89,582.40	4.81	1,962.25	89,772.88	90,240.48
SALESFORCE INC (CALLABLE) DTD 03/13/2026 4.650% 03/15/2029	79466LAR5	85,000.00	A+	A2	03/11/26	03/13/26	84,981.30	4.66	1,844.50	84,984.10	84,631.27
MASTERCARD INC (CALLABLE) DTD 06/08/2026 4.425% 06/08/2029	57636QBK9	95,000.00	A+	Aa3	07/16/26	07/17/26	94,794.80	4.50	969.20	94,803.06	94,424.30
PEPSICO INC (CALLABLE) DTD 07/17/2024 4.500% 07/17/2029	713448FX1	65,000.00	A+	A1	07/15/24	07/17/24	64,899.25	4.53	357.50	64,939.46	64,839.78
TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/09/2029	89236TMK8	15,000.00	A+	A1	08/06/24	08/09/24	14,969.55	4.60	41.71	14,981.28	14,923.16
TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/09/2029	89236TMK8	30,000.00	A+	A1	08/07/24	08/09/24	29,965.50	4.58	83.42	29,978.86	29,846.31
TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/09/2029	89236TMK8	30,000.00	A+	A1	08/08/24	08/09/24	29,876.70	4.64	83.42	29,924.19	29,846.31
ALPHABET INC (CALLABLE) DTD 08/10/2026 4.625% 08/10/2029	02079KCN5	135,000.00	AA+	Aa2	08/19/26	08/20/26	135,024.30	4.62	364.22	135,024.32	134,632.67

Managed Account Detail of Securities Held

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CQ9	15,000.00	AA-	Aa3	08/12/24	08/14/24	14,967.15	4.25	29.75	14,979.81	14,838.60
ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CQ9	60,000.00	AA-	Aa3	08/13/24	08/14/24	60,087.60	4.17	119.00	60,053.98	59,354.40
BANK OF NY MELLON CORP (CALLABLE) DTD 01/22/2026 4.026% 01/22/2030	06406RCG0	30,000.00	A	Aa3	01/14/26	01/22/26	30,000.00	4.03	130.85	30,000.00	29,490.63
BLACKROCK FINANCE INC (CALLABLE) DTD 01/27/2020 2.400% 04/30/2030	09247XAQ4	57,000.00	AA-	Aa3	06/26/25	06/27/25	52,286.10	4.31	459.80	53,345.21	52,321.10
TEXAS INSTRUMENTS INC (CALLABLE) DTD 05/04/2020 1.750% 05/04/2030	882508BJ2	100,000.00	A+	Aa3	07/02/25	07/03/25	89,038.00	4.28	568.75	91,469.63	89,570.30
NOVARTIS CAPITAL CORP (CALLABLE) DTD 11/05/2025 4.100% 11/05/2030	66989HAY4	145,000.00	AA-	Aa3	11/03/25	11/05/25	144,565.00	4.17	1,915.61	144,631.10	140,844.45
CATERPILLAR FINL SERVICE DTD 01/08/2026 4.150% 01/08/2031	14913UBH2	10,000.00	A	A1	01/05/26	01/08/26	9,996.40	4.16	61.10	9,996.85	9,726.08
TOTALENERGI CAP USA LLC (CALLABLE) DTD 01/13/2026 4.248% 01/13/2031	89158TAA7	45,000.00	A+	Aa3	01/06/26	01/13/26	45,000.00	4.25	254.88	45,000.00	43,766.73
TOTALENERGI CAP USA LLC (CALLABLE) DTD 01/13/2026 4.248% 01/13/2031	89158TAA7	65,000.00	A+	Aa3	01/07/26	01/13/26	65,153.40	4.20	368.16	65,135.55	63,218.61
BANK OF AMERICA CORP (CALLABLE) DTD 02/13/2020 2.496% 02/13/2031	06051GHZ5	105,000.00	A-	A1	03/16/26	03/17/26	97,327.65	4.16	131.04	97,976.51	96,530.59
CHARLES SCHWAB CORP (CALLABLE) DTD 12/11/2020 1.650% 03/11/2031	808513BG9	85,000.00	A-	A2	03/20/26	03/23/26	73,836.95	4.64	662.29	74,724.19	73,418.75
AMAZON.COM INC (CALLABLE) DTD 03/13/2026 4.250% 03/13/2031	023135DD5	20,000.00	AA	A1	03/11/26	03/13/26	19,931.40	4.33	396.67	19,937.22	19,395.18
AMAZON.COM INC (CALLABLE) DTD 03/13/2026 4.250% 03/13/2031	023135DD5	30,000.00	AA	A1	03/10/26	03/13/26	29,952.00	4.29	595.00	29,956.18	29,092.77
WALMART INC (CALLABLE) DTD 04/30/2026 4.150% 04/30/2031	931142FT5	35,000.00	AA	Aa2	04/27/26	04/30/26	34,925.10	4.20	488.20	34,929.82	34,207.57

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
META PLATFORMS INC (CALLABLE) DTD 05/04/2026 4.550% 05/15/2031	30303MAF9	65,000.00	AA-	Aa3	06/03/26	06/04/26	64,624.30	4.68	961.19	64,640.96	63,522.55
META PLATFORMS INC (CALLABLE) DTD 05/04/2026 4.550% 05/15/2031	30303MAF9	100,000.00	AA-	Aa3	05/19/26	05/21/26	98,617.00	4.86	1,478.75	98,686.02	97,727.00
Security Type Sub-Total		**2,878,000.00**					**2,810,296.06**	**4.34**	**26,596.82**	**2,843,349.52**	**2,821,546.66**
Bank Note											
MORGAN STANLEY BANK NA (CALLABLE) DTD 01/21/2025 5.016% 01/12/2029	61690DK72	100,000.00	A+	Aa3	06/20/25	06/23/25	101,198.00	4.65	682.73	100,656.74	100,439.50
MORGAN STANLEY PVT BANK (CALLABLE) DTD 02/02/2026 4.213% 02/08/2030	61776NU43	70,000.00	A+	Aa3	02/02/26	02/03/26	69,997.20	4.21	188.41	69,997.78	68,805.38
Security Type Sub-Total		**170,000.00**					**171,195.20**	**4.47**	**871.14**	**170,654.52**	**169,244.88**
Asset-Backed Security											
HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815QAC1	11,404.24	AAA	NR	08/15/23	08/22/23	11,401.89	5.42	22.28	11,403.48	11,432.94
TAOT 2023-C A3 DTD 08/15/2023 5.160% 04/17/2028	89231FAD2	4,790.59	AAA	NR	08/08/23	08/15/23	4,789.51	5.17	10.99	4,790.21	4,801.91
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	16,766.13	AAA	Aaa	08/15/23	08/23/23	16,765.09	5.53	41.21	16,765.72	16,825.31
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	35,000.00	NR	Aaa	12/07/23	12/14/23	34,995.30	4.98	77.47	34,997.81	35,068.70
GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	4,000.55	NR	Aaa	01/09/24	01/17/24	3,999.75	4.85	8.08	4,000.15	4,009.64
TAOT 2025-B A3 DTD 04/30/2025 4.340% 11/15/2029	89231HAD8	35,000.00	AAA	NR	04/24/25	04/30/25	34,997.99	4.34	67.51	34,998.64	34,961.40
HART 2025-B A3 DTD 06/11/2025 4.360% 12/17/2029	44935XAD7	25,000.00	AAA	NR	06/03/25	06/11/25	24,997.74	4.36	48.44	24,998.32	24,968.38

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
HAROT 2025-3 A3 DTD 08/12/2025 4.040% 02/21/2030	43813QAD1	65,000.00	AAA	Aaa	08/05/25	08/12/25	64,998.64	4.04	72.94	64,998.95	64,620.99
ALLYA 2025-1 A3 DTD 10/16/2025 3.960% 03/15/2030	02008KAC7	20,000.00	AAA	NR	10/07/25	10/16/25	19,997.14	3.96	35.20	19,997.69	19,896.30
TAOT 2025-C A3 DTD 07/30/2025 4.110% 03/15/2030	89238VAD0	45,000.00	AAA	Aaa	07/22/25	07/30/25	44,995.26	4.11	82.20	44,996.30	44,782.61
FORDO 2025-B A3 DTD 09/26/2025 3.910% 04/15/2030	34532BAG6	45,000.00	NR	Aaa	09/23/25	09/26/25	44,995.14	3.91	78.20	44,996.21	44,591.49
HART 2025-C A3 DTD 09/17/2025 3.880% 04/15/2030	44935JAD8	55,000.00	AAA	NR	09/09/25	09/17/25	54,991.02	3.88	94.84	54,992.95	54,524.14
GMCAR 2025-2 A3 DTD 05/14/2025 4.280% 04/16/2030	362549AD9	20,000.00	AAA	Aaa	05/06/25	05/14/25	19,997.06	4.28	35.67	19,997.79	19,975.16
HAROT 2025-4 A3 DTD 11/12/2025 3.980% 06/17/2030	43814XAD5	45,000.00	AAA	NR	11/05/25	11/12/25	44,991.29	3.98	79.60	44,992.72	44,663.09
TAOT 2025-D A3 DTD 10/23/2025 3.840% 06/17/2030	89231GAD0	55,000.00	AAA	NR	10/15/25	10/23/25	54,993.68	3.84	93.87	54,994.76	54,507.15
COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7	25,000.00	AAA	NR	10/28/25	11/05/25	24,994.71	3.85	42.78	24,995.60	24,765.15
AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1	100,000.00	AAA	NR	07/15/25	07/22/25	99,985.59	4.30	191.11	99,988.61	99,599.00
CHAIT 2025-A1 A DTD 07/25/2025 4.160% 07/15/2030	161571HZ0	100,000.00	AAA	NR	07/18/25	07/25/25	99,997.99	4.16	184.89	99,998.57	99,334.70
COMET 2025-A1 A DTD 09/16/2025 3.820% 09/15/2030	14041NGF2	65,000.00	AAA	NR	09/09/25	09/16/25	64,987.68	3.82	110.36	64,990.04	64,031.56
TAOT 2026-A A3 DTD 01/21/2026 3.860% 09/16/2030	89240KAD0	25,000.00	AAA	Aaa	01/13/26	01/21/26	24,997.87	3.86	42.89	24,998.13	24,712.60
HART 2025-D A3 DTD 11/12/2025 3.990% 09/16/2030	44891XAD9	50,000.00	AAA	NR	11/05/25	11/12/25	49,995.77	3.99	88.67	49,996.46	49,520.25

pfm asset management

Managed Account Detail of Securities Held

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
HAROT 2026-1 A3 DTD 02/18/2026 3.780% 09/23/2030	43815CAD0	25,000.00	NR	Aaa	02/10/26	02/18/26	24,996.02	3.78	26.25	24,996.52	24,665.25
FORDO 2026-A A3 DTD 03/24/2026 4.050% 10/15/2030	34532WAD7	45,000.00	AAA	Aaa	03/17/26	03/24/26	44,991.40	4.05	81.00	44,992.32	44,512.29
HAROT 2026-2 A3 DTD 05/13/2026 4.300% 11/15/2030	43814YAD3	70,000.00	AAA	Aaa	05/05/26	05/13/26	69,997.98	4.30	133.78	69,998.12	69,569.15
TAOT 2026-B A3 DTD 04/21/2026 4.130% 12/16/2030	89240QAD7	45,000.00	AAA	Aaa	04/14/26	04/21/26	44,990.51	4.14	82.60	44,991.34	44,572.77
HART 2026-A A3 DTD 02/18/2026 3.790% 02/18/2031	448981AD2	30,000.00	AAA	NR	02/10/26	02/18/26	29,997.98	3.79	50.53	29,998.28	29,540.19
VZMT 2026-1 A1A DTD 03/13/2026 3.940% 02/20/2031	92348KFC2	100,000.00	NR	Aaa	03/05/26	03/13/26	99,986.08	3.94	120.39	99,987.32	99,149.50
BACCT 2026-A1 A DTD 05/14/2026 4.220% 04/15/2031	05522RDL9	100,000.00	NR	Aaa	05/07/26	05/14/26	99,989.94	4.22	187.56	99,990.78	99,008.00
CHAIT 2026-A1 A DTD 05/28/2026 4.400% 05/15/2031	161571JA3	110,000.00	AAA	NR	05/21/26	05/28/26	109,973.97	4.41	215.11	109,975.26	109,453.19
Security Type Sub-Total		**1,371,961.51**					**1,371,789.99**	**4.15**	**2,406.42**	**1,371,819.05**	**1,362,062.81**
Managed Account Sub-Total		**10,984,757.77**					**10,863,069.02**	**4.19**	**67,762.80**	**10,943,494.79**	**10,860,948.86**
Securities Sub-Total		**$10,984,757.77**					**$10,863,069.02**	**4.19%**	**$67,762.80**	**$10,943,494.79**	**$10,860,948.86**
Accrued Interest											**$67,762.80**
Total Investments											**$10,928,711.66**

pfm asset management

Managed Account Fair Market Value & Analytics

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
U.S. Treasury Bond / Note										
US TREASURY N/B DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	135,000.00	RBC Capi		99.75	134,668.03	10,367.83	(142.42)	0.09	3.68
US TREASURY N/B DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	160,000.00	Citigrou		97.04	155,267.84	14,605.34	(1,430.90)	0.82	4.13
US TREASURY N/B DTD 08/15/2017 2.250% 08/15/2027	9128282R0	130,000.00	HSBC		98.17	127,618.40	4,367.23	(1,079.72)	0.94	4.22
US TREASURY N/B DTD 11/15/2024 4.125% 11/15/2027	91282CLX7	240,000.00	HSBC		99.81	239,550.00	(1,237.50)	(811.70)	1.16	4.29
US TREASURY N/B DTD 01/03/2023 3.875% 12/31/2027	91282CGC9	250,000.00	Citigrou		99.45	248,632.75	(703.19)	(1,190.22)	1.28	4.31
US TREASURY N/B DTD 02/28/2023 4.000% 02/29/2028	91282CGP0	80,000.00	HSBC		99.55	79,637.52	(943.73)	(545.40)	1.41	4.32
US TREASURY N/B DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	70,000.00	TD Secur		98.94	69,256.25	(1,050.00)	(843.02)	1.50	4.33
US TREASURY N/B DTD 05/01/2023 3.500% 04/30/2028	91282CHA2	35,000.00	Citigrou		98.68	34,536.53	(296.67)	(408.02)	1.59	4.33
US TREASURY N/B DTD 10/31/2024 4.125% 10/31/2029	91282CLR0	70,000.00	TD Secur		99.11	69,373.85	(106.62)	(282.50)	2.91	4.43
US TREASURY N/B DTD 10/31/2024 4.125% 10/31/2029	91282CLR0	275,000.00	HSBC		99.11	272,540.13	(1,783.11)	(2,015.40)	2.91	4.43
US TREASURY N/B DTD 12/31/2024 4.375% 12/31/2029	91282CMD0	190,000.00	HSBC		99.82	189,658.57	51.93	(69.65)	3.06	4.43
US TREASURY N/B DTD 01/31/2025 4.250% 01/31/2030	91282CMG3	90,000.00	JPMorgan		99.38	89,444.52	(140.64)	(262.49)	3.15	4.44
US TREASURY N/B DTD 03/31/2025 4.000% 03/31/2030	91282CMU2	290,000.00	BNP Sec		98.54	285,752.08	(5,697.92)	(5,315.60)	3.25	4.44
US TREASURY N/B DTD 04/30/2025 3.875% 04/30/2030	91282CMZ1	130,000.00	Citigrou		98.07	127,496.46	(2,610.18)	(2,599.47)	3.34	4.44
US TREASURY N/B DTD 05/31/2023 3.750% 05/31/2030	91282CHF1	175,000.00	HSBC		97.57	170,754.85	(1,996.13)	(2,516.97)	3.43	4.45
US TREASURY N/B DTD 06/30/2025 3.875% 06/30/2030	91282CNK3	75,000.00	Citigrou		97.96	73,467.75	(1,757.84)	(1,708.87)	3.50	4.45
US TREASURY N/B DTD 07/31/2025 3.875% 07/31/2030	91282CNN7	200,000.00	Citigrou		97.91	195,820.40	(5,585.85)	(5,318.23)	3.59	4.45

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
U.S. Treasury Bond / Note										
US TREASURY N/B DTD 09/30/2025 3.625% 09/30/2030	91282CPA3	100,000.00	JPMorgan		96.88	96,875.00	(2,695.31)	(2,763.31)	3.70	4.46
US TREASURY N/B DTD 09/30/2025 3.625% 09/30/2030	91282CPA3	160,000.00	Citigrou		96.88	155,000.00	(4,725.00)	(4,772.19)	3.70	4.46
US TREASURY N/B DTD 12/31/2025 3.625% 12/31/2030	91282CPR6	40,000.00	BMO		96.65	38,660.92	(1,195.33)	(1,213.31)	3.94	4.47
US TREASURY N/B DTD 02/02/2026 3.750% 01/31/2031	91282CPW5	95,000.00	Nomura		97.07	92,220.49	(2,775.80)	(2,776.45)	4.02	4.47
US TREASURY N/B DTD 02/02/2026 3.750% 01/31/2031	91282CPW5	405,000.00	JPMorgan		97.07	393,150.51	(10,473.13)	(10,622.05)	4.02	4.47
US TREASURY N/B DTD 04/30/2026 3.875% 04/30/2031	91282CQK0	35,000.00	Citigrou		97.44	34,104.49	(607.03)	(624.17)	4.17	4.48
US TREASURY N/B DTD 07/31/2026 4.375% 07/31/2031	91282CRA1	165,000.00	BMO		99.45	164,084.75	(734.78)	(737.68)	4.37	4.49
Security Type Sub-Total		**3,595,000.00**				**3,537,572.09**	**(17,723.43)**	**(50,049.74)**	**2.76**	**4.37**
U.S. Treasury Bill										
TREASURY BILL DTD 09/04/2025 0.000% 09/03/2026	912797RS8	100,000.00	RBC Capi		99.98	99,980.00	219.70	(0.03)	0.01	2.20
TREASURY BILL DTD 09/04/2025 0.000% 09/03/2026	912797RS8	825,000.00	MorganSt		99.98	824,835.00	2,321.34	0.75	0.01	2.20
Security Type Sub-Total		**925,000.00**				**924,815.00**	**2,541.04**	**0.72**	**0.01**	**2.20**
Municipal Bond / Note										
HAWAII ST-TXBL-GP (CALLABLE) DTD 04/30/2026 4.212% 04/01/2031	419792S23	30,000.00	BOFAML	01/01/31	98.45	29,535.45	(464.55)	(464.55)	3.99	4.59
Security Type Sub-Total		**30,000.00**				**29,535.45**	**(464.55)**	**(464.55)**	**3.99**	**4.59**
Federal Agency Commercial Mortgage-Backed Security										
FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	88,953.79	Citigrou		99.64	88,630.08	2,414.41	(141.31)	0.20	4.10

pfm asset management

Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Federal Agency Commercial Mortgage-Backed Security										
FHMS K064 A2 DTD 05/01/2017 3.224% 03/01/2027	3137BXQY1	94,131.02	MorganSt		99.43	93,591.93	4,799.90	300.66	0.40	4.14
FHMS K065 A2 DTD 07/01/2017 3.243% 04/01/2027	3137F1G44	55,000.00	MorganSt		99.25	54,589.54	2,732.70	143.80	0.55	4.24
FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	88,343.69	CantorFi		99.06	87,516.53	4,901.38	390.62	0.66	4.26
FHMS K507 A1 DTD 09/01/2023 4.800% 04/01/2028	3137HAMR4	83,806.31	BOFAML		100.22	83,987.08	1,495.95	703.01	1.41	4.47
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	49,518.25	JPMorgan		100.09	49,564.45	47.45	46.66	1.11	4.45
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	99,720.57	JPMorgan		100.17	99,894.18	(822.40)	(193.37)	1.59	4.56
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BQDE6	89,284.62	JPMorgan		99.11	88,493.38	722.41	(214.13)	1.74	4.57
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	100,000.00	WellsFar		99.89	99,889.10	1,368.40	529.31	1.76	4.58
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	100,000.00	BMO		99.98	99,984.10	2,177.70	953.58	1.78	4.62
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	75,000.00	MorganSt		100.18	75,137.48	2,528.70	1,247.72	1.87	4.63
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	100,000.00	BOFAML		100.17	100,173.70	1,369.00	715.89	1.82	4.58
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	40,000.00	JPMorgan		100.60	40,238.80	354.44	293.07	1.90	4.63
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	55,000.00	BOFAML		100.19	55,105.27	263.28	179.84	1.94	4.64
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	46,038.02	JPMorgan		100.50	46,268.25	(199.67)	21.95	1.95	4.62
FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5	55,000.00	BMO		99.93	54,962.27	(587.13)	(311.84)	2.07	4.65
FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	60,000.00	JPMorgan		99.69	59,814.42	(785.52)	(487.42)	2.03	4.62
FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5	70,000.00	JPMorgan		101.45	71,017.87	(672.28)	111.10	2.18	4.63

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Federal Agency Commercial Mortgage-Backed Security										
FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5	90,000.00	BOFAML		101.21	91,089.18	(1,609.56)	(323.95)	2.19	4.70
FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPD0	100,000.00	WellsFar		101.33	101,329.30	(1,364.70)	(67.70)	2.09	4.65
FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0	100,000.00	MorganSt		101.52	101,520.70	(1,479.00)	(46.64)	2.13	4.66
FHMS K520 A2 DTD 04/01/2024 5.180% 03/01/2029	3137HCKV3	55,000.00	BOFAML		100.89	55,491.70	268.45	365.59	2.30	4.70
FHMS K524 A2 DTD 07/01/2024 4.720% 05/01/2029	3137HDV56	80,000.00	PIER		99.98	79,980.96	(510.32)	(315.57)	2.47	4.65
FHMS K526 A2 DTD 08/01/2024 4.543% 07/01/2029	3137HDXL9	90,000.00	BMO		99.45	89,509.05	(1,332.81)	(1,007.67)	2.63	4.68
FHMS K530 A2 DTD 11/01/2024 4.792% 09/01/2029	3137HHJL6	100,000.00	JPMorgan		100.04	100,042.10	(478.60)	(308.18)	2.76	4.71
FHMS K557 A2 DTD 03/01/2026 3.936% 01/01/2031	3137HOSP7	50,000.00	MorganSt		96.70	48,350.55	(1,648.50)	(1,648.64)	3.93	4.76
Security Type Sub-Total		**2,014,796.26**				**2,016,171.97**	**13,953.68**	**936.38**	**1.80**	**4.55**
Corporate Note										
TARGET CORP (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	15,000.00	Citigrou	12/15/26	99.19	14,878.85	(95.65)	(119.24)	0.38	4.12
TARGET CORP (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	60,000.00	Barclays	12/15/26	99.19	59,515.38	(448.02)	(481.87)	0.38	4.12
BANK OF NY MELLON CORP (CALLABLE) DTD 01/26/2022 2.050% 01/26/2027	06406RBA4	70,000.00	JPMorgan	12/24/26	99.17	69,418.37	(807.03)	(596.05)	0.40	4.15
ADOBE INC (CALLABLE) DTD 02/03/2020 2.150% 02/01/2027	00724PAC3	100,000.00	CSFirstB	12/01/26	99.17	99,165.10	6,855.10	(58.66)	0.41	4.19
PNC FINANCIAL SERVICES (CALLABLE) DTD 05/19/2017 3.150% 05/19/2027	693475AT2	105,000.00	MAXE	04/19/27	99.23	104,188.98	5,598.18	222.46	0.69	4.25
PNC FINANCIAL SERVICES (CALLABLE) DTD 05/19/2017 3.150% 05/19/2027	693475AT2	110,000.00	GoldmanS	04/19/27	99.23	109,150.36	6,364.16	312.86	0.69	4.25
AMAZON.COM INC (CALLABLE) DTD 06/03/2020 1.200% 06/03/2027	023135BR6	110,000.00	TD Secur	04/03/27	97.75	107,527.53	9,012.63	(689.40)	0.74	4.25

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Corporate Note										
HOME DEPOT INC (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	100,000.00	TD Secur	06/14/27	98.48	98,475.70	4,135.70	(255.56)	0.98	4.32
KENVUE INC (CALLABLE) DTD 10/17/2023 5.050% 03/22/2028	49177JAF9	56,000.00	JPMorgan	02/22/28	100.64	56,356.22	(965.94)	(398.96)	1.41	4.62
JPMORGAN CHASE & CO (CALLABLE) DTD 04/22/2024 5.571% 04/22/2028	46647PEE2	150,000.00	JPMorgan	04/22/27	100.61	150,909.90	(2,190.60)	138.78	0.62	4.60
SERVICENOW INC DTD 05/15/2026 4.250% 05/15/2028	81762PAF9	10,000.00	Barclays		99.45	9,945.16	(18.64)	(23.80)	1.61	4.60
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	45,000.00	Citigrou		100.83	45,374.45	441.50	399.52	1.76	4.48
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	55,000.00	SGSA		100.83	55,457.66	(81.34)	255.69	1.76	4.48
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 08/25/2025 4.150% 08/25/2028	63743HFZ0	50,000.00	MUFG	07/25/28	99.02	49,511.70	(432.30)	(450.52)	1.86	4.67
CITIBANK NA (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	100,000.00	Citigrou	08/29/28	102.31	102,307.60	373.60	1,360.56	1.85	4.62
BANK OF AMERICA CORP (CALLABLE) DTD 01/24/2025 4.979% 01/24/2029	06051GMK2	70,000.00	Citigrou	01/24/28	100.39	70,275.80	(499.80)	(121.92)	1.33	4.61
STATE STREET CORP (CALLABLE) DTD 08/20/2024 4.530% 02/20/2029	857477CN1	50,000.00	HSBC	02/20/28	99.88	49,941.55	(58.45)	(58.45)	1.41	4.65
CATERPILLAR FINL SERVICE DTD 02/24/2026 3.750% 02/23/2029	14913UBJ8	70,000.00	Barclays		97.93	68,548.97	(1,358.63)	(1,373.93)	2.34	4.64
CISCO SYSTEMS INC (CALLABLE) DTD 02/26/2024 4.850% 02/26/2029	17275RBR2	30,000.00	Citigrou	01/26/29	100.54	30,161.07	(626.43)	(439.19)	2.28	4.62
BLACKROCK INC (CALLABLE) DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	10,000.00	Citigrou	02/14/29	100.27	10,026.72	44.82	36.41	2.28	4.59
BLACKROCK INC (CALLABLE) DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	90,000.00	GoldmanS	02/14/29	100.27	90,240.48	658.08	467.60	2.28	4.59
SALESFORCE INC (CALLABLE) DTD 03/13/2026 4.650% 03/15/2029	79466LAR5	85,000.00	Citigrou	02/15/29	99.57	84,631.27	(350.03)	(352.83)	2.29	4.83
MASTERCARD INC (CALLABLE) DTD 06/08/2026 4.425% 06/08/2029	57636QBK9	95,000.00	SUSQ	05/08/29	99.39	94,424.30	(370.50)	(378.76)	2.52	4.66
PEPSICO INC (CALLABLE) DTD 07/17/2024 4.500% 07/17/2029	713448FX1	65,000.00	Citigrou	06/17/29	99.75	64,839.78	(59.47)	(99.68)	2.62	4.59

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Corporate Note										
TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/09/2029	89236TMK8	15,000.00	MIZU		99.49	14,923.16	(46.39)	(58.12)	2.72	4.75
TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/09/2029	89236TMK8	30,000.00	MorganSt		99.49	29,846.31	(119.19)	(132.55)	2.72	4.75
TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/09/2029	89236TMK8	30,000.00	LoopCapM		99.49	29,846.31	(30.39)	(77.88)	2.72	4.75
ALPHABET INC (CALLABLE) DTD 08/10/2026 4.625% 08/10/2029	02079KCN5	135,000.00	Citigrou	07/10/29	99.73	134,632.67	(391.63)	(391.65)	2.68	4.72
ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CQ9	15,000.00	MorganSt	07/14/29	98.92	14,838.60	(128.55)	(141.21)	2.71	4.59
ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CQ9	60,000.00	JPMorgan	07/14/29	98.92	59,354.40	(733.20)	(699.58)	2.71	4.59
BANK OF NY MELLON CORP (CALLABLE) DTD 01/22/2026 4.026% 01/22/2030	06406RCG0	30,000.00	MorganSt	01/22/29	98.30	29,490.63	(509.37)	(509.37)	2.33	5.26
BLACKROCK FINANCE INC (CALLABLE) DTD 01/27/2020 2.400% 04/30/2030	09247XAQ4	57,000.00	JPMorgan	01/30/30	91.79	52,321.10	35.00	(1,024.11)	3.40	4.87
TEXAS INSTRUMENTS INC (CALLABLE) DTD 05/04/2020 1.750% 05/04/2030	882508BJ2	100,000.00	JPMorgan	02/04/30	89.57	89,570.30	532.30	(1,899.33)	3.46	4.85
NOVARTIS CAPITAL CORP (CALLABLE) DTD 11/05/2025 4.100% 11/05/2030	66989HAY4	145,000.00	JPMorgan	10/05/30	97.13	140,844.45	(3,720.55)	(3,786.65)	3.72	4.86
CATERPILLAR FINL SERVICE DTD 01/08/2026 4.150% 01/08/2031	14913UBH2	10,000.00	Citigrou		97.26	9,726.08	(270.32)	(270.77)	3.91	4.85
TOTALENERGI CAP USA LLC (CALLABLE) DTD 01/13/2026 4.248% 01/13/2031	89158TAA7	45,000.00	Citigrou	12/13/30	97.26	43,766.73	(1,233.27)	(1,233.27)	3.90	4.94
TOTALENERGI CAP USA LLC (CALLABLE) DTD 01/13/2026 4.248% 01/13/2031	89158TAA7	65,000.00	SMBC	12/13/30	97.26	63,218.61	(1,934.79)	(1,916.94)	3.90	4.94
BANK OF AMERICA CORP (CALLABLE) DTD 02/13/2020 2.496% 02/13/2031	06051GHZ5	105,000.00	CIDLY	02/13/30	91.93	96,530.59	(797.06)	(1,445.92)	3.24	5.08
CHARLES SCHWAB CORP (CALLABLE) DTD 12/11/2020 1.650% 03/11/2031	808513BG9	85,000.00	WellsFar	12/11/30	86.38	73,418.75	(418.20)	(1,305.44)	4.23	5.04
AMAZON.COM INC (CALLABLE) DTD 03/13/2026 4.250% 03/13/2031	023135DD5	20,000.00	BNP Sec	02/13/31	96.98	19,395.18	(536.22)	(542.04)	3.97	5.00
AMAZON.COM INC (CALLABLE) DTD 03/13/2026 4.250% 03/13/2031	023135DD5	30,000.00	JPMorgan	02/13/31	96.98	29,092.77	(859.23)	(863.41)	3.97	5.00

Managed Account Fair Market Value & Analytics

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Corporate Note										
WALMART INC (CALLABLE) DTD 04/30/2026 4.150% 04/30/2031	931142FT5	35,000.00	Citigrou	03/30/31	97.74	34,207.57	(717.53)	(722.25)	4.12	4.68
META PLATFORMS INC (CALLABLE) DTD 05/04/2026 4.550% 05/15/2031	30303MAF9	65,000.00	BBVA	04/15/31	97.73	63,522.55	(1,101.75)	(1,118.41)	4.10	5.10
META PLATFORMS INC (CALLABLE) DTD 05/04/2026 4.550% 05/15/2031	30303MAF9	100,000.00	JANE	04/15/31	97.73	97,727.00	(890.00)	(959.02)	4.10	5.10
Security Type Sub-Total		**2,878,000.00**				**2,821,546.66**	**11,250.60**	**(21,802.86)**	**2.20**	**4.64**
Bank Note										
MORGAN STANLEY BANK NA (CALLABLE) DTD 01/21/2025 5.016% 01/12/2029	61690DK72	100,000.00	PNCBank	01/12/28	100.44	100,439.50	(758.50)	(217.24)	1.30	4.64
MORGAN STANLEY PVT BANK (CALLABLE) DTD 02/02/2026 4.213% 02/08/2030	61776NU43	70,000.00	BMO	02/08/29	98.29	68,805.38	(1,191.82)	(1,192.40)	2.30	4.82
Security Type Sub-Total		**170,000.00**				**169,244.88**	**(1,950.32)**	**(1,409.64)**	**1.71**	**4.71**
Asset-Backed Security										
HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815QAC1	11,404.24	BOFAML		100.25	11,432.94	31.05	29.46	0.24	4.40
TAOT 2023-C A3 DTD 08/15/2023 5.160% 04/17/2028	89231FAD2	4,790.59	BNPPSA		100.24	4,801.91	12.40	11.70	0.26	4.22
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	16,766.13	JPMorgan		100.35	16,825.31	60.22	59.59	0.29	4.36
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	35,000.00	BOFAML		100.20	35,068.70	73.40	70.89	0.20	4.05
GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	4,000.55	Barclays		100.23	4,009.64	9.89	9.49	0.41	4.35
TAOT 2025-B A3 DTD 04/30/2025 4.340% 11/15/2029	89231HAD8	35,000.00	Barclays		99.89	34,961.40	(36.59)	(37.24)	1.01	4.49
HART 2025-B A3 DTD 06/11/2025 4.360% 12/17/2029	44935XAD7	25,000.00	JPMorgan		99.87	24,968.38	(29.36)	(29.94)	1.03	4.52
HAROT 2025-3 A3 DTD 08/12/2025 4.040% 02/21/2030	43813OAD1	65,000.00	Barclays		99.42	64,620.99	(377.65)	(377.96)	1.22	4.55

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Asset-Backed Security										
ALLYA 2025-1 A3 DTD 10/16/2025 3.960% 03/15/2030	02008KAC7	20,000.00	Barclays		99.48	19,896.30	(100.84)	(101.39)	0.92	4.56
TAOT 2025-C A3 DTD 07/30/2025 4.110% 03/15/2030	89238VAD0	45,000.00	RBC Capi		99.52	44,782.61	(212.65)	(213.69)	1.21	4.52
FORDO 2025-B A3 DTD 09/26/2025 3.910% 04/15/2030	34532BAG6	45,000.00	Barclays		99.09	44,591.49	(403.65)	(404.72)	1.33	4.63
HART 2025-C A3 DTD 09/17/2025 3.880% 04/15/2030	44935JAD8	55,000.00	Citigrou		99.13	54,524.14	(466.88)	(468.81)	1.33	4.57
GMCAR 2025-2 A3 DTD 05/14/2025 4.280% 04/16/2030	362549AD9	20,000.00	TD Secur		99.88	19,975.16	(21.90)	(22.63)	0.90	4.46
HAROT 2025-4 A3 DTD 11/12/2025 3.980% 06/17/2030	43814XAD5	45,000.00	BOFAML		99.25	44,663.09	(328.20)	(329.63)	1.41	4.55
TAOT 2025-D A3 DTD 10/23/2025 3.840% 06/17/2030	89231GAD0	55,000.00	JPMorgan		99.10	54,507.15	(486.53)	(487.61)	1.35	4.56
COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7	25,000.00	JPMorgan		99.06	24,765.15	(229.56)	(230.45)	1.34	4.59
AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1	100,000.00	Barclays		99.60	99,599.00	(386.59)	(389.61)	1.76	4.57
CHAIT 2025-A1 A DTD 07/25/2025 4.160% 07/15/2030	161571HZ0	100,000.00	JPMorgan		99.33	99,334.70	(663.29)	(663.87)	1.76	4.57
COMET 2025-A1 A DTD 09/16/2025 3.820% 09/15/2030	14041NGF2	65,000.00	WellsFar		98.51	64,031.56	(956.12)	(958.48)	1.92	4.63
TAOT 2026-A A3 DTD 01/21/2026 3.860% 09/16/2030	89240KAD0	25,000.00	BNP Sec		98.85	24,712.60	(285.27)	(285.53)	1.60	4.64
HART 2025-D A3 DTD 11/12/2025 3.990% 09/16/2030	44891XAD9	50,000.00	BNP Sec		99.04	49,520.25	(475.52)	(476.21)	1.60	4.63
HAROT 2026-1 A3 DTD 02/18/2026 3.780% 09/23/2030	43815CAD0	25,000.00	MUFG		98.66	24,665.25	(330.77)	(331.27)	1.78	4.56
FORDO 2026-A A3 DTD 03/24/2026 4.050% 10/15/2030	34532WAD7	45,000.00	Barclays		98.92	44,512.29	(479.11)	(480.03)	1.90	4.66
HAROT 2026-2 A3 DTD 05/13/2026 4.300% 11/15/2030	43814YAD3	70,000.00	Barclays		99.38	69,569.15	(428.83)	(428.97)	1.99	4.65
TAOT 2026-B A3 DTD 04/21/2026 4.130% 12/16/2030	89240OAD7	45,000.00	MIZU		99.05	44,572.77	(417.74)	(418.57)	1.98	4.66

Managed Account Fair Market Value & Analytics

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Asset-Backed Security										
HART 2026-A A3 DTD 02/18/2026 3.790% 02/18/2031	448981AD2	30,000.00	BOFAML		98.47	29,540.19	(457.79)	(458.09)	1.88	4.64
VZMT 2026-1 A1A DTD 03/13/2026 3.940% 02/20/2031	92348KFC2	100,000.00	SMBC		99.15	99,149.50	(836.58)	(837.82)	1.94	4.61
BACCT 2026-A1 A DTD 05/14/2026 4.220% 04/15/2031	05522RDL9	100,000.00	BOFAML		99.01	99,008.00	(981.94)	(982.78)	2.43	4.67
CHAIT 2026-A1 A DTD 05/28/2026 4.400% 05/15/2031	161571JA3	110,000.00	JPMorgan		99.50	109,453.19	(520.78)	(522.07)	2.50	4.64
Security Type Sub-Total		**1,371,961.51**				**1,362,062.81**	**(9,727.18)**	**(9,756.24)**	**1.66**	**4.58**
Managed Account Sub-Total		**10,984,757.77**				**10,860,948.86**	**(2,120.16)**	**(82,545.93)**	**2.05**	**4.32**
Securities Sub-Total		**$10,984,757.77**				**$10,860,948.86**	**($2,120.16)**	**($82,545.93)**	**2.05**	**4.32%**
Accrued Interest						**$67,762.80**				
Total Investments						**$10,928,711.66**				

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
08/03/26	08/04/26	US TREASURY N/B DTD 07/31/2026 4.375% 07/31/2031	91282CRA1	165,000.00	(164,819.53)	(78.46)	(164,897.99)			
08/03/26	08/04/26	TREASURY BILL DTD 09/04/2025 0.000% 09/03/2026	912797RS8	825,000.00	(822,513.66)	0.00	(822,513.66)			
08/06/26	08/10/26	TREASURY BILL DTD 09/04/2025 0.000% 09/03/2026	912797RS8	100,000.00	(99,760.30)	0.00	(99,760.30)			
08/19/26	08/20/26	ALPHABET INC (CALLABLE) DTD 08/10/2026 4.625% 08/10/2029	02079KCN5	135,000.00	(135,024.30)	(173.44)	(135,197.74)			
Transaction Type Sub-Total				**1,225,000.00**	**(1,222,117.79)**	**(251.90)**	**(1,222,369.69)**			
INTEREST										
08/01/26	08/01/26	ADOBE INC (CALLABLE) DTD 02/03/2020 2.150% 02/01/2027	00724PAC3		0.00	1,075.00	1,075.00			
08/01/26	08/25/26	FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BQDE6		0.00	311.79	311.79			
08/01/26	08/25/26	FHMS K065 A2 DTD 07/01/2017 3.243% 04/01/2027	3137F1G44		0.00	148.64	148.64			
08/01/26	08/25/26	FHMS K064 A2 DTD 05/01/2017 3.224% 03/01/2027	3137BXQY1		0.00	268.67	268.67			
08/01/26	08/25/26	FHMS K524 A2 DTD 07/01/2024 4.720% 05/01/2029	3137HDV56		0.00	314.67	314.67			
08/01/26	08/25/26	FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2		0.00	400.78	400.78			
08/01/26	08/25/26	FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7		0.00	222.75	222.75			
08/01/26	08/25/26	FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6		0.00	387.50	387.50			
08/01/26	08/25/26	FHMS K507 A1 DTD 09/01/2023 4.800% 04/01/2028	3137HAMR4		0.00	338.51	338.51			
08/01/26	08/25/26	FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74		0.00	395.00	395.00			
08/01/26	08/25/26	FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9		0.00	191.85	191.85			

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
08/01/26	08/25/26	FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4		0.00	228.60	228.60			
08/01/26	08/25/26	FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2		0.00	400.00	400.00			
08/01/26	08/25/26	FHMS K530 A2 DTD 11/01/2024 4.792% 09/01/2029	3137HHJL6		0.00	399.33	399.33			
08/01/26	08/25/26	FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4		0.00	168.97	168.97			
08/01/26	08/25/26	FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4		0.00	303.13	303.13			
08/01/26	08/25/26	FHMS K526 A2 DTD 08/01/2024 4.543% 07/01/2029	3137HDXL9		0.00	340.72	340.72			
08/01/26	08/25/26	FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5		0.00	216.52	216.52			
08/01/26	08/25/26	FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1		0.00	272.38	272.38			
08/01/26	08/25/26	FHMS K557 A2 DTD 03/01/2026 3.936% 01/01/2031	3137HQSP7		0.00	164.00	164.00			
08/01/26	08/25/26	FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPD0		0.00	450.00	450.00			
08/01/26	08/25/26	FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0		0.00	456.42	456.42			
08/01/26	08/25/26	FHMS K520 A2 DTD 04/01/2024 5.180% 03/01/2029	3137HCKV3		0.00	237.42	237.42			
08/01/26	08/25/26	FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5		0.00	401.63	401.63			
08/01/26	08/25/26	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45		0.00	213.08	213.08			
08/01/26	08/25/26	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3		0.00	229.83	229.83			
08/01/26	08/25/26	FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5		0.00	315.00	315.00			
08/03/26	08/03/26	MONEY MARKET FUND DTD 01/01/2010 0.000% --	MONEY0002		0.00	208.03	208.03			

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
08/08/26	08/08/26	MORGAN STANLEY PVT BANK (CALLABLE) DTD 02/02/2026 4.213% 02/08/2030	61776NU43		0.00	1,523.70	1,523.70			
08/09/26	08/09/26	TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/09/2029	89236TMK8		0.00	1,706.25	1,706.25			
08/10/26	08/10/26	PACCAR FINANCIAL CORP DTD 08/10/2023 5.050% 08/10/2026	69371RS56		0.00	2,525.00	2,525.00			
08/13/26	08/13/26	BANK OF AMERICA CORP (CALLABLE) DTD 02/13/2020 2.496% 02/13/2031	06051GHZ5		0.00	1,310.40	1,310.40			
08/14/26	08/14/26	ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CO9		0.00	1,575.00	1,575.00			
08/15/26	08/15/26	FORDO 2026-A A3 DTD 03/24/2026 4.050% 10/15/2030	34532WAD7		0.00	151.88	151.88			
08/15/26	08/15/26	TAOT 2025-B A3 DTD 04/30/2025 4.340% 11/15/2029	89231HAD8		0.00	126.58	126.58			
08/15/26	08/15/26	ALLYA 2025-1 A3 DTD 10/16/2025 3.960% 03/15/2030	02008KAC7		0.00	66.00	66.00			
08/15/26	08/15/26	TAOT 2026-A A3 DTD 01/21/2026 3.860% 09/16/2030	89240KAD0		0.00	80.42	80.42			
08/15/26	08/15/26	TAOT 2023-C A3 DTD 08/15/2023 5.160% 04/17/2028	89231FAD2		0.00	24.30	24.30			
08/15/26	08/15/26	HAROT 2025-4 A3 DTD 11/12/2025 3.980% 06/17/2030	43814XAD5		0.00	149.25	149.25			
08/15/26	08/15/26	HART 2026-A A3 DTD 02/18/2026 3.790% 02/18/2031	448981AD2		0.00	94.75	94.75			
08/15/26	08/15/26	HAROT 2026-2 A3 DTD 05/13/2026 4.300% 11/15/2030	43814YAD3		0.00	250.83	250.83			
08/15/26	08/15/26	COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7		0.00	80.21	80.21			
08/15/26	08/15/26	TAOT 2026-B A3 DTD 04/21/2026 4.130% 12/16/2030	89240OAD7		0.00	154.88	154.88			
08/15/26	08/15/26	COMET 2025-A1 A DTD 09/16/2025 3.820% 09/15/2030	14041NGF2		0.00	206.92	206.92			

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Managed Account Security Transactions & Interest

SAN JUAN WATER DISTRICT - 76921400

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
08/15/26	08/15/26	AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1		0.00	358.33	358.33			
08/15/26	08/15/26	HART 2025-B A3 DTD 06/11/2025 4.360% 12/17/2029	44935XAD7		0.00	90.83	90.83			
08/15/26	08/15/26	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8		0.00	145.25	145.25			
08/15/26	08/15/26	HART 2025-C A3 DTD 09/17/2025 3.880% 04/15/2030	44935JAD8		0.00	177.83	177.83			
08/15/26	08/15/26	BACCT 2026-A1 A DTD 05/14/2026 4.220% 04/15/2031	05522RDL9		0.00	351.67	351.67			
08/15/26	08/15/26	FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3		0.00	90.29	90.29			
08/15/26	08/15/26	ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5		0.00	2,618.78	2,618.78			
08/15/26	08/15/26	HART 2025-D A3 DTD 11/12/2025 3.990% 09/16/2030	44891XAD9		0.00	166.25	166.25			
08/15/26	08/15/26	FORDO 2025-B A3 DTD 09/26/2025 3.910% 04/15/2030	34532BAG6		0.00	146.62	146.62			
08/15/26	08/15/26	TAOT 2025-D A3 DTD 10/23/2025 3.840% 06/17/2030	89231GAD0		0.00	176.00	176.00			
08/15/26	08/15/26	US TREASURY N/B DTD 08/15/2017 2.250% 08/15/2027	9128282R0		0.00	1,462.50	1,462.50			
08/15/26	08/15/26	TAOT 2025-C A3 DTD 07/30/2025 4.110% 03/15/2030	89238VAD0		0.00	154.13	154.13			
08/15/26	08/15/26	CHAIT 2025-A1 A DTD 07/25/2025 4.160% 07/15/2030	161571HZ0		0.00	346.67	346.67			
08/15/26	08/15/26	CHAIT 2026-A1 A DTD 05/28/2026 4.400% 05/15/2031	161571JA3		0.00	403.33	403.33			
08/16/26	08/16/26	GMCAR 2025-2 A3 DTD 05/14/2025 4.280% 04/16/2030	362549AD9		0.00	71.33	71.33			
08/16/26	08/16/26	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7		0.00	18.11	18.11			
08/18/26	08/18/26	HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815QAC1		0.00	62.21	62.21			

Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
08/20/26	08/20/26	VZMT 2026-1 A1A DTD 03/13/2026 3.940% 02/20/2031	92348KFC2		0.00	328.33	328.33			
08/20/26	08/20/26	STATE STREET CORP (CALLABLE) DTD 08/20/2024 4.530% 02/20/2029	857477CN1		0.00	1,132.50	1,132.50			
08/21/26	08/21/26	HAROT 2025-3 A3 DTD 08/12/2025 4.040% 02/21/2030	43813QAD1		0.00	218.83	218.83			
08/21/26	08/21/26	HAROT 2026-1 A3 DTD 02/18/2026 3.780% 09/23/2030	43815CAD0		0.00	78.75	78.75			
08/23/26	08/23/26	CATERPILLAR FINL SERVICE DTD 02/24/2026 3.750% 02/23/2029	14913UBJ8		0.00	1,305.21	1,305.21			
08/25/26	08/25/26	NATIONAL RURAL UTIL COOP (CALLABLE) DTD 08/25/2025 4.150% 08/25/2028	63743HFZ0		0.00	1,037.50	1,037.50			
08/26/26	08/26/26	CISCO SYSTEMS INC (CALLABLE) DTD 02/26/2024 4.850% 02/26/2029	17275RBR2		0.00	727.50	727.50			
08/31/26	08/31/26	US TREASURY N/B DTD 02/28/2023 4.000% 02/29/2028	91282CGP0		0.00	1,600.00	1,600.00			
Transaction Type Sub-Total					**0.00**	**32,355.34**	**32,355.34**			
MATURITY										
08/04/26	08/04/26	TREASURY BILL DTD 04/07/2026 0.000% 08/04/2026	912797US4	915,000.00	915,000.00	0.00	915,000.00	3,017.40	0.00	
08/10/26	08/10/26	PACCAR FINANCIAL CORP DTD 08/10/2023 5.050% 08/10/2026	69371RS56	100,000.00	100,000.00	0.00	100,000.00	(411.00)	0.00	
Transaction Type Sub-Total				**1,015,000.00**	**1,015,000.00**	**0.00**	**1,015,000.00**	**2,606.40**	**0.00**	
PAYDOWNS										
08/01/26	08/25/26	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	88.75	88.75	0.00	88.75	0.00	0.00	
08/01/26	08/25/26	FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BQDE6	10.03	10.03	0.00	10.03	0.17	0.07	
08/01/26	08/25/26	FHMS K064 A2 DTD 05/01/2017 3.224% 03/01/2027	3137BXQY1	5,868.98	5,868.98	0.00	5,868.98	332.88	60.06	

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Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2026**

SAN JUAN WATER DISTRICT - 76921400

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
PAYDOWNS										
08/01/26	08/25/26	FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	79.43	79.43	0.00	79.43	(0.79)	(0.31)	
08/01/26	08/25/26	FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	8,701.42	8,701.42	0.00	8,701.42	267.84	24.21	
08/01/26	08/25/26	FHMS K507 A1 DTD 09/01/2023 4.800% 04/01/2028	3137HAMR4	821.33	821.33	0.00	821.33	12.89	5.36	
08/01/26	08/25/26	FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	5.59	5.59	0.00	5.59	(0.05)	(0.03)	
08/01/26	08/25/26	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	138.72	138.72	0.00	138.72	9.00	2.11	
08/15/26	08/15/26	TAOT 2023-C A3 DTD 08/15/2023 5.160% 04/17/2028	89231FAD2	860.39	860.39	0.00	860.39	0.19	0.07	
08/15/26	08/15/26	FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	2,827.23	2,827.23	0.00	2,827.23	0.18	0.07	
08/16/26	08/16/26	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	480.20	480.20	0.00	480.20	0.10	0.05	
08/18/26	08/18/26	HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815QAC1	2,395.58	2,395.58	0.00	2,395.58	0.49	0.17	
Transaction Type Sub-Total				**22,277.65**	**22,277.65**	**0.00**	**22,277.65**	**622.90**	**91.83**	
SELL										
08/19/26	08/20/26	ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5	15,000.00	14,718.90	7.71	14,726.61	(226.65)	(235.63)	FIFO
08/19/26	08/20/26	ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5	95,000.00	93,219.70	48.81	93,268.51	(1,683.40)	(1,699.60)	FIFO
08/19/26	08/20/26	ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5	15,000.00	14,718.90	7.71	14,726.61	(266.25)	(268.71)	FIFO
08/19/26	08/20/26	ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5	15,000.00	14,718.90	7.71	14,726.61	(265.05)	(267.72)	FIFO
Transaction Type Sub-Total				**140,000.00**	**137,376.40**	**71.94**	**137,448.34**	**(2,441.35)**	**(2,471.66)**	
Managed Account Sub-Total					**(47,463.74)**	**32,175.38**	**(15,288.36)**	**787.95**	**(2,379.83)**	

Total Security Transactions	**($47,463.74)**	**$32,175.38**	**($15,288.36)**	**$787.95**	**($2,379.83)**

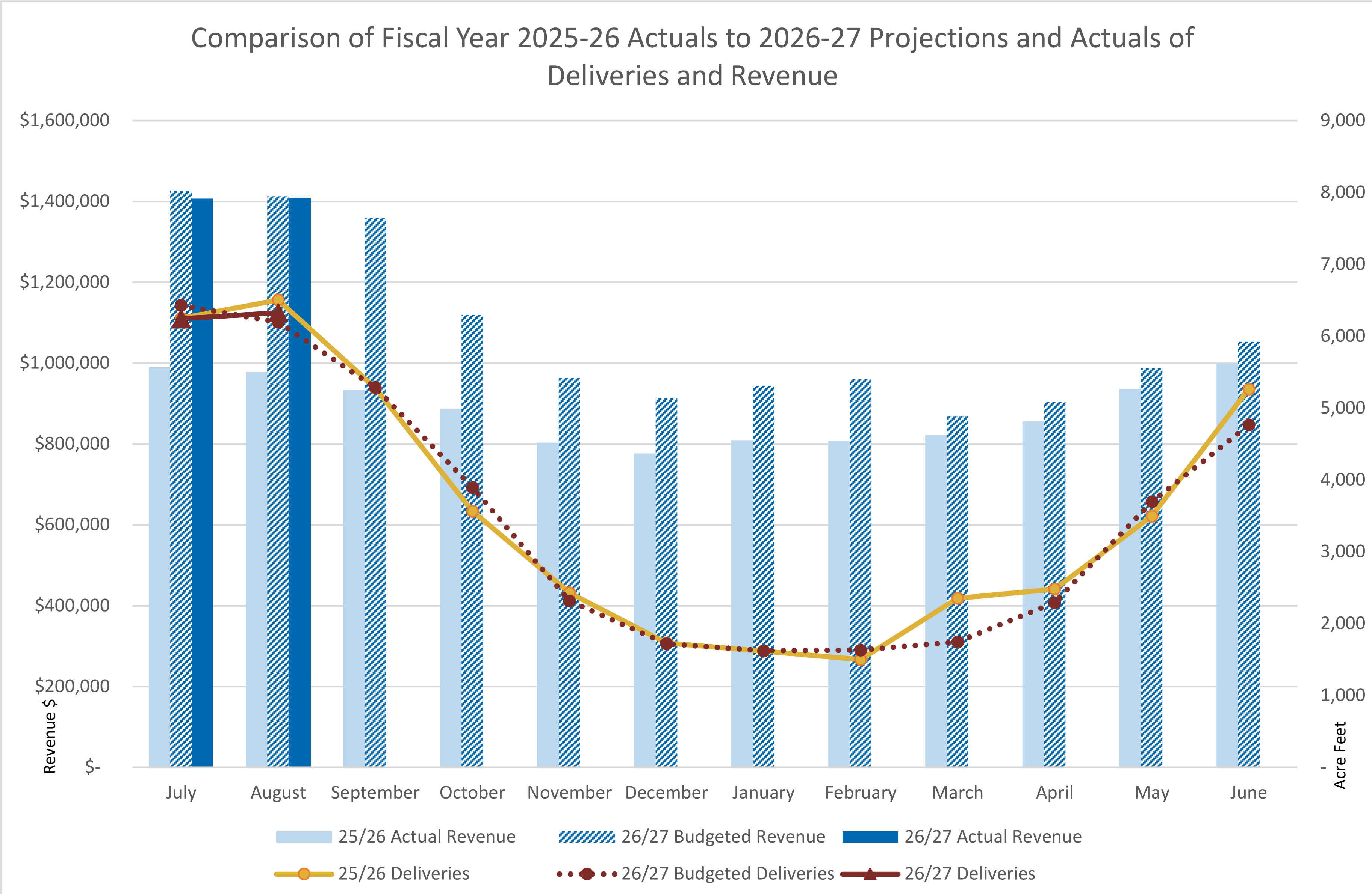
Fiscal Year 2026-27 Actual Deliveries and Revenue - By Wholesale Customer Agency

	July - August 2026							
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	3,641	$ 704,266	3,693	$ 707,272	51	1.4%	$ 3,006	0.4%
Citrus Heights Water District	2,890	$ 610,996	2,886	$ 610,722	(5)	-0.2%	$ (274)	0.0%
Fair Oaks Water District	2,426	$ 463,582	2,403	$ 462,219	(23)	-1.0%	$ (1,363)	-0.3%
Orange Vale Water Co.	1,190	$ 233,213	1,112	$ 228,655	(78)	-6.6%	$ (4,558)	-2.0%
City of Folsom	320	$ 67,260	312	$ 66,788	(8)	-2.5%	$ (473)	-0.7%
Granite Bay Golf Course	158	$ 5,594	188	$ 6,641	30	18.7%	$ 1,047	18.7%
Sac Suburban Water District	2,000	$ 742,040	1,980	$ 734,568	(20)	-1.0%	$ (7,472)	-1.0%
TOTAL	**12,627**	**$ 2,826,952**	**12,574**	**$ 2,816,865**	**(53)**	**-0.4%**	**$ (10,087)**	**-0.4%**

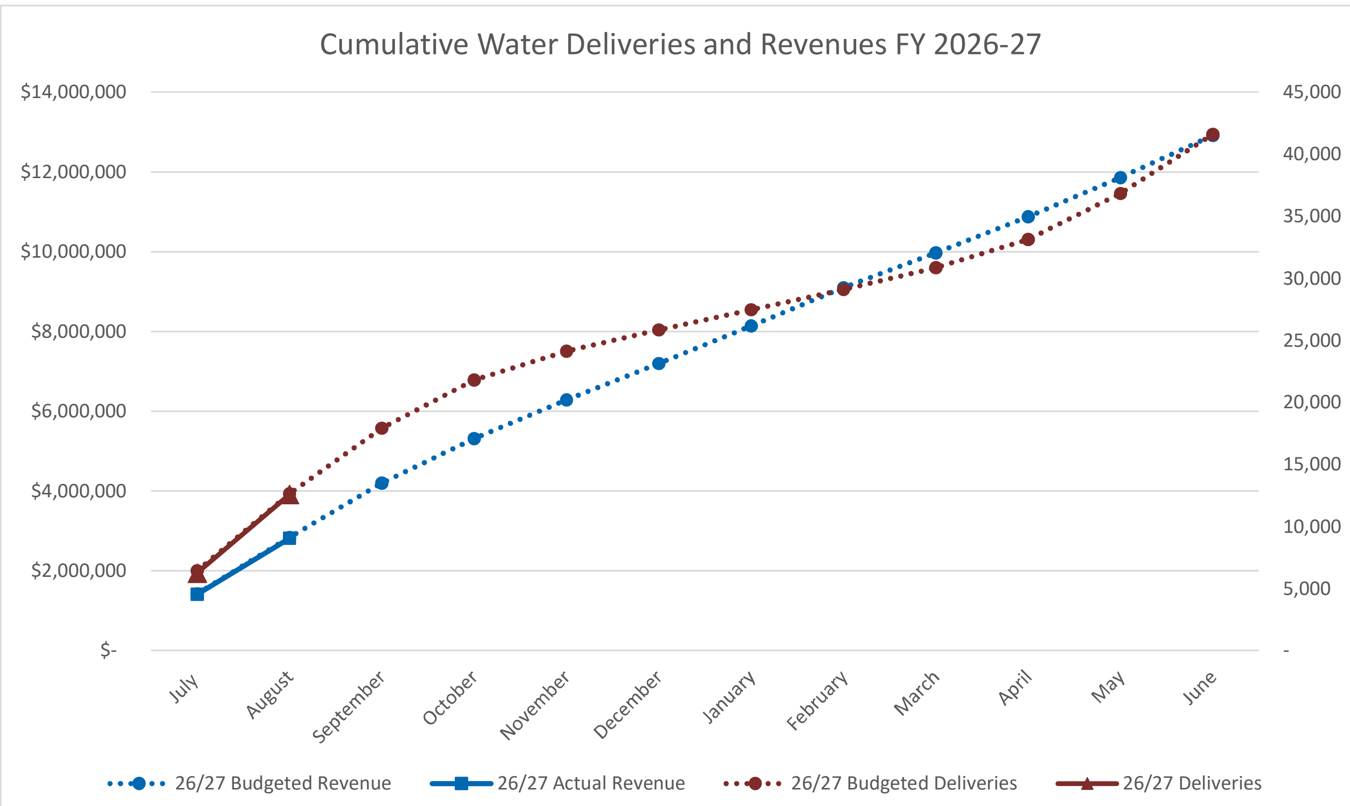
Budgeted Deliveries	12,627
Actual Deliveries	12,574
Difference	(53.2)
	-0.4%
Budgeted Water Sale Revenue	$ 2,826,952
Actual Water Sale Revenue	$ 2,816,865
Difference	$ (10,087)
	-0.4%

Conculsion:

Total wholesale water deliveries were 0.4% below budget, and water sales revenue was $10,087 (0.4%) below budget. Higher-than-budget deliveries and revenue from San Juan Retail and Granite Bay Golf Course helped offset lower-than-budget results from Orange Vale Water Co. and Fair Oaks Water District. While year-to-date results are slightly below budget, August deliveries and revenue were higher than July, and August deliveries exceeded budget estimates. Overall, year-to-date deliveries and revenues remain very close to budget, within 0.5% of projections.



Comparison of Fiscal Year 2025-26 Actuals to 2026-27 Projections and Actuals of Deliveries and Revenue
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
Revenue $
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
Acre Feet
July
August
September
October
November
December
January
February
March
April
May
June
25/26 Actual Revenue
26/27 Budgeted Revenue
26/27 Actual Revenue
25/26 Deliveries
26/27 Budgeted Deliveries
26/27 Deliveries

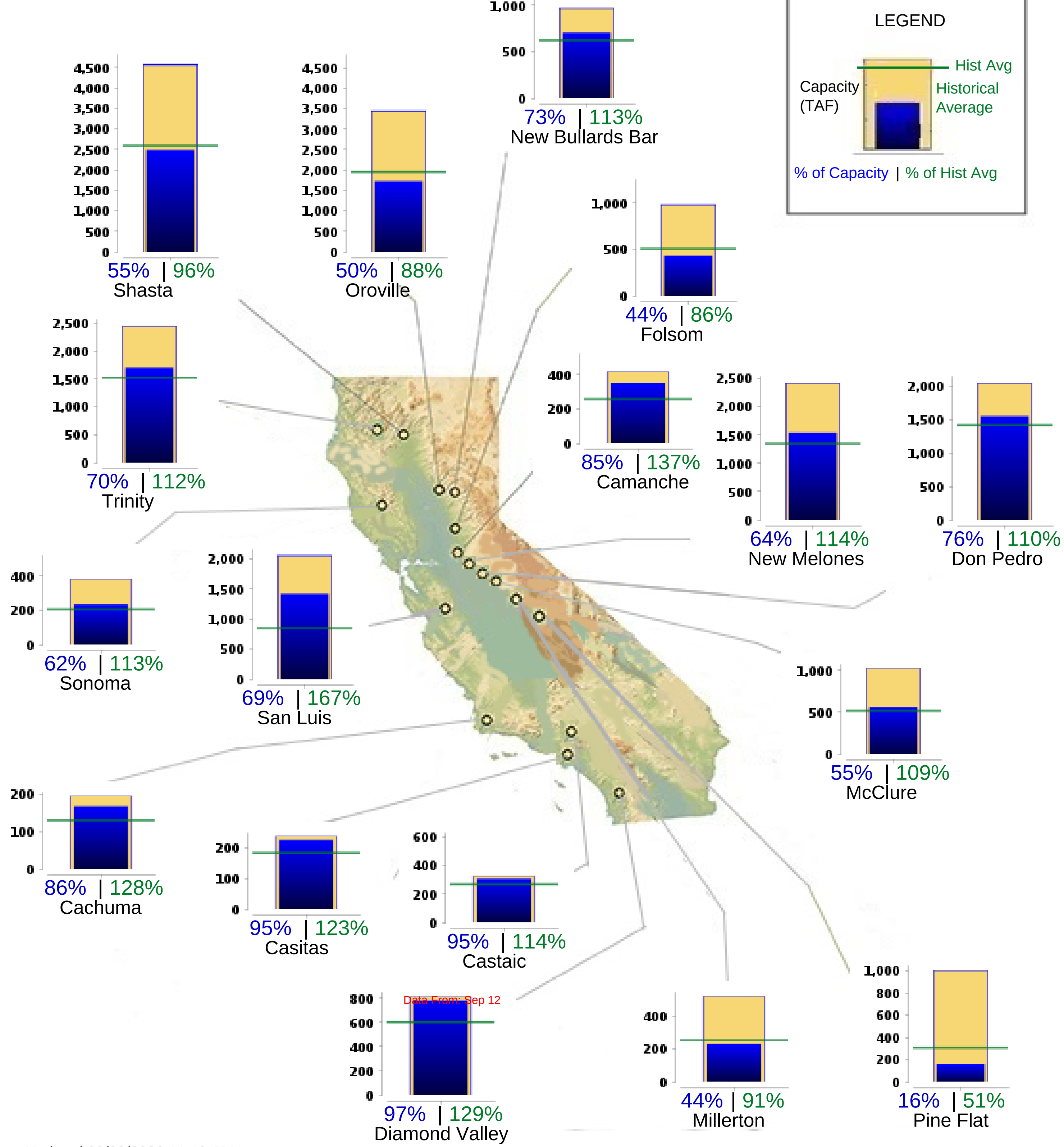


Cumulative Water Deliveries and Revenues FY 2026-27
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
July
August
September
October
November
December
January
February
March
April
May
June
26/27 Budgeted Revenue
26/27 Actual Revenue
26/27 Budgeted Deliveries
26/27 Deliveries

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

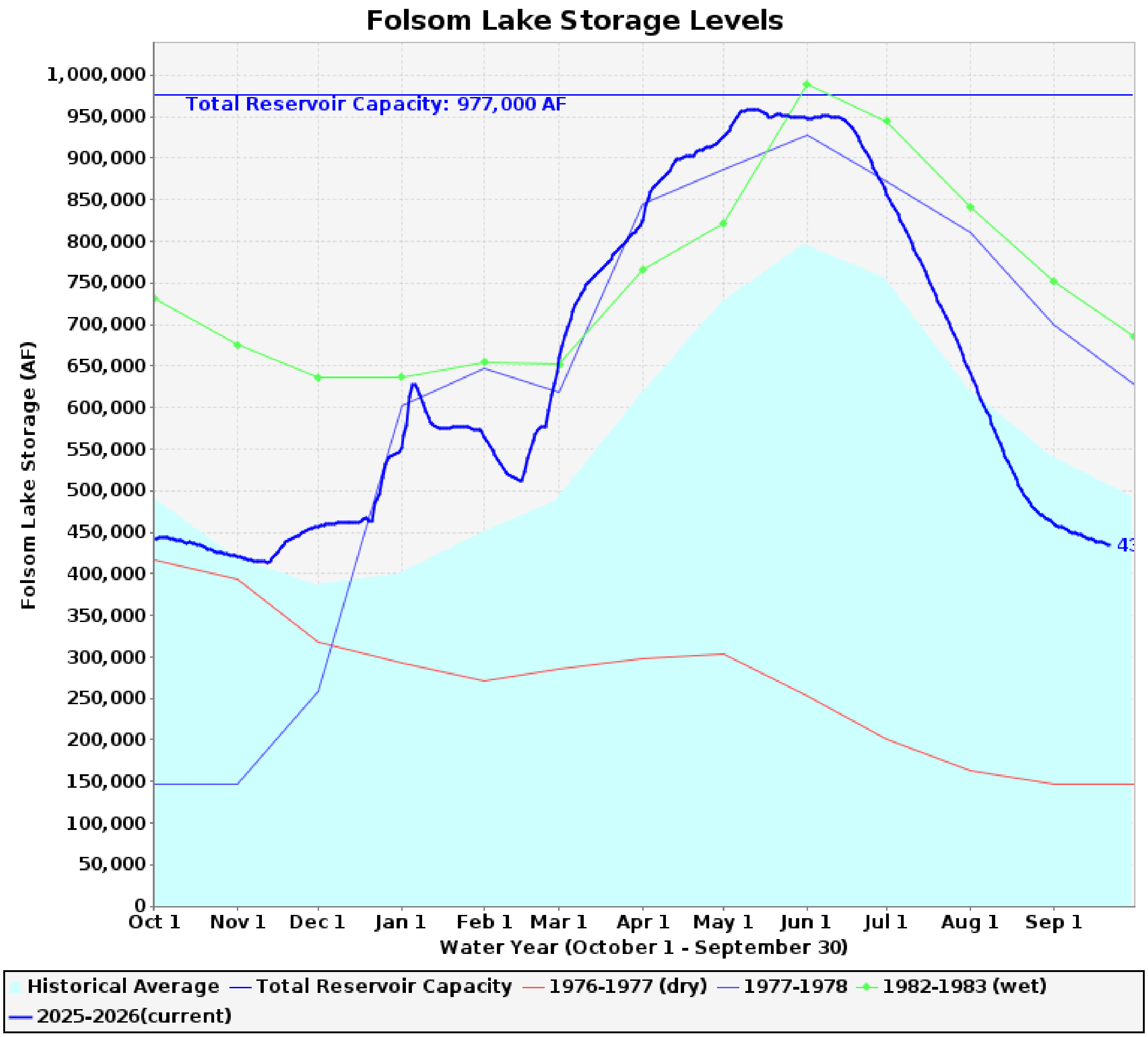
Midnight - September 22, 2026

CURRENT CONDITIONS



Updated 09/23/2026 11:18 AM

September 22, 2026



Back to Agenda

Regional Water Authority
Building Alliances in Northern California

2295 Gateway Oaks, Suite 100
Sacramento, CA 95833

Tel: (916) 967-7692
www.rwah2o.org

AGENDA ITEM VII-3.2

September 18, 2026

Sent via electronic mail to: SacDeltaComments@waterboards.ca.gov

Courtney Tyler
Clerk to the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95814-0100

Subject: Comment Letter – Final Draft Bay-Delta Plan

Dear Ms. Tyler:

The Regional Water Authority (RWA) appreciates this opportunity to submit comments on the Final Draft Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Watershed (Final Draft Plan or Plan) and Final Staff Report. The comments provided in this letter will respond to what the State Water Resources Control Board (Board) has provided in the Notice of Opportunity for Public Comment and Board Meeting to Consider Adoption of Sacramento/Delta Updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Watershed, released August 19, 2026. As requested by the Board, these comments will primarily focus on language changed from the last Bay-Delta Plan Updates. Further, we incorporate by reference our prior comments submitted on the Draft Staff Report (January 19, 2024), Draft Bay-Delta Plan Updates (January 10, 2025), and the Revised Draft Bay-Delta Plan (February 2, 2026).

These comments are submitted by RWA on behalf of anticipated American River Healthy Rivers and Landscapes (HRL) participants, which include California American Water, Carmichael Water District, Citrus Heights Water District, City of Folsom, City of Roseville, City of Sacramento, El Dorado Irrigation District, Fair Oaks Water District, Foresthill Public Utility District, Georgetown Divide Public Utility District, Golden State Water Company, Orangevale Water Company, Placer County Water Agency, Sacramento County Water Agency, Sacramento Suburban Water District, and San Juan Water District.

RWA is a joint powers authority representing nearly two dozen water providers in the greater Sacramento region, serving 2.2 million people. Our mission is to protect and enhance reliability, availability, affordability, and quality of water resources for our communities. The Sacramento region has a long history of conjunctively managing surface and groundwater resources and engaging in collaborative efforts with state and federal partners to support both our communities and the environment. This includes over 20 years of proactive implementation of robust sustainability strategies that integrate surface and groundwater management to adapt to a changing climate. RWA and its members also partner with the Sacramento Water Forum to engage in habitat enhancement, science, monitoring, and data synthesis to better understand and respond to ecosystem conditions in the Lower American River (LAR).

Given this regional perspective surrounding our engagement and partnering in and around the American River, we offer the following comments with excerpts taken from the versions on the Board's FTP site that provided tracked changes. Further, we provide these comments in order of priority with the most critical concerns at the top of the list.

1. Water Rights Change Restrictions Would Prevent Needed Water Management Actions and Undermine State Water Supply Policy

The Final Draft Plan has language suggesting that any increased diversions under existing water rights permits would be outside of the coverage of the HRL and that any filings seeking a change for an HRL-covered water right above the December 31, 2025 diversions would be considered "new projects." This approach is deeply concerning for many reasons, not least of which is because it would discourage, and in some cases effectively preclude, agencies that rely on HRL-covered water rights from taking water management actions needed to adapt to and prepare for climate change.

We specifically incorporate by reference the detailed comments submitted by the Northern California Water Association on this topic for the Final Draft Plan and provide additional comments from an American River tributary-specific viewpoint. In addition, we specifically seek to emphasize that the "new water supply project" language provided below in the Final Draft Plan would effectively convert a change petition from being subject to an adjudicatory proceeding to the proceedings for the regulatory pathway. Regulatory proceedings are legally distinct from adjudicatory proceedings and should not be conflated.

The documents released by the Board in August 2026 contain new language, which is shown below in underline (for text was added after the December 2025 Draft Plan Update) and strikeout (for text that has been removed after the December 2025 Draft Plan Update). RWA and its members have significant concern about some of that new language, which we have **bolded** for emphasis.

For all instances of this changed language, we insist that the Board default back to the language provided in the December 2025 Draft Plan Update. Or, at an absolute minimum, footnote five must be removed.

Sections 4.4.2.2 – Narrative Inflow Objective for Sacramento/Delta Tributaries, page 47*:*
"*~~For~~* ***The starting point for the inflow requirement for any water rights obtained on or before December 31, 2025****, ~~the starting point for the inflow requirement is reduced below 55 percent by the~~includes WSAs~~. Whether, and to what extent, WSAs are applied to water rights obtained after~~* ***for the level of diversions occurring under that right as of December 31, 2025****~~, including any permits issued after that date pursuant to applications filed by the State under Water Code section 10500, will be addressed~~.* ***WSAs do not apply to new water supply projects;***[5] ***however, as part of the*** *~~processing of those~~* ***annual or periodic review process, the Board could consider whether to apply WSAs to new water*** *~~right applications consistent with section 4.4.9.1.~~* ***supply projects based on any necessary supporting environmental and scientific documentation****…*

[5] ***New water supply projects are defined as (1) water rights obtained after December 31, 2025, including any permits issued after that date pursuant to applications filed by the State under Water Code section 10500, and (2) approved water right change petitions that would increase diversions from the Delta watershed and decrease Delta outflows compared to conditions existing as of December 31, 2025."***

Section 4.4.9.1 – Protection of Base Flows, page 66*:*
"***Increased diversions from new water supply projects (as defined in footnote 5) that are subject to the inflow and inflow-based Delta outflow requirements in Sections 4.4.2.2 and 4.4.2.6 will not be included in determination of the base flows to which the HRL flow commitments are required to be additive***."

Section 4.4.9.4 – Flow Accounting, page 84:
"*The following general independently verifiable accounting requirements apply:*
…iv. ~~*Demonstration*~~***Supporting demonstration* *that water use has not expanded for water rights listed in Appendix B.1 for that HRL flow commitment (e.g., Feather River HRL flow commitments) to reduce base flows in a manner inconsistent with the provision to protect the* ~~*flow*~~ *base flows described above*** *in* ~~*section*~~*Section* ~~*4.4.9.1*~~*4.4.9.1*;"

1(a). New Final Draft Plan Language Would Improperly Lock Water Rights in Place

Section 4.4.9 – Implementation of the Healthy Rivers and Landscapes Commitments Under the Voluntary Agreement Pathway, page 69 states:

"*The holders of the HRL water rights are referred to throughout this section as HRL participants for ease of reference; however**, the VA pathway is only applicable to the HRL water rights identified in Appendix B.1., as they are being exercised at the time of Plan adoption** by the State Water Board. Inclusion in the VA pathway for the HRL water rights listed in Appendix B.1 is contingent on the HRL commitments being met for that source. HRL participants may also hold water rights that are not* ~~*covered*~~ ~~*under*~~*included in the VA pathway*."

We are concerned that this new language, if it remains in the Plan documents, would effectively preclude any changes to HRL-covered water rights. The addition of the language "as they are being exercised at the time of Plan adoption" seems to indicate that any water right covered under HRL would have to remain forever restricted to be covered under the program. This does not adhere to water right proceeding requirements as established in the Water Code and would run contrary to public policy.

We urge removal of the newly added text in the Plan. Absent removal, we urge the Board to make the following edit:

"*The holders of the HRL water rights are referred to throughout this section as HRL participants for ease of reference; however, the VA pathway is only applicable to the HRL water rights identified in Appendix B.1*~~*., as they are being exercised at the time of Plan adoption by the State Water Board.*~~"

Absent these changes, the new text could cause multiple unintended consequences that are at odds with the Program itself, the participants' statutory rights and obligations, the requirement for participants to address climate change, and sound public policy. First, the "new water supply project" language provided in the Plan appears to deem a change petition as a "new project" if it authorizes a change in point of diversion, point of rediversion, storage, recharge, aquifer storage and recovery, groundwater banking, transfer, exchange, or conveyance arrangement, even when the change does not increase net consumptive use or result in a demonstrated material net reduction in Delta outflow. For example, we have concerns that existing petitions for extensions of time to put previously permitted water to beneficial use would also be precluded from advancing under this revised Plan language.

Second, this new language implies that the regulatory process established under the Plan Update would supplant the Board's review of a water right application, petition, temporary urgency change petition, or other water right proceeding. The Water Code establishes set processes for the handling of these proceedings, and the Board must comply with the applicable statutes. Consistent with the Water Code, the Board needs to make any determination concerning water availability, injury to other legal users of water, public interest, environmental effects, or the conditions of an approved change through the applicable water right proceeding based on the administrative record developed for that proceeding.

Third, it is impractical for the Board to continue to "refine" Plan provisions by proposing new text when the Board has yet to adopt an accounting methodology that defines the baseline, relevant hydrologic period, treatment of return flows and groundwater recharge, treatment of transfers and exchanges, method for evaluating net Delta outflow effects, materiality threshold, and process for resolving factual disputes. This methodology should be released for public review and comment before it is adopted.

Finally, this new text in the Plan is especially troubling given the changes to the Water Code that the Legislature adopted when it passed Senate Bill 72 (SB 72) in 2025. Just last year, the Legislature directed the executive agencies to assess strategies available to bridge the anticipated six to nine million acre-feet (MAF) gap in water supply expected to develop as California becomes hotter and drier. Those strategies include, but are not limited to, new water storage, groundwater recharge, conjunctive use, conveyance, and water transfers. Many of these strategies undoubtedly will require a change petition involving HRL-covered water rights yet the language of the Final Draft Plan would penalize water rights holders for taking actions that advance SB 72's core purpose. That result would run directly counter to this important public policy and would undermine the State's ability to pursue the very tools the Legislature has identified as necessary for California's water future.

1(b). New Language Gives HRL Parties Gatekeeping Capabilities Typically Reserved for the State Board Through Water Rights Filings

Section 4.4.9 – Implementation of the Healthy Rivers and Landscapes Commitments Under the Voluntary Agreement Pathway, page 69-70 states:

"*Substantive modifications, including inclusion of water rights larger than 100 acre-feet that were not previously identified, inclusion of ~~newly issued water rights approved after December 31, 2025,~~new water supply projects (as defined in footnote 5), or inclusion of water rights on new tributaries, to the water right list in Appendix B.1 could be considered for approval by the Board as part of the annual or periodic review process, along with any necessary supporting environmental and scientific documentation ~~or other documentation determined to be needed by the Executive Director, after notice and opportunity for public comment~~and any other documentation determined to be needed by the Executive Director.* ***Any proposals to add new HRL water rights or new water supply projects pursuant to the processes described above must coordinate with the existing HRL participants in advance of submittal of any proposal to the State Water Board for consideration. The HRL participants may request removal by the Executive Director of HRL water rights from Appendix B.1***

> ***after a minimum 45-day public review and comment period***. *Upon removal of any HRL water rights, the implementation provisions described in Sections 4.4.2.2, 4.4.2.3, and 4.4.2.6 would apply to those water rights*."
> With the definition of "new projects" provided above, this language seems to indicate that HRL Parties can object to other HRL Parties' filings for *any* "new project" even before a water rights change is taken under consideration by the Board. As noted above, though, the Board cannot delegate its statutory responsibilities to implement water rights permitting. We therefore urge removal of the new bold language.

2. New Habitat Maintenance Language is Infeasible and Without Beneficial Effect

Section 4.4.9.5 – HRL Non-Flow Habitat Restoration ~~Actions~~Commitments, page 91states:
"…. ***HRL habitat restoration projects must be maintained to provide for no reduction in habitat quality for at minimum the duration of the VA pathway***."

This language is new and does not comport with the way that successful habitat projects are planned, designed, constructed, and maintained for ecological function over time. The interpretation of the new text would seem to indicate that shifts from the as-built habitat would need to be "maintained" if there appears to be any "reduction" in quality. Projects are designed with restoration of both function and process in mind, with the expectation that change will occur and that rivers are dynamic systems. Sometimes maintenance is, indeed, needed. However, this is typically factored into the post-construction planning process and is adaptively management based upon on-the-ground monitoring and evaluation. For example, newly constructed rearing sites evolve from their as-built condition as planted vegetation grows and is naturally recruited, and as microhabitats form due to localized sediment deposition and erosion. These changes are beneficial to fish and other species as they increase habitat heterogeneity in restored rivers. Constant maintenance of habitat restoration projects could work counter to the intended effect and may interrupt these natural processes that are an important component of habitat enhancement. As written, the new text does not allow for reasonable evaluation and monitoring to inform adaptive management, and maintenance as necessary, as part of a science-based approach to be informed by existing data and advanced under the guidance of the HRL's Science Plan effort. Further, maintenance of certain habitat types could degrade, damage, or reduce the suitability of adjacent restored habitat or vegetation due to the use of heavy equipment or other disturbances in areas where the site may have appropriately evolved from the as-built condition due to natural processes, but for which habitat quality is still high.

We are also unclear as to what this language means for early implementation of habitat projects that were completed. Projects in support of the HRL have been occurring on the LAR since the 2018 early implementation start date and are near or at the end of their monitoring and evaluation phase. Imposing a requirement now to provide for "no reduction in habitat quality" could be detrimental as it could require significant disturbance to sites that are already providing their intended habitat value.

We think the new language was intended to ensure HRL Parties do not simply build a project and walk away from it. If that is the case, then we believe that we understand the issue the language was meant to address. Assuming we have understood this correctly, we offer the following language to better capture this principle while also allowing for maintenance if or when it is needed:

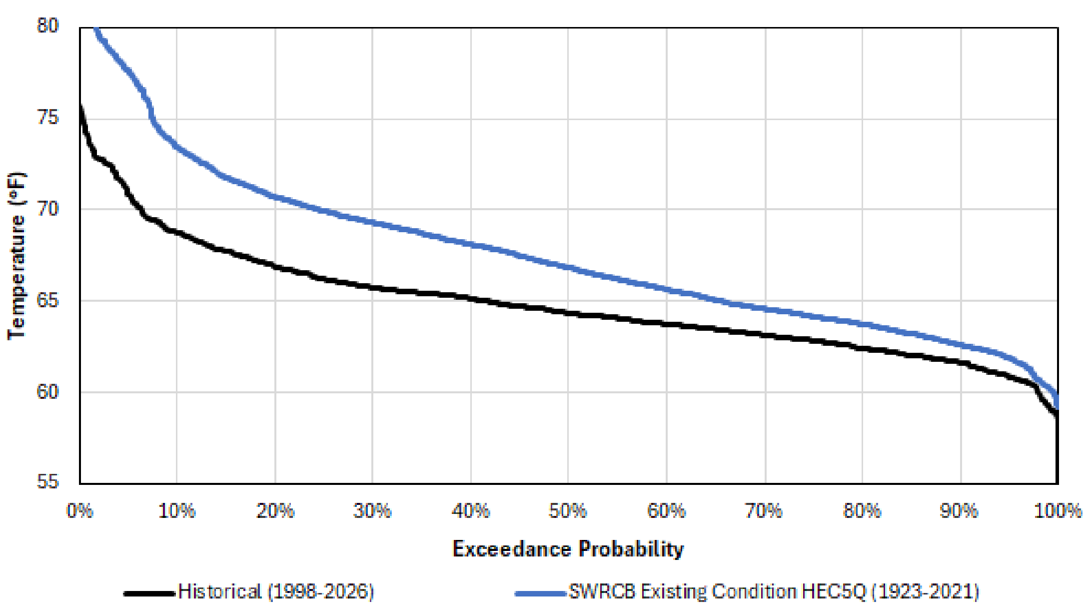
"*HRL habitat restoration projects will ~~must~~ be maintained as needed based on assessments ~~to provide for no reduction in habitat quality for at minimum the duration of the VA pathway~~ following potential functionality-altering events over the duration of the VA pathway. .*"

3. The Updates to SacWAM Modeling Reveal the Regulatory Pathway is Worse for American River Temperatures, But These Impacts Are Not Updated in the Temperature Tables in the August 2026 Final Draft Plan

We provided comments to the December 2025 Draft Plan that outlined extremely concerning modeling results for the regulatory pathway with Water Supply Adjustments (WSAs) in *Appendix H1b.Water Temperature Modeling and Fish Assessment for the Sacramento, Feather, American, and Yuba Rivers*. *Table H1b-53* through *H1b-55. Comparison of Modeled Baseline and Flow Scenario Monthly Temperature Distributions in the American River.* These results all show that, even with WSAs, temperatures below Folsom Dam at Hazel Avenue and at Watt Avenue during the months of April through November increase by up to three degrees under the regulatory pathway. In response, the Board's Common Response 3.1 states that Chapter 13 and Appendix H1b contain updated American River temperature modeling. However, upon review of the Final Staff Report, we were unable to identify corresponding updates to the temperature tables, figures, or supporting discussion in Appendix H1b. The temperature results presented in the Final Draft Plan appear substantially unchanged from those included in the December 2025 Draft Plan, making it difficult to determine how the Board evaluated comments regarding American River temperature impacts or how the updated modeling informed the Final Draft Plan.

At the same time, review of the August 2026 SacWAM modeling results indicates that existing condition temperatures simulations for the LAR changed substantially from the version used in August 2025. Simulated July water temperatures at Watt Avenue are now considerably warmer than both the August 2025 simulations and the historical temperature record. As shown in Figure 1, the updated existing condition scenario produces daily average July temperatures that are frequently several degrees warmer than historically observed conditions.

Figure 1: Comparison of Simulated and Historical July Water Temperatures at Watt Avenue



The significance of this change should not be understated. The Board appropriately recognizes throughout Common Response 3.1 that salmonids are highly sensitive to temperature and that temperatures near 55 ˚F provide optimal incubation conditions, while temperatures above 68 ˚F can impair migration and survival. Temperatures approaching or exceeding 72 ˚F for three consecutive days in the LAR result in acute biological stress and have constituted a taking under the Biological Opinion implementing the Endangered Species Act for the Central Valley Project (CVP) and State Water Project. The Common Response largely addresses temperature effects in relative terms by comparing project alternatives against the model baseline. However, the updated August 2026 modeling shifts that baseline substantially upward. As a result, fish experience not only the warming associated with implementation of the regulatory pathway, but also a considerably warmer underlying thermal regime. Therefore, the absolute temperature conditions experienced by fish appear substantially worse than those evaluated in the previous Plan documents.

While the Common Responses attempt to downplay the effects of the regulatory pathway on LAR temperatures and our related concerns, the Plan now magnifies our concerns significantly because the updated baseline shows depletion of Folsom Reservoir cold water pool to such a degree that releases result in temperatures in the LAR exceeding 80˚F in July at Watt Avenue. These increased temperature results are beyond alarming. For fish health and survival, the difference between 68 and 80 degrees at specific points in the LAR is drastic. As stated in our letter on the December 2025 Draft Plan, temperature is the top limiting factor for fish health on the American River and temperature targets are already routinely exceeded, even in wetter years. Compounding upon this under a warmer baseline scenario only magnifies the impacts of the regulatory pathway to a catastrophic degree. Certainly, results such as these would directly conflict with one of the primary stated purposes of the regulatory pathway, protecting the beneficial use of these waters by cold water fish.

The updated modeling also highlights the importance of spring reservoir storage and cold-water pool preservation. While total Folsom Reservoir storage appears similar between the August 2025 and August 2026 existing condition simulations, the regulatory pathway continues to show substantially reduced storage and cold water pool volume at the end of May and June relative to Existing Conditions. As shown in Figures 2 and 3, the 55% WSA scenario consistently enters the summer period with less total storage and less cold-water pool volume available for temperature management. The regulatory pathway (55% with WSA) still indicates significantly reduced cold water pool relative to existing conditions. Figures 2 and 3 below show this relationship and the corresponding impact for May and June.

Figure 2: Comparison of Simulated May Folsom Reservoir Storage and Coldwater Pool

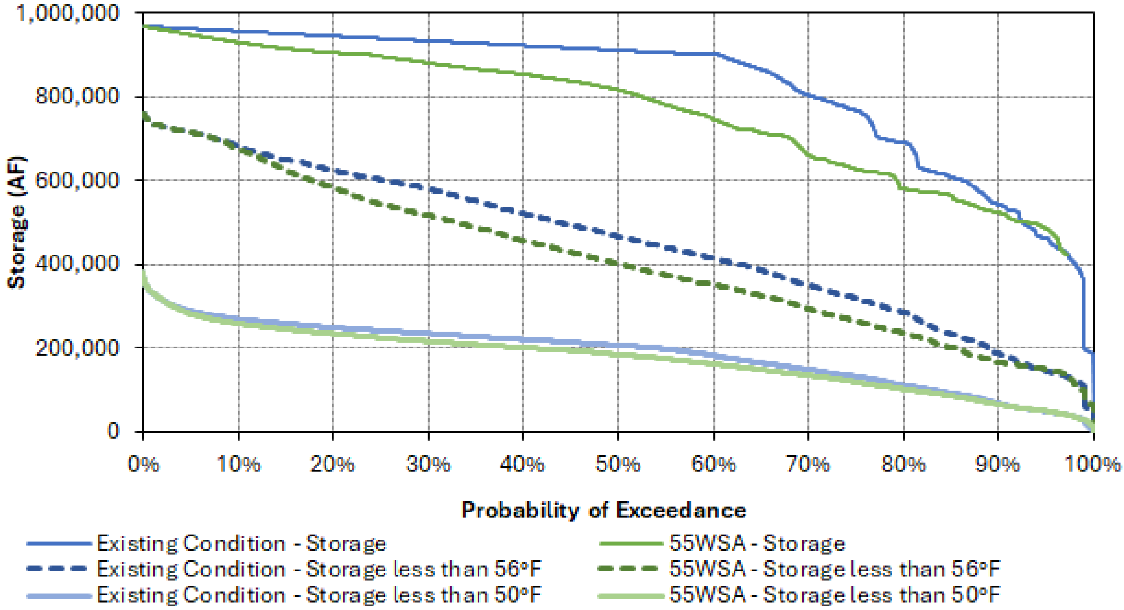
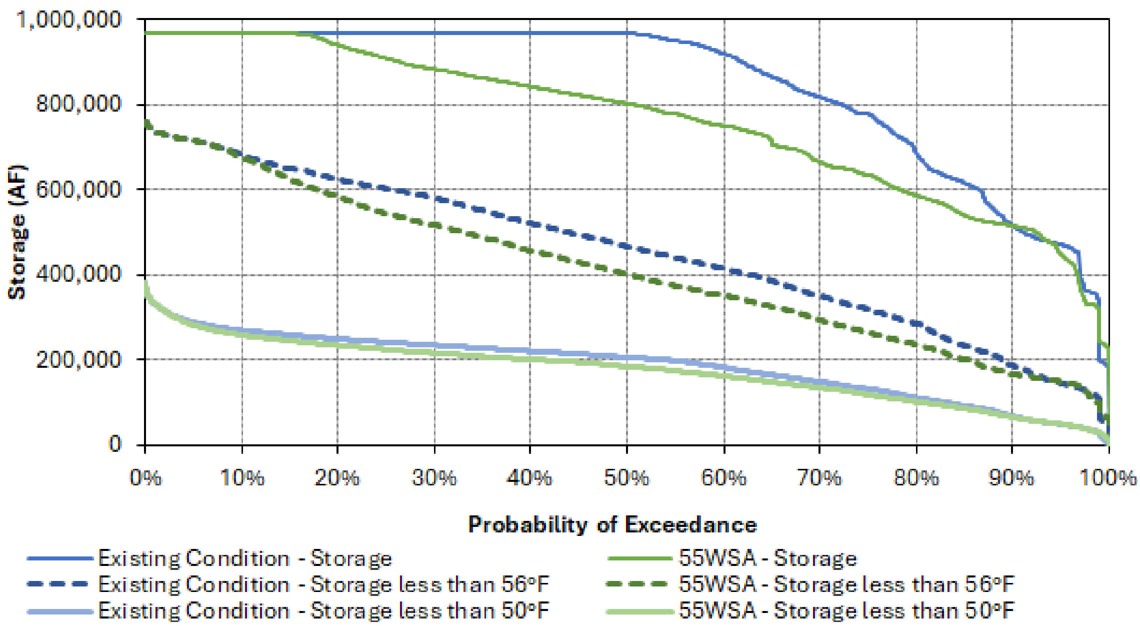


Figure 3: Comparison of Simulated June Folsom Reservoir Storage and Coldwater Pool



This relationship is particularly important because summer and fall water temperatures in the LAR are strongly influenced by the volume of cold water remaining in Folsom Reservoir following spring releases. Reduced end-of-May and end-of-June storage diminishes the operational flexibility available to maintain suitable downstream temperatures during the critical summer and early fall periods. Yet the Final Draft Plan and Common Response 3.1 do not appear to explicitly acknowledge or evaluate the connection between spring storage depletion, cold water pool reduction, and subsequent downstream temperature impacts. The Final Draft Plan does not acknowledge the relationship between end-of-May storage and the cold water pool available to provide summer and fall releases of suitable temperatures. We reiterate that the Final Draft Plan should acknowledge this principle of physics.

4. HRL Contains an Unnecessary and Duplicative Annual Water Rights Review Process

Section 4.4.9.2 – HRL Flow Commitments, page 73 states: "*Each year, the specific water rights under which HRL flow commitments are to be provided for instream flow and Delta outflow purposes* ***must be identified at least 90 days in advance of the planned use and must be provided from water rights under which water is available at that priority of right at the time the water is provided, consistent with the implementation methodology once that methodology is in effect. The State Water Board will notify the public and provide a 30-day comment period for comments on whether the dedication will injure other legal users of water, unreasonably affect fish and wildlife or other instream uses, or increase the amount of water that would have otherwise been used under that right. The Executive Director will provide notification to HRL participants and the public if any inconsistencies are identified that must be resolved in order for a specific water right to be dedicated instream***."

HRL Parties have already provided the Board with a comprehensive list of water rights that will be covered and utilized for implementation of the program. It is unclear why another seemingly adjudicatory process is being included in the Final Draft Plan or why an additional comment period needs to be provided every year in addition to the current process that the Board has already undertaken with multiple significant comment opportunities. This is completely unnecessary and is likely to cause delays, increase State and HRL Party costs, and burn valuable capital.

The proposed new language circumvents the Board's existing statutory authorities and processes, and subjects HRL Parties' water rights to a new, duplicative, and unnecessary public review process. For these reasons, the Final Draft Plan should remove the new language contained in section 4.4.9.2 above. Further, we specifically incorporate by reference the detailed comments submitted by the Northern California Water Association on this topic.

5. New Habitat Restoration Schedule Creates Implementation Risks

Section 4.4.9.5 HRL Non-Flow Habitat Restoration ~~Actions~~ Commitments, pages 91-92 states:

"*All non-flow habitat must be completed and accounted for by year eight of the VA pathway~~.~~ and must meet the following incremental implementation requirements. For good cause shown, the Executive Director may approve extensions to these timelines.*

i. Within one year of adoption of the current amendments to the Bay-Delta Plan, the HRL participants must submit an initial habitat implementation schedule to the State Water Board and provide annual updates thereafter in annual reports consistent with Section 4.4.9.8. Changes to implementation schedules and individual projects should be reflected in annual reports.

ii. By the end of year two of the VA pathway, a preliminary list of HRL habitat restoration projects and the expected outcome of the habitat accounting protocol

consistent with Section 4.4.9.6 must be identified.

iii. ***By the end of year four of the VA pathway, 50 percent of the cumulative habitat commitments must have completed construction and accounting consistent with Section 4.4.9.6 must be completed or largely completed for that quantity of habitat. In addition, the projected implementation schedule and expected outcome of habitat accounting must demonstrate that the full habitat commitment will be completed by the end of year eight of the VA pathway.***

iv. ***By the end of year six of the VA pathway, 75 percent of the cumulative habitat commitments must have completed construction and accounting consistent with Section 4.4.9.6 must be completed or largely completed for that quantity of habitat, or otherwise demonstrate an ability to achieve the full habitat commitment by the end of year eight, satisfactory to the Executive Director.***"

This schedule is completely new and creates significant risk for HRL parties. This schedule does not take into account key aspects that cannot always feasibly occur on a stringent timeline, such as design and permitting, but most importantly, funding. While the Executive Director approval of extensions would help alleviate some of this concern, it still does not reduce the risk of potentially shifting to a yellow or red light, merely because something is happening outside of the HRL Parties' control that will impact this tightly-prescribed schedule. It is unclear where this schedule originated, but we recommend, instead, using the science and monitoring plan that will be developed and the adaptive management provisions of the HRL to guide an implementation timeline.

6. Common Responses Minimize Significant Regulatory Pathway Impacts and the Need for Further Analysis

6(a). *Common Response 1.3 – Revised Proposed Plan Amendments, Voluntary Agreement Pathway*, page 34 states**:**

"…The HRL participants also developed draft enforcement agreement proposals. While the possibility that HRL water rights would be required to move to the regulatory pathway if the HRL commitments are not met is, in and of itself, an enforcement mechanism, Section 4.4.9, Implementation of Healthy Rivers and Landscapes Commitments Under the Voluntary Agreement (VA) Pathway, of the revised proposed Plan amendments states that the State Water Board may also issue Government Code section 11415.60 decisions to enforce HRL commitments in accordance with the provisions contained in the Bay-Delta Plan. However, if it is determined that any Government Code section 11415.60 decision is needed, streamlined agreements would be developed that are acceptable to the State Water Board that focus on actions needed to ensure enforcement of the HRL commitments as described in the Bay-Delta Plan and remove other provisions not directly related to enforcement of those provisions."

The HRL Parties have always envisioned having enforcement agreements that would be signed with the Board to serve as a binding legal instrument to define specific performance obligations, responsible implementing entities, and provide remedies for non-performance.

In addition, given the huge uncertainties that exist in the Final Draft Plan around impacts associated with the imposition of the regulatory pathway, it is imperative that the Board recognize the importance of assessing any further impacts potentially associated with the regulatory pathway's future implementation methodology. Therefore, we request the Board, along with HRL Parties, continue to work on and execute enforcement agreements.

6(b). Common Response 7.6.2 – Aquatic Biological Resources and Cold Water Habitat

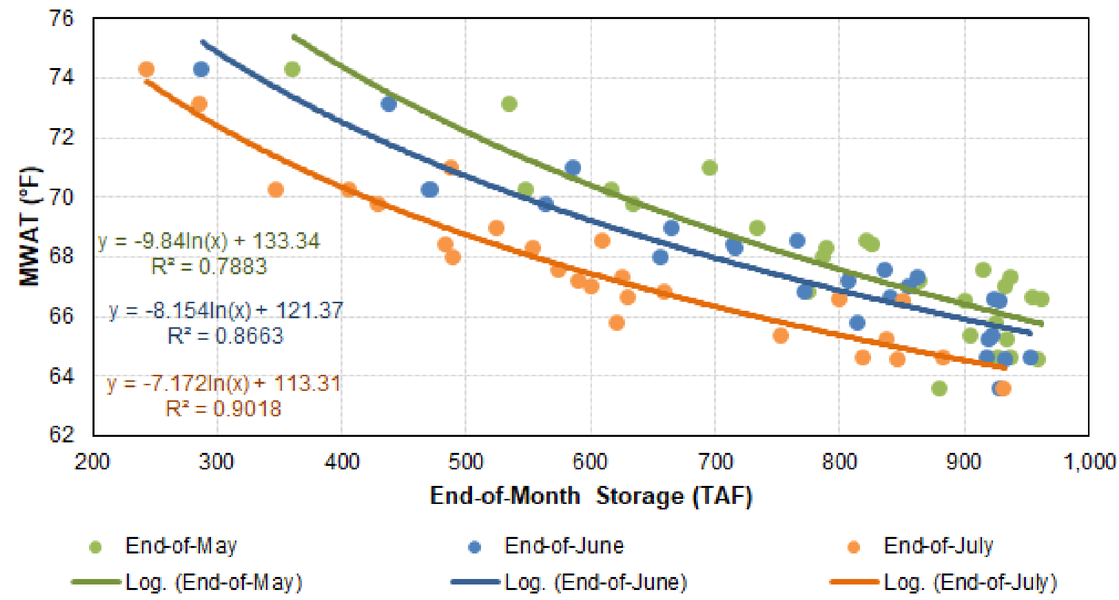
Page 13: "*End-of-September reservoir storage was targeted to maintain cold water throughout the year. Reservoir operations that result in low storage in late summer and fall months (i.e., August through November) can cause release temperatures to become too warm for cold water fish, such as Chinook salmon and steelhead. Each reservoir has a slightly different elevation-volume relationship, and the elevation of the outlet and the maximum surface elevation influences the minimum carryover (end-of-September) storage that provides a cold water release. For reservoirs with documented or historical storage-temperature relationships, storage thresholds sufficient to maintain cool release temperatures were incorporated into the modeling. For example, for Folsom Reservoir, historical operations show that, when end-of-September storage is above 400 thousand acre-feet (TAF), cooler downstream temperatures are more often achieved. In the modeling scenarios* ***, CVP allocations were adjusted to maintain end-of-September storage above 400 TAF*** *as frequently as baseline storage*."

We appreciate the extensive effort undertaken by the Board to improve the American River temperature modeling framework and acknowledge that several of the model refinements represent meaningful improvements over previous applications. However, the accompanying discussion of reservoir carryover storage targets, along with our comments in header number three of this letter, *The Updates to SacWAM Modeling Reveals the Regulatory Pathway is Worse for American River Temperatures, But These Impacts Are Not Updated in the Temperature Tables in the August 2026 Final Draft Plan*, highlights a fundamental concern with the regulatory pathway and its underlying temperature management assumptions.

The Board's analysis relies heavily on maintaining a minimum end-of-September storage threshold in Folsom Reservoir, including reducing CVP allocations whenever necessary to maintain storage above approximately 400 TAF. While maintaining adequate carryover storage is an important component of temperature management, the analysis treats end-of-September storage as the primary driver of temperature performance, when in fact this is one of several interconnected indicators. As a result, the modeling framework risks optimizing reservoir storage rather than for actual thermal conditions in the LAR.

Historical observations do not support the conclusion that end-of-September storage is the most appropriate predictor of summer and early fall river temperatures. Previous analyses conducted on behalf of American River stakeholders, as well as the updated evaluation presented in Figure 4, demonstrate strong correlations between end-of-May, end-of-June, and end-of-July reservoir storage and maximum weekly average temperatures at Watt Avenue.

Figure 4. Comparison Between Historical End-of-Month Folsom Reservoir Storage and Maximum Weekly Average Water Temperatures (MWAT) at Watt Avenue (2000-2025)



These relationships indicate that higher spring and early summer storage is consistently associated with cooler river temperatures during the fall period most critical for fisheries on the American River. Figure 4 further demonstrates that these correlations are strongest for July storage, suggesting that reservoir conditions during the active temperature management season are substantially more informative than a single carryover storage value measured at the end of September.

The observed relationships likely reflect several interacting mechanisms. Higher spring storage generally corresponds to a larger and more resilient cold water pool, provides greater operational flexibility for selective withdrawal operations, supports higher summertime flows in the LAR, and increases the likelihood of achieving favorable end-of-season storage conditions. In other words, favorable September storage is often a *consequence* of effective temperature management and favorable hydrology, rather than the *cause* of cooler summer temperatures.

The Board's modeling approach misstates - and effectively reverses- this relationship. By reducing CVP deliveries to preserve an end-of-September storage threshold, the model also reduces releases and flows through the LAR during the summer and fall. Lower flows reduce the river's thermal mass, increase atmospheric heating rates, and diminish the ability of cooler reservoir releases to influence temperatures at downstream locations such as Watt Avenue. Consequently, the model may achieve higher reservoir storage *while simultaneously producing warmer river temperatures than would otherwise occur* under a more balanced operational strategy.

Notably, the Board's own sensitivity analysis demonstrates that operational flexibility and release temperature management can substantially reduce modeled temperature impacts without relying exclusively on additional carryover storage. The analysis concludes that optimized temperature operations, modified release temperature targets, and use of available temperature control infrastructure can significantly reduce warming effects relative to the original modeling assumptions. Indeed, as the discussion in Common Response 7.6.2 acknowledges, temperature outcomes are influenced at least as much by operational decisions and flow management as by a fixed end-of-September storage threshold.

Accordingly, we are concerned that the regulatory pathway places disproportionate emphasis on preserving a fixed level of reservoir storage rather than directly managing the physical factors that control LAR temperatures. A temperature management strategy should prioritize maintenance of an adequate cold-water pool, optimized release temperatures, and sufficient summer and fall flows to achieve downstream temperature objectives. Reliance on an end-of-September storage target as the primary management mechanism risks producing operational outcomes that improve compliance with a storage benchmark while degrading the very river temperature conditions the benchmark was intended to protect.

6(c). Common Response 7.12.2 – Groundwater and Sustainable Groundwater Management Act

At page 13, Common Response 7.12.2 provides as follows: "*The groundwater figures in Appendix H1a2, Sacramento Water Allocation Model Results for Revised Proposed Plan Amendments, represent the end-of year change in groundwater storage, relative to the baseline, for specific groundwater basins represented in SacWAM over the 100-year SacWAM simulation period. In the example for the American River groundwater basin, the SacWAM estimates a total reduction of approximately 1-million-acre feet in groundwater storage over the 100-year simulation period for that groundwater basin. This means that SacWAM is estimating that, on average, about 10 thousand acre-feet (TAF) more per year is pumped from the American River groundwater basin than is percolated back into the basin for the 55 w/WSAs scenario. However, as mentioned above, SacWAM does not represent lateral groundwater inflows from the foothills and mountains into the American River groundwater basin. In reality, groundwater inflows from the east (or from the foothills and mountains) may partially or fully offset this estimated storage decline. If those inflows from the east averaged approximately 10 TAF per year, the 55 w/WSAs line could end where it started, or near zero in 2021 instead of showing the simulated decline. Due to the uncertainty in some of the groundwater exchanges between basins, such as lateral groundwater flows, they were not included in SacWAM. Accordingly, these groundwater results on changes in storage were not solely relied on in the groundwater analysis. SacWAM was developed and calibrated primarily to represent surface water supplies with groundwater processes represented in a simplified manner to maintain the model water balance*."

In addition, pages 6 to 9, 15 to19, and 22 to 25 state that increased groundwater pumping, reduced recharge, groundwater storage and recovery, and new wells are foreseeable consequences evaluated in the Staff Report. This Common Response explains that groundwater mitigation and response actions are addressed broadly, purportedly because the Board cannot predict the reasonably foreseeable local actions that will be taken in response to the regulatory pathway. The Common Response also claims "*impacts to groundwater* *resources remain potentially significant*" because the Board cannot identify mitigation to ameliorate the impacts of its regulatory action.

This Common Response is deeply concerning and lacking in detail or practicality. First, we are unaware of any factual basis to support the Board's assumption that, on average, under the regulatory pathway there would be 10 TAF more per year pumped from the American River groundwater basin than is percolated back into the basin. Why was 10 TAF selected as the amount of the deficit, and why is that assumed to be available from "the east"? Why is 10 TAF seemingly available from "lateral" movement to mitigate depletions caused by the regulatory pathway? Second, what is meant by "lateral groundwater movement" in this context? Finally, if 10 TAF is supposed to come from "the east" into the basin to "fully offset" the losses, what impacts does that create in "the east" or elsewhere? Any loss to one basin or a gain to another would need to be considered as part of the Groundwater Sustainability Plan planning effort and agreed to by the corresponding Groundwater Sustainability Agencies. In many basins, the loss of 10 TAF will mean additional impacts and can mean the difference between maintaining sustainability or becoming overdrafted.

Further, the statement that it is the responsibility of the individual agencies that are subject to the regulation – that is, the regulated parties – to mitigate actions imposed by Board as the lead agency simply misstates the California Environmental Quality Act (CEQA). Under CEQA, the lead agency must adopt all feasible mitigation measures to reduce or avoid the impacts of its action. (City of Marina v. Bd. of Trustees of Cal. State Univ. (2006) 39 Cal. 4th 341, 349 [CEQA requires "each public agency to mitigate or avoid the significant effects on the environment of projects that it carries out or approves whenever it is feasible to do so . . . and to discuss feasible methods of mitigation in the EIR"] citing Pub. Resources Code, § 21002.1, subd. (b), § 21100, subd. (b)(3), CEQA Guidelines, § 15126.4, subd. (a)(1).) Here, it is feasible for the Board to fund projects to offset the groundwater impacts of its regulatory program – and if the Board says it cannot afford to implement funding measures, it cannot legitimately find that it is feasible for much smaller local agencies to do so.

Overall, this Common Response lacks the detail necessary to explain how the regulatory program could be implemented without causing extensive groundwater impacts and significantly downplays the 1 MAF of groundwater storage loss identified under the regulatory pathway. Instead, it points to some other unidentified source of water and hypothesizes that this water would move into the basin to offset groundwater impacts here, apparently without creating impacts in any other basin. We are aware of no factual basis to support these fantastical assumptions. The fact remains that the Board has not attempted to reduce the significant groundwater impacts that its own modeling reveals will be caused by implementation of the regulatory pathway, as shown in Figure H1a2-241, reproduced below for reference. Both these impacts and the Board's refusal to acknowledge or mitigate them remain troubling.

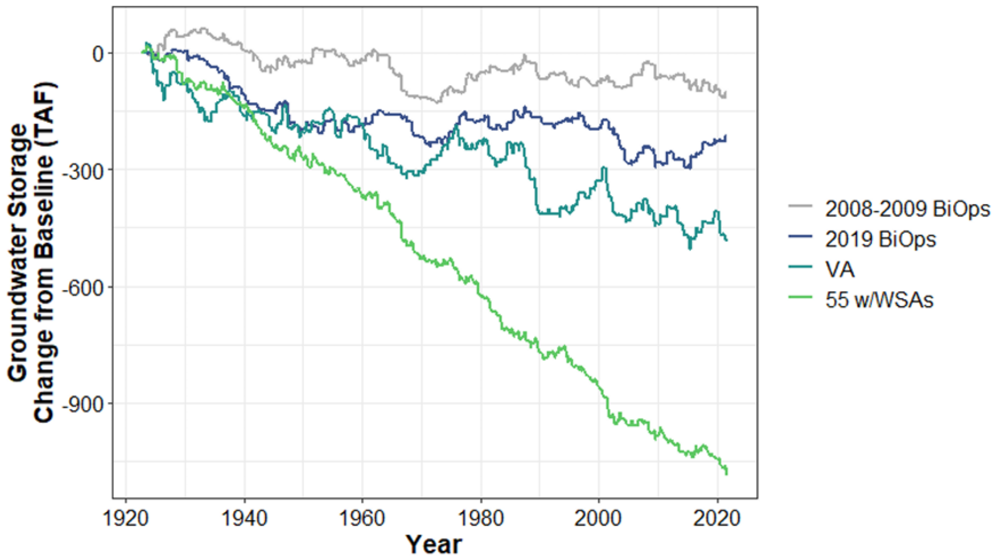


Figure H1a2-241. American River Groundwater Basin End of Year Storage—Change from Baseline (TAF)

7. Unaddressed Comments That Continue to Be of Significant Concern

Above, we incorporated by reference our prior letters submitted to the Board on the Bay-Delta Plan documents. Two additional significant comments remain unaddressed, and we ask that the Final Plan Update include revisions to address them.

7(a) Regulatory Pathway Compliance Points Above Folsom Reservoir

We provided the following in our comment letter on the Draft Bay-Delta Plan Update, January 10, 2025:

"While we support the Draft Plan Update's many references to implementation of flow objectives on a water rights priority basis, the draft plan appears to arbitrarily assign compliance points for unimpaired flow on sub-tributaries above Folsom Reservoir. This would place the burden of meeting American River HR&LP outflow objectives solely on the backs of water rights holders located geographically above Folsom Reservoir without regard to the water rights priorities of other diverters on the American River or the Bay-Delta watershed. As Bay-Delta inflow may be a responsibility of all parties in the watershed, arbitrarily assigning inflow compliance points that shift obligations upstream without respect to water rights priority is unlawful (See *El Dorado Irr. Dist. v. State Water Resources Control Board* (2006) 142 Cal.App.4th 937, 966 holding that the Board violated water rights priorities by imposing a term in a senior appropriator's water right permit when the Board had failed to impose a similar term in the permits and licenses of more junior appropriators with later priority dates.) Responsibility for meeting Delta inflow requirements must first be implemented on a priority basis throughout the Bay-Delta watershed. To the extent the Board believes there is a lawful basis to apportion responsibility in a way that violates the rule of priority, the Board must make findings that would justify subverting the rule of priority. (Ibid.) The Board must also ensure that it is not establishing a regulatory regime that would result in the export projects exporting water "reasonably required to adequately supply the beneficial needs" of the watersheds where that water originates, as such a directive would result in a violation of law. (See Water Code section 11460). Implementing delta inflow criteria through compliance points on the North, Middle, and South Forks of the American River above Folsom Reservoir (see October 2024 Draft, p. 53) creates a situation whereby the export projects violate Water Code section 11460."

We therefore repeat our request to delete the proposed "compliance points" on the North, Middle and South Forks of the American River above Folsom Reservoir.

7(b) Habitat Curves Being Utilized Continue to Not Account for Cover
We provided the following in our comments on the Revised Draft Bay-Delta Plan, February 2, 2026:
Bay-Delta Plan Update, Section 4.4.9.6 – Non-Flow Habitat Restoration Accounting, pages 86 to 87 states: *[F]or tributary spawning, instream rearing, and floodplain rearing, habitat verification must occur to confirm that the acreage of habitat meeting design criteria across a range of flows conforms with or provides equivalent benefits to the flow-habitat relationships provided by HRL participants for assessment of the benefits of the VA pathway (i.e., those used in the Scientific Basis Report Supplement in Support of Proposed Voluntary Agreements for the Sacramento River, Delta, and Tributaries Update to the San Francisco Bay/Sacramento-San Joaquin Delta Water Quality Control Plan (Scientific Basis Report Supplement)). This verification must be provided to the Executive Director and DFW for approval. If approved, the committed acres of habitat for the approved habitat category will be considered fulfilled. This verification is not required for tributary floodplain restoration projects intended to be counted toward the valley floor floodplain 86 habitat commitment. Instead, the number of acres meeting applicable design criteria may be counted toward the valley floor floodplain habitat commitment.*

"The American River flow-to-habitat curves provided for in the Scientific Basis Report Supplement and through follow-up meetings and communications with Board staff and its technical consultant FlowWest verified that these curves were only intended for hydraulic suitability in pre-project conditions (e.g., cover is not included). To support a fair comparison during habitat accounting, we are assuming only the hydraulic suitability of constructed project acreages (not including cover) would be evaluated against the data provided for the Scientific Basis Report Supplement.

Further, the simpler accounting method newly proposed for the recently delineated valley floor floodplain commitments (counting of acreage meeting applicable design criteria for subject habitat type) should be available for all proposed HRL habitat types."

We would urge the Board to consider the practical application of this concern. Instead of providing this as a definitive methodology in the Final Draft Plan, habitat suitability should be part of the development of the HRL science plan effort.

Conclusion
Thank you for the effort of Board staff to advance the HRL Program as a critical part of the Bay-Delta Water Quality Control Plan Update. The American River region stands ready, willing, and able to honor its commitments under the HRL and we look forward to working with Board staff to benefit the ecosystem while assuring the reliable water supplies that our member agencies need for them to be able to support California in its efforts to alleviate the housing crisis. Should you require any clarifications of our comments or have any questions, please feel free to contact Michelle

Banonis at mbanonis@rwah2o.org. Thank you for your thoughtful consideration of these comments.

Sincerely,

James Peifer
Executive Director

Northern California Water Association

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September 18, 2026

VIA ELECTRONIC MAIL

Chair Esquivel and Board Members
State Water Resources Control Board
1001 I Street
Sacramento, CA
Email: SacDeltaComments@waterboards.ca.gov

Re: Comment Letter - Final Draft Bay-Delta Plan

Dear Chair Esquivel and Board Members:

We, the Northern California Water Association and the Sacramento Valley Water Users[1] (collectively "NCWA"), appreciate the State Water Resources Control Board's ("State Water Board") progress in including of the Healthy Rivers and Landscapes ("HRL") Program as proposed by its participants in the State Water Board's continuing efforts to update the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin River Delta ("Bay-Delta Plan"). As we look ahead to the State Water Board's consideration of adoption in October 2026, we provide these comments on the remaining issues that require resolution.

To be clear, we support the HRL Program as a practical path forward for the Bay-Delta and remain concerned that the unimpaired flow approach in the Regulatory Pathway will result in adverse impacts that will stifle the water management strategies called for in the Water Resilience Portfolio, California's Water Supply Strategy, Adapting to a Hotter, Drier Future, and the objectives for the California Water Plan.

[1] NCWA is a non-profit corporation that represents the water districts, water companies, cities, small towns, local governments, rural communities and landowners that beneficially use and depend upon surface and groundwater resources in the Sacramento River Basin, from the crests of the Sierra Nevada Mountains to the Coastal Range. NCWA's Board of Directors and staff are committed to safeguarding water supplies in the Sacramento Valley for **all** beneficial uses and constructive leadership in the pursuit of solutions to resolve California's most perplexing water problems. The Sacramento River Basin is an amazing riverscape—a mosaic of rivers, creeks, and sloughs, sustaining our cities and communities and interwoven into a vast and productive landscape that supports our rivers, farms and ranches, wildlife refuges, fish and wildlife management areas, forests, duck clubs and other private wetlands, and many other forms of recreation and hydropower. The individual parties joining in this comment letter are listed on **Appendix 1** hereto.

It is evident that the August Final Draft of the Bay-Delta Plan Update ("August Draft") and the Final Staff Report[2] are the product of hard work and consideration of a wide spectrum of viewpoints. However, these documents contain significant gaps in governance and implementation that are crucial for the success of the HRL Program. The HRL Program, as proposed by water right holders who carefully negotiated and drafted its provisions, offers a feasible and balanced approach to achieving the narrative water quality objectives in the Bay-Delta Plan. Unfortunately, the August Draft and Final Staff Report continue to suffer from some of the same defects that NCWA and other HRL participants previously identified as critical issues in numerous comments in this process. NCWA incorporates those prior comments here by reference.[3] Specifically, the August Draft and Final Staff Report include new and generally unnecessary language and concepts that risk undermining the HRL Program. NCWA also remains concerned that the Regulatory Pathway will interfere with and impede the success of the HRL Program, while putting at risk vested interests in water supplies throughout the State. These issues must be addressed before NCWA can lend its support to the State Water Board's adoption of the proposed Bay-Delta Plan amendments ("Adopted Plan") and their supporting environmental document.

NCWA and the State Water Board all share a common goal: to achieve the narrative water quality objectives and salmonid doubling goal. To that end, NCWA has committed the time and resources over the past decade to collaborate with a wide array of stakeholders throughout the State to develop and propose water contributions and habitat projects under the HRL Program that can demonstrably protect salmonids in the Sacramento River and its tributaries and achieve the narrative objectives and biological goals of the Bay-Delta Plan. By increasing spawning and rearing habitat, protecting cold water pools and storage in reservoirs, contributing functional instream flows, and enabling other important water supply activities such as groundwater recharge and conjunctive use projects, the HRL Program is the approach that best, and most reasonably, protects all beneficial uses in the Sacramento/Delta watershed.

Accordingly, the State Water Board should adopt and implement the HRL Program as proposed by the HRL participants and act as a participant with HRL participants to ensure that the aims of the HRL Program—the same aims of the State Water Board has in updating the Bay-Delta Plan—are achieved. To accomplish this goal, the Adopted Plan must address the issues and concerns detailed below.

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[2] Final Staff Report/Substitute Environmental Document in Support of Potential Updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary for the Sacramento River and Its Tributaries, Delta Eastside Tributaries, and Delta ("Final Staff Report").

[3] NCWA Comments on Revised Draft Sacramento/Delta Bay-Delta Plan Updates & Chapter 13 of the Draft Staff Report, dated February 2, 2026, and appendices 1-12 thereto; NCWA Comments on Alternative 5a and Alternative 6a, dated January 30, 2025 and appendices 1-2 thereto; NCWA Comments on Draft Sacramento/Delta Bay-Delta Plan Updates, dated January 10, 2025 (hereafter "NCWA January 2025 Comment Letter") and appendices 1-5 thereto; NCWA Comments on Sacramento/Delta Draft Staff Report, dated January 19, 2024 (hereafter "NCWA January 2024 Comment Letter") and appendices 1-11 thereto.

I. The August Draft and Final Staff Report Contain Significant Gaps in Governance and Implementation That are Crucial for Success of the HRL Program.

A. Governance

1. Enforcement Agreements.

Enforcement agreements, developed in accordance with California Government Code section 11415.60, are and always have been a key component to ensure the enforceability of the HRL Program as between the State Water Board and HRL participants. At the request and suggestion of the State negotiating team, Draft Enforcement Agreements for the HRL participants were submitted to the State Water Board in March 2024 as part of the materials presented during the State Water Board's April 24-26 Workshop items related to the HRL/VA Program. As stated in the March 29, 2024 cover memorandum submitting the Draft Enforcement Agreements, the agreements "are specific to a water source. Each agreement states the obligations of "Responsible Parties" to implement flow and non-flow measures. Responsible Parties are defined as Implementing Entities that agree to be subject to regulatory remedies under Enforcement Agreements.

Unfortunately, the August Draft and the Final Staff Report cast doubt on the State Water Board's commitment and plans to execute final Enforcement Agreements with HRL Participants. In this regard, the August Draft mentions these agreements only once and is starkly non-committal: "The State Water Board may issue Government Code section 11415.60 decisions by settlement or other decisions, orders, or regulations to enforce HRL commitments in accordance with the below provisions." (August Draft § 4.4.9, p. 64.) Similarly, the Final Staff Report's Common Response 1.3 includes several statements that indicate a lack of commitment by the State Water Board to execute section 11415.60 agreements with the HRL participants as the primary means to enforce the HRL participants' obligations to implement flow and non-flow measures. (Common Response 1.3, at pp. 34, 38, 71.)

The proposed Enforcement Agreements are a critical component and mechanism for implementation of the HRL Program under the Bay-Delta Plan update. Accordingly, the HRL participants are committed to completing a mutually acceptable final draft template of the Enforcement Agreement in advance of the State Water Board's adoption hearing for the Bay-Delta Plan. In addition, the text noted above should be revised in the Adopted Plan in accordance with the following redline: "The State Water Board ~~may~~ will issue Government Code section 11415.60 decisions by settlement, ~~or~~ and potentially other decisions, orders, or regulations to enforce HRL commitments in accordance with the below provisions." The State Water Board's resolution adopting the Bay-Delta Plan Update should also include a provision approving the Executive Director's (or another delegee's) execution of final, mutually agreeable, Enforcement Agreements with the HRL participants.

2. The August Draft Continues to Lack Consistent and Clear Provisions Confirming the HRL Participants' Ability to Obtain Adequate Review of State Water Board Decisions During Bay-Delta Plan Implementation.

The 2022 VA MOU and Term Sheet[4] outline an approach for the HRL participants to achieve certainty by ensuring adequate mechanisms to challenge future State Water Board decisions that affect HRL participants and their ability to implement HRL flow and habitat commitments. In this regard, NCWA's February 2026 comments on the December 2025 Draft Update included an Appendix 3 with proposed revisions to Section 4.4.9.10, to implement these provisions in the 2022 VA MOU and Term Sheet. Unfortunately, none of NCWA's requested revisions were made, and the conclusory responses to NCWA's comments on these issues fail to provide detailed reasons explaining why the requested revisions were rejected. (Response to Comment 1122-8.) NCWA's revisions would align the year 8 and pre-year 8 processes for terminating the VA Pathway and corresponding options for judicial review of State Water Board actions regarding vested water rights.

NCWA's proposed revisions are also critical for ensuring compliance with the Clean Water Act and Porter-Cologne, which require that the State Water Board review the basin plan and its components (i.e., water quality objectives and the program of implementation) to determine whether they are reasonably protecting beneficial uses. (Clean Water Act § 303(c)(1); Wat. Code, §§ 13000, 13240, 13241, 13242.) The State Water Board cannot properly determine that a particular objective applies without also confirming that such objective would reasonably protect all beneficial uses. (Wat. Code, § 13241.) This determination necessarily depends on also assessing the performance of the Regulatory Pathway's provisions.

Article X, section 2 of the California Constitution further requires the State Water Board to reassess the Regulatory Pathway's provisions before modifying or terminating the VA Pathway. The State Water Board's continuing obligation under Article X, section 2 means that it must assess the comparative reasonableness of the Regulatory Pathway's provisions "as the current situation changes." (*United States v. State Water Resources Control Bd.* (1986) 182 Cal.App.3d 82, 194.) Before attempting to impose terms of the Regulatory Pathway on any HRL participant, the State Water Board must complete any further environmental review required under CEQA, including consideration of any new or substantially more severe environmental impacts resulting

[4] *See* 2023 Draft Staff Report, App'x G, Memorandum of Understanding Advancing a Term Sheet for the Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan, and Other Related Actions (Mar. 29, 2022), at App'x A, Term Sheet for Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan (Mar. 29, 2022) (pdf p. 127 et seq.), hereinafter referred to as the 2022 VA MOU and Term Sheet. For example, the 2022 VA MOU and Term Sheet confirm that there must be an additional regulatory process in accordance with the Porter-Cologne prior to the imposition of an alternative regulatory pathway on the HRL Program parties. (VA MOU Term Sheet, §§ 7.4, 7.4.B(iii), 7.4.F, 7.5.)

from the proposed changes to the program. (Cal. Code Regs., tit. 14, § 15162; see also *id*. § 15088.5.)[5]

Likewise, the analysis of the 55% unimpaired flows with water supply adjustments ("WSAs") scenario in Chapter 13 of the Final Staff Report remains too general and programmatic to support the its actual implementation as to specific diverters. The State Water Board therefore will need to prepare supplemental or subsequent CEQA review and technical analysis to disclose that scenario's impacts before it seeks to implement that scenario, especially as to HRL participants.

For the foregoing reasons, the Adopted Plan should incorporate NCWA's redline revisions to Section 4.4.9.10 set forth in **Appendix 2** hereto and commit to undertaking additional environmental and technical review under CEQA prior to considering the adoption of any curtailment methodology to implement the Regulatory Pathway.

3. The August Draft Unnecessarily Calls for Annual Review of HRL Water Rights.

The August Draft includes, for the first time, a requirement that HRL participants submit the specific water rights that will support flow contributions for a public review process. Specifically, the public will have a 30-day period to comment on "whether the dedication will injure other legal users of water, unreasonably affect fish and wildlife or other instream uses, or increase the amount of water that would have otherwise been used under that right." (August Draft, § 4.4.9.2, p. 68.) This process does little to prevent injury, unreasonable impacts to instream uses, or expand a water right because (1) the Executive Director will have already assess these items (§ 4.4.9.4; Appendix B.1 at B.1.3); (2) the HRL Program and its performance will be reviewed annually (August Draft, § 4.4.9.8); (3) the HRL Program and the Bay-Delta Plan contain penalties for noncompliance with the accounting provisions (*id*. at § 4.4.9.10); and (4) the State Water Board's existing statutory authorities can be invoked to address these concerns without creating a new process. Thus, it is unclear what purpose the new review process would serve when it would simply confirm what the existing review processes are designed to evaluate.

Participation in the HRL Program should not subject the HRL participants' water rights to needless review that is already addressed under existing processes, especially since the same process does not apply to water rights curtailed under the Regulatory Pathway. Thus, the Adopted Plan should remove the new language subjecting HRL participants' water rights to a public review and comment period, as shown in Appendix 2 hereto.

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[5] The State Water Board's substitute environmental document is considered the functional equivalent of an EIR required under CEQA and is subject to the same substantive standards. (*City of Arcadia v. State Water Resources Control Bd.* (2006) 135 Cal.App.4th 1392, 1421-23; Cal. Code Regs., tit. 14, § 15252.)

B. Implementation.

1. The Adopted Plan Should Provide the Flexibility and Clear Implementation Rules Necessary for the HRL Program to Succeed.

The long-term success of the HRL program depends upon clear implementation rules that can accommodate future water-right development and changes in project operations without creating unnecessary uncertainty or unworkable accounting obligations. Several provisions in the August Draft should be revised to preserve established water-right processes, clarify how future changes affect HRL flow and habitat accounting, and ensure that any responsive measures are tailored to the ecological effects actually caused by those changes.

(a) The August Draft Improperly Restricts Future Water-Right Development and Could Shift the Consequences of Future Development to HRL Participants.

The August Draft introduces new restrictions on future water right development and changes that should be revised to preserve established statutory processes and avoid converting the HRL participants into a backstop for future water supply development by others. The December 2025 Draft provided that whether WSAs would apply to post-2025 water rights would be determined "as part of the processing of those water right applications." (December 2025 Draft, p. 46, § 4.4.2.2.) The August Draft, however: (1) limits HRL water rights to "as they are being exercised at the time of Plan adoption" (August Draft, § 4.4.9.1, p. 65); (2) limits WSAs for existing rights to "the level of diversions occurring under that right as of December 31, 2025" (*id*. at § 4.4.2.2, p. 47); and (3) defines "new water supply projects" to include approved change petitions that increase diversions from the Delta watershed and decrease Delta outflow relative to December 31, 2025, conditions (*id.*, fn. 5).

These provisions improperly prejudge issues that should be determined through the applicable separate statutory processes governing the State Water Board's administration of water rights. Issues like water availability, impacts to other legal users of water, impacts to fish and wildlife, or impacts to water quality, among many others, are adequately addressed in the relevant statutory scheme for change petitions (Wat. Code, §§ 1701–1703), new appropriations (§§ 1252–1258), development under existing permits (§§ 1395–1398), and fully appropriated stream system declarations (§§ 1205–1207). Thus, the State Water Board already has authority to evaluate new projects and further development of existing water rights through the applicable statutory proceedings and impose lawful conditions where warranted. Section 4.4.9.1 of the August Draft recognizes this limitation on the State Water Board's authority in stating that it will consider appropriate requirements in future water right actions "based on the record established during the administrative proceeding, including any hearing," to ensure that the resulting use is consistent with the Plan's objectives. (August Draft, § 4.4.9.1.) Not only is that case-specific process required by law, it is also better suited to determining the effects of a proposed project than a presumption based solely on whether a change increases diversions compared to a December 31, 2025, baseline.

Relatedly, the August Draft is also internally unclear regarding the treatment of lawful future water supply development. Section 4.4.9.2 states that HRL participants will not be expected to "backstop" parties subject to the regulatory inflow and outflow requirements. But section 4.4.9.1 provides that increased diversions by "new water supply projects" will not be included in determining the base flows to which HRL flows must remain additive, thereby apparently preserving the pre-project reference condition for HRL flow accounting purposes. (August Draft, § 4.4.9.1, p. 66.) While NCWA appreciates the State Water Board's effort to prevent future diversions from requiring HRL participants to provide greater flow contributions, the August Draft does not explain how those provisions operate together where the State Water Board authorizes a new or changed diversion that lawfully reduces flows relative to the pre-project reference condition.

Accordingly, the Adopted Plan should clarify that HRL participants will not be required to replace any resulting reduction in flow attributable to new diversions by parties subject to the regulatory pathway. Such clarification would preserve the HRL participants' defined commitments while leaving the State Water Board free to impose appropriate conditions on new projects based on a fully developed evidentiary record. The Adopted Plan should also remove the new and unnecessary definition of "new water supply projects" that is already the subject of existing law. (See, e.g., Wat. Code, §§ 1252–1258 [applications], 1395–1398 [petitions for extension of time], 1701–1703 [change petitions], 10500-10506 [assignment of state-filed applications].) NCWA proposes the redline in Appendix 2 hereto, as a means to achieve these goals.

(b) The Base Flow Balancing Provision Should Address the Ecological Effects Actually Attributable to a Relevant Change.

The August Draft includes a new section on "Base Flow Balancing" for changes to Central Valley Project ("CVP") and State Water Project ("SWP") operations that reduce Delta outflow in the future. (August Draft, § 4.4.9.1, pp. 66–67.) Under this provision of section 4.4.9.1, a change in CVP or SWP operations becomes a "Relevant Change" if it results in a "substantial reduction" in Delta outflow relative to the base flow assumptions on which the VA Pathway is predicated. (*Id.*, p. 66.) If a Relevant Change occurs, the affected HRL participants must then submit an interim plan providing a "commensurate increase" in HRL flow commitments. (*Ibid.*) Neither "substantial" nor "commensurate" is quantified or otherwise defined in the Plan.

Without defined standards, HRL participants cannot determine in advance what operational change will trigger an obligation to increase HRL flows, or what additional commitment the State Water Board will deem sufficient to satisfy that obligation. The Adopted Plan should address this uncertainty by defining what constitutes a "substantial" reduction in Delta outflows, providing clear standards by which the reduction can be attributed to a change in CVP/SWP operations, and establishing criteria for determining the nature and magnitude of any responsive measures required of affected HRL participants.

The attribution requirement is particularly important. As MBK Engineers explained in February, an appropriate comparative analysis must include "only the components of that alternative in the analysis while keeping all other assumptions consistent with the baseline" so that the resulting difference reflects only the effects attributable to the changed variable. (MBK Technical Review, (Feb. 2, 2026) p. 6.) The Adopted Plan should specifically clarify that a comparative analysis of changes in CVP/SWP operations will be evaluated by comparing such operations with and without that change while holding all other relevant conditions and assumptions constant to ensure that affected HRL participants are not obligated to address unrelated changes in Delta outflow.

Nor should the response to a Relevant Change be limited to additional HRL flow, much less an acre-foot-for-acre-foot replacement requirement. Instead, any obligation imposed on HRL participants should be based on the ecological effects attributable to the Relevant Change. Section 4.4.9.1 already recognizes this principle to some extent by allowing proposed outflows "along with other measures" to demonstrate "ecological benefits comparable to what would have occurred absent the Relevant Change." (August Draft, § 4.4.9.1, p. 66.) But the provision nevertheless begins by requiring a "commensurate increase in HRL flow commitments." (*Ibid*.) The provision should therefore be revised to make clear that the required response to a Relevant Change may consist of additional or differently timed flow, physical habitat improvements, or an appropriate combination of those measures that address the ecological effects attributable to the Relevant Change. NCWA therefore proposes that the Adopted Plan revise this provision as: "commensurate increase in HRL benefits ~~flow commitments~~." This formulation would preserve the purpose of the Base Flow Balancing provision without imposing an automatic volumetric obligation where an alternative package of measures would provide equal or greater ecological benefits.

(c) The Adopted Update Should Enable Flexible, Sound Habitat Project Maintenance.

NCWA is concerned with two new provisions in the August Draft that vary the VA Pathway's habitat provisions from prior iterations. First, the August Draft includes new language that creates ambiguities regarding HRL participants' obligations to maintain habitat projects. The HRL participants are fully committed to constructing and operating successful habitat projects that meaningfully contribute towards implementing the narrative objective for fish and wildlife beneficial uses. However, NCWA opposes unnecessary hurdles towards achieving this goal. The new language in Section 4.4.9.5 is one such example. This language states that "HRL habitat restoration projects must be maintained to provide for no reduction in habitat quality for at minimum the duration of the VA pathway." (August Draft, § 4.4.9.5, p. 86.) It is unclear, however, what qualifies as a reduction in habitat quality. Habitat projects are subject to geomorphic change, particularly those instream projects to enhance spawning. Thus, in order to prevent discounting of good habitat due to ambiguities in the Bay-Delta Plan, NCWA proposes the Adopted Plan contain the corresponding revisions in Appendix 2 hereto.

The HRL participants are committed to ensuring that the habitat projects work and contribute to achieving the narrative objectives. HRL habitat restoration projects will be monitored and adaptively managed for the duration of the VA Pathway to support continued ecological function. These actions will be informed by the required habitat-suitability assessments and, as appropriate, by additional assessments following habitat-altering flows, sediment deposition, or other events that may materially alter project function. Natural geomorphic or ecological change should not, by itself, constitute a reduction in habitat quality where the project continues to provide its approved ecological functions. The proposed revision allows for HRL participants to flexibly implement and operate habitat restoration projects to achieve the narrative objective without concern that they will be held responsible for natural geomorphic events.

Second, the August Draft changes course on the "fish food" projects by removing it from the acreage commitments and relegating these projects to "pilot action" status. This change is concerning because fish food projects have demonstrated serious successes for salmonid rearing and out-migration survival.[6] It makes little sense to restrict these actions when they show promise towards attaining the salmonid doubling goal.

NCWA thus proposes that the Adopted Plan revise section 4.4.9.5 as shown on Appendix 2 hereto. This revision addresses California Department of Fish & Wildlife's concerns with the fish food program by addressing any water quality constituent issues with fish food projects. Moreover, it enables HRL participants to partner with the Floodplain Forward coalition to restore floodplains and make working lands work for salmonid species.

(d) The August Draft Impedes Effective Implementation of HRL Habitat Commitments Through Flawed Accounting.

The August Draft continues to apply a habitat accounting methodology that can reduce credit for completed HRL habitat based on criteria that were treated differently when the Final Staff Report quantified the benefits of the VA Pathway. Specifically, section 4.4.9.5 identifies the HRL habitat commitments as minimum additive contributions measured in acres, while section 4.4.9.6 and Appendix B.2 require completed tributary projects to satisfy detailed design criteria and then compare the amount of qualifying habitat produced by the completed project across specified flow ranges to the amount of habitat assumed when the Final Staff Report quantified the benefits of the VA Pathway. (August Draft, §§ 4.4.9.5, 4.4.9.6; App'x B.2, § B.2.1.5.)

The result is a fundamental mismatch between the habitat benefits used to evaluate the HRL program and the accounting methodology that will determine whether the HRL participants have satisfied their commitments under that program. The Scientific Basis Report Supplement quantified the benefits of proposed HRL habitat using flow-habitat relationships supplied by HRL participants, while treating other habitat-suitability characteristics as assumptions. The Final Staff Report explains that the Supplement "assumes that all spawning habitat provides suitable substrate, all rearing habitat provides suitable cover, and all floodplain habitat is inundated for sufficient time to provide benefits." (Common Response 1.3, p. 61.) **Appendix B.2, by contrast, converts those same characteristics into quantitative criteria that can reduce compliance credit.** Thus, habitat characteristics assumed in quantifying HRL benefits can now reduce the amount of habitat credited toward compliance under the Appendix B.2 accounting process.

The clearest example of the problem involves projects designed or constructed before the development of the Appendix B.2 accounting methodology. An early-implementation project

[6] See Appendices 8-10 of NCWA's February 2, 2026 Comment Letter. These appendices are published scientific studies of fish food projects that have demonstrated benefits for salmonid rearing and out-migration survival.

could have been designed to provide biologically functional habitat consistent with the HRL commitment without anticipating that completed acreage would later be discounted under Appendix B.2's procedures. The Final Staff Report's response—that the scientific literature underlying the habitat criteria was available when those projects were developed and that project proponents may request project-specific modifications to the accounting criteria—is inadequate. (*See* Common Response 1.3, p. 61; August Draft, § 4.4.9.6.) The mere availability of scientific literature did not provide project proponents with notice of the accounting methodology the State Water Board would later adopt. And requiring project-specific exceptions is neither an efficient nor an equitable solution for early-implementation projects. Such projects were developed in good faith based on the habitat benefits attributed to those projects in the State Water Board's analysis and the criteria available to project proponents. Requiring proponents to incur additional expense and delay to obtain discretionary exceptions from subsequently adopted criteria would penalize early implementation and inappropriately shift the consequences of the Board's later methodological changes onto HRL participants.

The State Water Board can protect against crediting biologically ineffective habitat without using Appendix B.2 to redefine HRL participants' acreage commitments. Section 4.4.9.7 already requires ongoing monitoring and evaluation of habitat suitability and effectiveness, including assessments of depth, velocity, substrate, inundation, cover, temperature, dissolved oxygen, habitat utilization, and biological effectiveness. (August Draft, § 4.4.9.7, p. 96.) Those provisions allow the State Water Board to determine whether completed habitat is functioning as intended and to identify appropriate adaptive-management responses where it is not. Appendix B.2's detailed habitat-suitability criteria can inform that performance evaluation without also being used to reduce the acreage credited toward satisfaction of the underlying HRL habitat commitments.

The Adopted Draft should therefore revise the August Draft to ensure that Appendix B.2's habitat-suitability criteria are used to evaluate the biological performance of delivered habitat, rather than to impose deductions from acreage commitments based on criteria that were not applied in the same manner when the Final Staff Report quantified the VA Pathway's benefits.

II. The August Draft and Common Responses Improperly Apply the State Water Board's Authorities to Implement the Regulatory Pathway.

A. The Regulatory Pathway Remains Unworkable Under California Law.

The Regulatory Pathway is not a lawful program of implementation as it rests in a flawed premise.[7] Article X, section 2's reasonable use requirement applies to every use of water in California, including flows dedicated to water quality objectives under Porter-Cologne. (*United States*, *supra*, 182 Cal.App.3d 82, 143–44.) Reasonableness cannot be judged in isolation; it requires weighing the proposed use against competing demands on the same water. (*Joslin v. Marin Mun. Water Dist.* (1967) 67 Cal.2d 132, 139–40.) Porter-Cologne imposes the same obligation by statute, directing the Board to set objectives that achieve the highest water quality

[7] NCWA has previously submitted multiple comments on the untenability of the Regulatory Pathway and its predecessor concepts. Those comments are incorporated herein by reference.

that is reasonable "considering all demands being made and to be made on those waters." (Wat. Code, § 13000.)

The Regulatory Pathway does not carry out this command. It fixes a percentage of unimpaired flow and treats that number as the measure of reasonable protection. Then, in a procedural façade, it works backwards to justify the percentage, inverting the constitutional and statutory analysis. In *United States v. State Water Resources Control Bd.*, the court explained that the Board had little choice but to abandon an objective that would require wasteful releases of stored water. (*United States*, *supra*, 182 Cal.App.3d at pp. 143–44.) The same logic applies here with greater force. The Regulatory Pathway would deprive beneficial uses in the Sacramento Valley from hundreds of thousands of acre-feet of water. It would draw down the cold water pool in reservoirs that the salmon objectives depend upon and impair temperature control. Nor is it certain to achieve the biological goals it exists to serve. A flow requirement that wastes water and undermines its own purpose is not reasonable; it is unconstitutional.

The Regulatory Pathway also cannot be implemented as the August Draft describes. The Board's authority to curtail is real, but it is bounded. (*California Water Curtailment Cases* (2022) 83 Cal.App.5th 164, 196.) The Board cannot declare a valid use unreasonable by regulation and then curtail it without process. It must consider the specific diversion, the specific use, and the competing uses on the same stream. It must give the right holder a hearing before the right is curtailed. (Cal. Code Regs., tit. 23, §§ 857, 4004.) The August Draft offers none of this, and instead, proposes to adopt a blanket regulation to curtail water rights in order of priority despite water being physically present to divert. Moreover, the August Draft and the Final Staff Report make no effort to describe how the blanket regulation will comply with Article X, section 2's mandates. Instead, it will operate based on flow requirements that can stair-step by 100,000 acre-feet in a single month based on experienced rather than forecasted conditions. The Regulatory Pathway's approach is not the nuanced, fact-specific analysis required by Article X, section 2.

The HRL Program shows a lawful alternative exists—one that best promotes the public interest and also aligns with the State's public trust obligations. The State Water Board has an obligation to protect public trust resources to the extent feasible in allocating water resources. (*National Audubon Society v. Super. Ct.* (1983) 33 Cal.3d 413, 446.) The HRL Program more than adequately satisfies that obligation. It provides water during carefully considered times to protect and enhance aquatic species and creates spawning and rearing habitat that the State Water Board cannot by itself require. Moreover, it avoids the adverse impacts on other public trust resources that would result from the Regulatory Pathway, such as impacts to terrestrial species and migratory birds that depend on rice acreage habitat in the Sacramento Valley.

Additionally, the HRL Program would protect public trust resources without causing significant harm to the public interest in consumptive water uses that would occur under the Regulatory Pathway. Indeed, "[t]he population and economy of this state depend upon the appropriation of vast quantities of water for uses unrelated to in-stream trust values." (*National Audubon*, *supra*, 33 Cal.3d at p. 446.) For this reason, the California Supreme Court qualified the state's obligation to "preserve, so far as consistent with the public interest, the uses protected by the trust." (*Id*. at p. 447.) The HRL Program achieves that balance by staving off the draconian water supply impacts to the consumptive uses necessary to our state while also providing the flows and habitat necessary to protect public trust values. The same cannot be said for the Regulatory Pathway.

B. The Final Staff Report's Construction of Porter-Cologne and the Clean Water Act Insulates a Quantity-Based Water Quality Objective from Requisite Balancing, Invades Established Allocations, and Impairs Other Beneficial Uses.

Determining that an quantity-based water quality objective is "required" to protect a single beneficial use to the detriment of other beneficial uses and established rights violates the Clean Water Act and Porter-Cologne. Specifically, section 303 of the Clean Water Act requires that water quality standards "shall be established taking into consideration their use and value for public water supplies, propagation of fish and wildlife, recreational purposes, and agricultural, industrial, and other purposes, and also taking into consideration their use and value for navigation." (33 U.S.C. § 1313(c)(2)(A).) Porter-Cologne mirrors this requirement by calling for consideration of "past, present, and future beneficial uses" in establishing a water quality objective. (Wat. Code, § 13241.) The State Water Board cannot bypass these balancing requirements by determining that fish and wildlife "requires" a specified quantity of water where no such allocation has been established under state law. (See 33 U.S.C. § 1251(g) [". . . nothing in this chapter shall be construed to supersede or abrogate rights to quantities of water which have been established by any State. . . ."].)

As NCWA has previously explained, establishing a water quality objective based on an allocation of water for protecting fish and wildlife beneficial uses improperly protects those uses to the exclusion of other uses. However, despite this conflict, the Final Staff Report has the effect of avoiding any obligation to consider competing beneficial uses by asserting that the water quality objective for fish & wildlife beneficial uses is "unique" when compared to other beneficial uses. (Common Response 1.2, pp. 20-21.) Specifically, Common Response 1.2 explains that the water quality objective for fish & wildlife beneficial uses is measured in quantity (i.e., flow), whereas other beneficial uses like municipal, industrial, or agricultural beneficial uses are protected by water quality objectives measured in quality (e.g., chloride, electric conductivity, etc.). (*Ibid.*) Apparently side stepping the consideration of competing demands when establishing a quantity water quality objective for fish and wildlife beneficial uses, Common Response 1.2 argues that "beneficial uses" here is distinct from beneficial uses in the water right context. (Common Response 1.2, p. 21.) This argument draws a distinction without a difference.[8] That the other beneficial uses are protected by water quality objectives measured in quality does not mean that these beneficial uses do not need flow or that such beneficial uses are not required to be considered when establishing a water quality objective for fish and wildlife beneficial uses. Selecting volumetric requirements for one set of uses but not for others—while invoking distinct definitional constructs—privileges specific uses without

[8] And, it violates the maxim of statutory interpretation requiring the same term—beneficial use—be construed consistently throughout the Water Code. (*731 Mkt. St. Owner, LLC v. City & Cty. of San Francisco* (2020) 50 Cal.App.5th 937, 944 [where the same term or phrase is used in a similar manner in two related statutes concerning the same subject, courts generally attribute the same meaning to the term].)

transparent, evenhanded balancing, rendering the new narrative objectives arbitrary and capricious under the statutory command to ensure reasonable protection of all beneficial uses.

Indeed, the assumption embedded in the objective is not merely analytically incomplete; it is an assumption Congress expressly withheld from the Clean Water Act. The Act provides that "nothing in this chapter shall be construed to supersede or abrogate rights to quantities of water which have been established by any State." (33 U.S.C. § 1251(g).) A determination that fish and wildlife "require" a specified minimum instream flow operates as an allocation of that quantity, made without the water right proceedings and balancing through which the State allocates water. (See, e.g., *California Trout, Inc. v. State Water Resources Control Bd.* (1979) 90 Cal.App.3d 816; Wat. Code § 1243; see also *Bring Back the Kern v. City of Bakersfield* (2025) 110 Cal.App.5th 322 [constitutional reasonable use requires considering competing demands before establishing an allocation of water to instream uses].) Section 1251(g) forecloses using a water quality standard as the vehicle for establishing an allocation that stands to impair a state's jurisdiction to do so in the first instance.

C. **Preventing Waste and Unreasonable Use Cannot Be Implemented Through Blanket Regulation.**

The State Water Board's authority to adopt reasonable rules and regulations under Water Code section 1058 does not include the authority to adopt a blanket rule of reasonable use to implement the curtailments proposed under the Regulatory Pathway. Common Response 1.2 asserts that the State Water Board contemplates implementing the Regulatory Pathway by regulation adopted under the State Water Board's authority to prevent waste and unreasonable use under Article X, section 2 of the California Constitution. Specifically, Common Response 1.2 states: "the State Water Board possesses legal authority to adopt regulations declaring that a particular use of water under given circumstances is unreasonable without the requirement to conduct a hearing as to any individual right." (Common Response 1.2, p. 47, citing *Stanford Vina Ranch Irrigation Co. v. State of California* (2020) 50 Cal.App.5th 976, 1004; see also *id.*, pp. 59–60.)

The Common Response does not acknowledge that the "given circumstances" vary dramatically across the Sacramento Valley and throughout the state. Reasonable use requires a consideration of the specific facts and circumstances of any given watercourse. (Cal. Const. art. X, § 10; *Joslin*, *supra*, 67 Cal.2d at p. 140.) A regulation declaring diversions unreasonable in every year in every condition across the full range of beneficial uses and tributaries forecloses the circumstance-specific balancing that article X, section 2 requires. Thus, the State Water Board lacks authority to implement its proposed curtailment methodology under Water Code section 1058.

Moreover, none of these authorities the Common Response relies upon have upheld a blanket unreasonable use regulation across multiple watersheds involving nearly two-thirds of the State's water supply.[9] The curtailment regulations at issue in *Light* and *Stanford Vina Ranch Irrigation Company* required minimum, "belly-scraping" in-stream flows for listed species in specific

[9] See also NCWA's January 10, 2025 Comment Letter at III.D, pp. 16–17, fn. 17.

tributaries during drought conditions. (*Stanford Vina Ranch Irrigation Co.*, *supra*, 50 Cal.App.5th at 987, 998 [quoted]; *Light v. State Water Resources Control Bd.* (2014) 226 Cal.App.4th 1463, 1474–76.) And, contrary to the Common Response's assertion, SB 389 merely permits the State Water Board to investigate claims of riparian and pre-1914 appropriative rights. (Wat. Code., § 1051.) It does not make these rights "subject to Water Code division 2" for purposes of Water Code section 1052 because they are not exercised subject to Division 2 of the Water Code. (*California Water Curtailment Cases*, *supra*, 83 Cal.App.5th 164.)

In sum, exercising the authority to prevent waste and unreasonable use will require an actual assessment of the reasonableness of competing uses in each watercourse subject to the Bay-Delta Plan.

D. <u>Subwatershed Application of Priority is Inconsistent with California Law</u>

At the outset, there is no explicit statutory authority to implement priority-based curtailments outside of specified drought conditions. (See e.g., Wat. Code, § 1058.5.) And as explained above, Water Code section 1058 does not supply this authority. Thus, it is unclear how the State Water Board will promulgate a lawful curtailment methodology to implement the Regulatory Pathway under existing legislation.

Even if such authority existed, the August Draft and Final Staff Report do not describe the proposed curtailment methodologies consistent with water right priority. "Water right priority has long been the central principle in California water law." (*City of Barstow v. Mojave Water Agency* (2000) 23 Cal.4th 1224, 1243.) "The rule of priority is of utmost importance" to the State Water Board's administration of the water allocation system. (*El Dorado Irrigation Dist. v. State Water Resources Control Bd.* (2006) 142 Cal.App.4th 937, 962, 967.) Common Response 1.3 states that the inflow objective "would generally be implemented in order of priority within each subwatershed to provide for benefits in all tributaries subject to the regulatory pathway inflow requirements." (Common Response 1.3, pp. 72–73.) Applying the priority system on a subwatershed basis departs from the State Water Board's established watershed-scale curtailment approach and improperly risks subordinating senior water rights across interconnected systems.

In times of shortage, appropriate curtailment methodologies first subtract senior demands from available supply at the watershed scale prior to refining demands at a subwatershed scale. Flattening the approach to only consider supply and demand on a subwatershed-by-subwatershed basis risks violating the rule of priority by arbitrarily re-ranking priorities based on geography rather than seniority and conflicts with the correlative nature of riparian rights. Such an approach risks violating the State Water Board's obligation to "preserve water right priorities" in ensuring water quality objectives are met. (*El Dorado*, *supra*, 142 Cal.App.4th at p. 967.) The Adopted Plan and the implementation methodology must clarify that available supplies will be assessed first on a watershed-scale at each water right priority and then refined down to subwatershed level as appropriate, all in accordance with California water law.

E. <u>Bay-Delta Plan Cannot Override Issued Water Quality Certifications.</u>

Finally, the State Water Board should strike the August Draft's statement that more stringent requirements contained in the Bay-Delta Plan control over previously issued water quality certifications. This language, and Common Response 1.2's explanation that the "Plan amendments are intended to be integrated with FERC and water quality certification requirements" provides that the Plan automatically overrides certification terms. (Common Response 1.2, p. 53.) This is unlawful. Under section 401(d) of the Clean Water Act, certification conditions become conditions of any federal license or permit, including a FERC hydropower license. (See 33 U.S.C. § 1341(d).) USEPA's regulations explicitly provide that the Board cannot unilaterally rewrite such conditions. (40 C.F.R. § 121.10(a) [stating that a certifying authority may modify a grant of certification only if "the Federal agency and the certifying authority agree in writing" that it may do so and that "only the agreed upon portions of the certification" may be modified].)

The State Water Board has previously found it appropriate to defer to USEPA's regulatory interpretation of section 401. (Order WQ 2024-0083, pp. 4–5.) Having accepted USEPA's view of when a certification may issue, it cannot ignore USEPA's rule governing when a certification may be modified. The Board should therefore affirm that Plan requirements for FERC-licensed projects will only be implemented through section 401 at relicensing or through a modification complying with 40 C.F.R. section 121.10.

III. <u>Final Staff Report's Responses to NCWA's Prior Comments Are Inadequate.</u>

NCWA raised numerous issues regarding the analyses in the Draft Staff Report in prior comment letters. These issues included significant environmental impacts that the Draft Staff Report failed to disclose or adequately address. These issues remain. Moreover, the Final Staff Report's response to NCWA's comments are inadequate under CEQA.

A final environmental impact report, like the Final Staff Report, is invalid when it does not respond to comments raising significant impacts with a "good faith, reasoned analysis." (*The Flanders Foundation v. City of Carmel-by-the-Sea* (2012) 202 Cal.App.4th 603, 615, quoting Cal. Code Regs., tit. 14, § 15088, subd. (c).) In numerous instances the Final Staff Report's responses fail to address or explain why NCWA's comments are not accepted. Instead, the Final Staff Report provides rote conclusory statements unsupported by factual information in the common responses. The following four examples are exemplars of the Final Staff Report's shortcomings.

First, Common Response 7.12.2 regarding comments on groundwater impacts does not provide factual support for its assertion that the decrease in groundwater storage disclosed by the SacWAM modeling should be ignored. The Common Response argues that the SacWAM modeling should not be assumed to be the impact analysis because it is not representative of the whole picture. (Common Response 7.12.2, pp. 12–15.) To minimize any significant impact, the Common Response argues that groundwater levels may not decrease as disclosed in the modeling due to lateral infiltration from other aquifers or the foothills. (*Id.*, p. 13.) This assertion is not a "good faith, reasoned analysis" because that infiltration occurs in the baseline as well. In order for lateral infiltration from other aquifers or the foothills to offset the effects of the Regulatory Pathway on groundwater resources, the infiltration would need to increase under the Regulatory Pathway as compared to the baseline. An increase in lateral infiltration to one subbasin would require an increased outflow from a neighboring subbasin. It is illogical to conclude that existing lateral infiltration or a change in lateral infiltration will fully mitigate increased levels of groundwater pumping and reduced recharge from surface application.

Second, the Final Staff Report's responses to NCWA's comments regarding significant impacts to agricultural resources are inadequately supported. Specifically, the Final Staff Report disputes NCWA's comments on agricultural impacts from multi-year droughts under the Regulatory Pathway by arguing that the analyses grounded in the SacWAM model adequately discloses the environmental impacts associated with cropping during multi-year droughts. (Common Response 4.2, p. 14; Response to Comment 1122-36.) Although the SacWAM model used to provide hydrologic inputs for the Final Staff Report's agricultural impacts analysis runs continuously, the SWAP model is an annual model that provides a "point in time comparison" and is "designed to simulate decisions that Central Valley growers would make." (Common Response 7-4, p. 7.) In this way, the SWAP model's analysis of agricultural impacts does not appear to account for cumulative groundwater depletion, higher pumping costs, or prior year agricultural stress and adaptation that would occur in the last year of a multi-year drought sequence. The SWAP model may also miss secondary economic impacts from decisions in industries that support rice production after multiple years of significant reductions in rice acreage. Therefore, the larger rice impacts presented in the Final Staff Report may still underestimate prolonged drought effects on both agriculture and species that depend on rice production.

Third, the Final Staff Report's response to NCWA's comments regarding surface water transfers are inadequate because they do not resolve the comment's central issue: whether substantial evidence supports the assumed availability and delivered cost of transfer water under the conditions in which replacement supplies would be needed. (Response to Comment 267-3.) The Final Staff Report's conclusions on impacts to agricultural and municipal water supplies depend in part on replacement supplies, which in turn depends on their costs and availability. The Final Staff Report's response to NCWA's comment claims that it adequately discloses these impacts by using conservative estimations of per acre-foot ("AF") prices for water transfers. According to the Final Staff Report, estimates of \$500 AF to \$750 AF were conservative because they exceed historical averages across all water year types, based principally on 2007–2016 data used in the municipal replacement-water analysis. (Final Staff Report, Ch. 8, § 8.5.2; Common Response 8.1, pp. 35–38, 47–51, 61–64.) These data points are stale and do not reflect current factual transfer conditions. Moreover, this data does not address the relevant shortage conditions and the potential reduction in water available for transfer when replacement water is most needed, despite the Final Staff Report's acknowledgment that multiple factors will reduce the available supply for transfers.

Indeed, it is impossible to reconcile the Final Staff Report's statements that less overall available supply will incentivize transfers with the fact that the Regulatory Pathway will reduce available supplies for those very same transfers. (Common Response 6.3, p. 26; Chapter 7.4, p. 7.4-43.) The Final Staff Report states that transfer activity increases in dry and critical years, however implementing the Regulatory Pathway at 55% of unimpaired flow will reduce available surface water supplies to agriculture within the Sacramento River watershed by 778 thousand AF ("TAF") in Dry water years, and 1208 TAF in Critical water years. (Final Staff Report, Table 6.4-5.) The surface water supplies available to agriculture in the Sacramento River watershed are the same supplies relied upon for water transfers; and thus, the reductions adversely affect supplies for agriculture as well as water available for transfer. Moreover, the Sustainable Groundwater Management Act's implementation may make groundwater substitution transfers less available in the Sacramento Valley. (Common Response 6.3, p. 25.) The Final Staff Report's conclusions regarding transfers are unsupported by substantial evidence as it is unclear how transfers can mitigate impacts when there is insufficient water for transfers.

NCWA provided specific, more recent factual evidence from 2022: a $833/AF purchase price and an approximate $1,140/AF cost at the transferee turnout after a 25% Delta carriage loss and approximately 2.6% California Aqueduct loss, before other identified expenses. Common Response 8.1 states, without a supporting calculation, that the assumed unit costs are intended to include carriage and conveyance losses and administrative costs; it provides no calculation identifying the assumed loss percentages, delivery point, administrative allowance, or reconciliation of the $500/AF and $750/AF values with the 2022 evidence of current actual transfer prices. Without those inputs, Common Response 8.1 does not permit an evaluation of whether the assumed values represent seller price, delivered replacement cost, or other. Therefore, the response lacks adequate factual support and does not provide the good faith and reasoned analysis CEQA requires.

Fourth, the Final Staff Report fails to adequately respond to NCWA's comments regarding the Regulatory Pathway's impact on hydropower-related resources. For one, the Final Staff Report does not respond to the comment that the Final Staff Report identified the wrong "worst case" for hydropower reliability. (See NCWA-SVWU Comment Letter, p. 19 fn. 22 (Feb. 2, 2026); Hydro Power Group Comments on DSR, pp. 3–5 (Jan 19, 2024). The Final Staff Report's responses do not resolve that concern. Its TARA analysis assumes that natural-gas generation increases to replace lost hydropower, while acknowledging that it did not model the circumstances that produced the 2020 rolling blackouts. (Common Response 7.8, pp. 13–14.) Similarly, the Final Staff Report's observation that operators devoted a greater percentage of available hydropower to peaking in 2015 does not address the smaller absolute quantity of hydropower available in that year, and its comparison of a 700 megawatt loss to total statewide demand says little about the significance of that loss when reserve margins are already thin. (*Id.*, pp. 16, 18–19.) The Final Staff Report therefore still does not evaluate the Plan's reduction in peaking hydropower in the critical circumstance where electricity supplies are already constrained during extreme heat and drought.

The Final Staff Report also does not adequately respond to the comments regarding the economic consequences of shifting hydropower generation from summer peak periods into the spring. (NCWA-SVWU Comment Letter, p. 19 fn. 22; Hydro Power Group Comments on DSR, p. 7.) Those comments explained that the Regulatory Pathway may reduce the value of hydropower by shifting generation into lower-value periods, particularly spring midday hours when solar generation is abundant. (Hydro Power Group Comments on DSR, p. 7.) Although Common Response 8.1 now estimates hydropower revenue losses, the Final Staff Report's methodology—which relies on monthly pricing derived from 2006 CAISO prices—does not capture the loss of the ability to shift hydropower production away from low-value, solar-saturated hours and into higher-value summer and evening hours. (Common Response 8.1, pp. 68–71.) That limitation is particularly significant because Common Response 7.8 recognizes that hydropower's flexible peaking capability has become increasingly important as solar and wind generation increase. (Common Response 7.8, pp. 14–15.) The use of monthly, pre-solar buildout pricing obscures the intraday differences that make dispatchable hydropower valuable. Accordingly, the Final Staff Report does not adequately analyze the economic impacts of the Regulatory Pathway.

IV. Conclusion

NCWA appreciates the efforts made by State Water Board staff to respond to comments and propose revisions to the Bay-Delta Plan Update. NCWA submits these comments and proposed revisions needed to bring the final Bay-Delta Plan Update into alignment with the common goals of the State Water Board and the HRL participants in order to best protect all uses of water in our state.

Sincerely,

Northern California Water Association

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/s/ Elizabeth P. Ewens
Elizabeth P. Ewens

YUBA WATER AGENCY

/s/ Andrew Ramos
Andrew Ramos

Attachments:

Appendix 1 – List of NCWA and SVWU

Appendix 2 – NCWA Proposed Redlines

APPENDIX 1

to
Northern California Water Association and Sacramento Valley Water Users Comment Letter – Final Draft Bay-Delta Plan

Northern California Water Association Members

Anderson-Cottonwood Irrigation District
B&B Ranch
Baber Farms
Big Bluff Ranch
Biggs-West Gridley Water District
Brophy Water District
Browns Valley Irrigation District
Butte County Board of Supervisors
Butte Slough Irrigation District
Butte Water District
Cal Water
Cherokee Ranch
City of Colusa
Colusa County Board of Supervisors
Cordua Irrigation District
Crain Orchards, Inc.
Danna & Danna Inc.
Dry Creek Mutual Water Company
Dunnigan Water District
Edwards Ranch
Feather Water District
Fedora Farms, Inc.
G&K Farms LLC
Garden Hwy. Mutual Water Co.
Glenn-Colusa Irrigation District
Goose Club Farms North
Hallwood Irrigation Company
Henle Family Limited Partnership
Hershey Land Row Crop, LLC.
J.A. Driver
Joint Water Districts Board
Knaggs Ranch
Lundberg Family Farms
M & T Chico Ranch
Maxwell Irrigation District
Meridian Farms

Natomas Mutual Water Company
Nevada Irrigation District
Oji Brothers Farms
Pacific Farms
Pacific Gold Agriculture
Parrott Investment Co., Inc. (Llano Seco Rancho)
Paul Bertagna
Payne Brothers Ranches
Pelger Mutual Water Co.
Perez & Perez Farms
Placer County Water Agency
Pleasant Grove-Verona Mutual Water Co.
Plumas Mutual Water Co.
Princeton-Codora-Glenn Irrigation District
Provident Irrigation District
R. Gorrill Ranch Enterprises
Ramirez Water District
Reclamation District 1004
Reclamation District 108
Reclamation District 2035
City of Redding
Richter Bros.
Richvale Irrigation District
River Garden Farms
Riverview Land & Equipment, Inc. – Tom Gross
City of Roseville
Shasta County Board of Supervisors
South Sutter Water District
South Yuba Water District
Sutter Bypass Butte Slough Water Users Association
Sutter County Board of Supervisors
Sutter Extension Water District
Sutter Mutual Water Company
Sycamore Mutual Water Company
Taylor Brothers Farms
Tehama County Board of Supervisors
Thermalito Water & Sewer District
Tudor Mutual Water Co.
Tuttle Ranches
Western Canal Water District
Woodland Davis Clean Water Agency
Yolo County Flood Control & Water Consv. Dist.
City of Yuba City
Yuba Water Agency

Sacramento Valley Water Users (that are not NCWA Members)

Beverly F. Andreotti, et al.
Calaveras County Water District
Camp Far West Irrigation District
Carter Mutual Water Company
Colusa Basin Drainage District
Colusa County Water District
Colusa Drain Mutual Water Company
Conaway Preservation Group
Corning Water District
Cortina Water District
Davis Water District
El Dorado County Water Agency
El Dorado Irrigation District
City of Folsom
4M Water District
Glenn Valley Water District
Glide Water District
Henry D. Richter, et al.
Holthouse Water District
Howald Farms, Inc.
Kanawha Water District
Kirkwood Water District
La Grande Water District
Los Molinos Mutual Water Company
Myers-Marsh Mutual Water Company
North Yuba Water District
Orland-Artois Water District
Orland Unit Water Users' Association
Paradise Irrigation District
Proberta Water District
City of Roseville
City of Sacramento
Sacramento County Water Agency
Sacramento Municipal Utility District
Sacramento River Settlement Contractors Corporation
Sacramento Suburban Water District
San Juan Water District
Solano County Water Agency
Solano Irrigation District
South Feather Water and Power Agency
Stanford Vina Ranch Irrigation Co.
Tehama-Colusa Canal Authority
Thomes Creek Water District
Tisdale Irrigation and Drainage Company
Westside Water District
Windswept Land and Livestock Company

APPENDIX 2

to
Northern California Water Association and Sacramento Valley Water Users Comment Letter – Final Draft Bay-Delta Plan

NCWA Redlines to the August Final Draft of the Bay-Delta Plan

Enforcement Agreements

Section 4.4.9 Implementation of Healthy Rivers and Landscapes Commitments Under the Voluntary Agreement (VA) Pathway, p. 65:

For the purposes of the Bay-Delta Plan, the language of this Plan controls unless expressly provided otherwise. The State Water Board ~~may~~ will issue Government Code section 11415.60 decisions by settlement, ~~or~~ and potentially other decisions, orders, or regulations to enforce HRL commitments in accordance with the below provisions.

Water Right Development and New Water Supply Projects

Section 4.4.2.2 Narrative Inflow Objective for Sacramento/Delta Tributaries, p. 47:

The starting point for the inflow requirement for any water rights obtained on or before December 31, 2025, includes WSAs for the level of diversions occurring under that right as of December 31, 2025. WSAs do not initially apply to water rights obtained after December 31, 2025; ~~new water supply projects;[FN 5]~~ however, as part of the annual or periodic review process, the Board could consider whether to apply WSAs to water rights obtained after December 31, 2025 ~~new water supply projects~~ based on any necessary supporting environmental and scientific documentation. The WSAs are as follows:

Footnote 5:

~~New water supply projects are defined as (1) water rights obtained after December 31, 2025, including any permits issued after that date pursuant to applications filed by the State under Water Code section 10500, and (2) approved water right change petitions that would increase diversions from the Delta watershed and decrease Delta outflows compared to conditions existing as of December 31, 2025.~~

Section 4.4.9 Implementation of Healthy Rivers and Landscapes Commitments Under the Voluntary Agreement (VA) Pathway, pp. 65-66:

The holders of the HRL water rights are referred to throughout this section as HRL participants for ease of reference; however, the VA pathway is only applicable to the HRL water rights identified in Appendix B.1~~, as they are being exercised at the time of Plan adoption by the State Water Board~~. Inclusion in the VA pathway for the HRL water rights listed in Appendix B.1 is contingent on the HRL commitments being met for that source. HRL participants may also hold water rights that are not included in the VA pathway.

. . .

Substantive modifications after an 18-month period following adoption of the current plan amendments, including inclusion of water rights larger than 1,000 acre-feet that were not previously identified~~, inclusion of new water supply projects (as defined in footnote 5)~~, or inclusion of water rights on new tributaries, to the water right list in Appendix B.1 could be considered for approval by the Board as part of the annual or periodic review process, along with any necessary supporting environmental and scientific documentation and any other documentation determined to be needed by the Executive Director. Any proposals to add new HRL water rights ~~or new water supply projects~~ pursuant to the processes described above must coordinate with the existing HRL participants in advance of submittal of any proposal to the State Water Board for consideration. The HRL participants may request removal by the Executive Director of HRL water rights from Appendix B.1 after a minimum 45-day public review and comment period. Upon removal of any HRL water rights, the implementation provisions described in Sections 4.4.2.2, 4.4.2.3, and 4.4.2.6 would apply to those water rights.

Section 4.4.9.1 Protection of Base Flows, pp. 65-66:

To help ensure that water quality conditions, including existing flows, together with other measures in the watershed, supporting the Bay-Delta Plan's 2026 update continue to support and maintain natural production of viable native fish populations, in future water right actions the State Water Board will consider imposing requirements, based on the record established during the administrative proceeding, including any hearing, to ensure that the use of water is consistent with and supports the salmon protection, fish viability, inflow, inflow-based Delta outflow, and interior Delta flow objectives. ~~Increased diversions from new water supply projects (as defined in footnote 5) that are subject to the inflow and inflow-based Delta outflow requirements in Sections 4.4.2.2 and 4.4.2.6 will not be included in determination of the base flows to which the HRL flow commitments are required to be additive.~~

And revise the definition of "Reference Conditions" in **Appendix B.1 at p. B-1.5**:

Reference Conditions (including reference flows, operations, and reservoir conditions) – The flows, reservoir operations, other water supply and flood management operations, and other conditions to which HRL flow commitments are additive. Except in the case of some specified reservoir reoperations HRL flow commitments, reference conditions include pre-HRL conditions, including regulatory requirements, water diversions, flood control operations, and other conditions such that HRL flows are provided in addition to regulatory requirements and other flows that. are in the system incidentally that have been analyzed as part of the base conditions for the VA pathway supporting the current update to the Bay-

Delta Plan. Reductions in flow resulting from water rights obtained after December 31, 2025 that are subject to the inflow and inflow-based Delta outflow requirements in Section 4.4.2.2 and 4.4.2.6 do not change the reference conditions to which HRL flows are additive. This is also referred to as "base conditions" or "base flows" in Bay-Delta Plan Section 4.4.9.

Section 4.6 Annual and Periodic Review, p. 126:

Methods to reduce the incidence of temporary urgency change petitions related to Bay-Delta Plan requirements;

• Changes to interior Delta flow implementation measures that may be needed to provide for reasonable protection of fish and wildlife beneficial uses;

• Changes to WSAs that may be needed to provide for the reasonable protection of fish and wildlife beneficial uses;

• Consideration of WSAs for water rights obtained after December 31, 2025~~new water supply projects~~;

• Consideration of possible future HRL proposals;

Modifications to Base Flows

Section 4.4.9.1 Protection of Base Flows, p. 66:

In the event of such a Relevant Change, the affected HRL parties shall submit a plan for a temporary change (interim plan), for Executive Director approval with possible conditions or modifications, to provide a commensurate increase in HRL benefits ~~flow commitments~~ to address any such reduction in Delta outflow. The interim plan shall be due within 30 days of the Relevant Change. For a Relevant Change that occurred prior to adoption of the Bay-Delta Plan update for the Sacramento River and its tributaries, Delta eastside tributaries, and Delta, the plan shall be due within 30 days of Office of Administrative Law approval of that Bay-Delta Plan update. The Executive Director will act within 60 days of receiving an interim plan. If the Executive Director does not act on an interim plan within 60 days of receipt, it will be deemed approved. The Executive Director's decision may be subject to petitions for reconsideration to the State Water Board.

Annual Review of HRL Water Rights

Section 4.4.9.2 HRL Flow Commitments, p. 68:

Each year, the specific water rights under which HRL flow commitments are to be provided for instream flow and Delta outflow purposes must be identified at least 90 days in advance of the planned use and must be provided from water rights under which water is available at that priority of right at the time the water is provided, consistent with the implementation methodology once that methodology is in effect. ~~The State Water Board will notify the public and provide a 30-day comment period for comments on whether the dedication will injure other legal users of water, unreasonably affect fish and wildlife or other instream uses, or increase the amount of water that would have otherwise been used under that right.~~ The Executive Director will provide notification to HRL participants ~~and the public if~~ of any inconsistencies ~~are identified~~ that must be resolved in order for a specific water right to be used for HRL flow commitments no later than 30 days prior to the planned use ~~dedicated instream~~.

Non-Flow Habitat Contributions

Section 4.4.9.5 HRL Non-Flow Habitat Restoration Commitments, pp. 86 and 88:

HRL habitat restoration projects will ~~must~~ be maintained as needed based on assessments ~~to provide for no reduction in habitat quality for at minimum the duration of the VA pathway~~ following potential functionality-altering events over the duration of the VA.

Strike and replace the paragraph beginning with "In addition, the HRL participants may conduct fish food production . . ." on Page 68 *with the following language*:

HRL participants in collaboration with Floodplain Forward partners and MOU agencies may implement Fish Food pilot actions pursuant to a study and implementation plan approved by the Executive Director, in consultation with the Central Valley Regional Water Quality Control Board. The approved plan shall address priority scientific uncertainties, including potential contaminant and methylmercury effects; monitoring, adaptive response measures, and criteria for evaluating effectiveness at the first periodic review. All actions shall comply with applicable water right and regulatory requirements. The study and implementation plan shall be submitted to the Executive Director by [date]. Within [X] days after determining that the plan is complete, the Executive Director shall approve the plan, conditionally approve the plan, or identify the additional information required.

Review of State Water Board Actions

4.4.9.10 Continuation, Modification, or Termination of the VA Pathway

The VA pathway will remain in effect for a term of eight years after the effective date, unless the VA pathway is terminated before eight years or extended beyond eight years as discussed below. The State Water Board may also require modifications to the VA pathway as discussed below. Prior to a decision to extend, modify, or terminate the VA pathway, State Water Board staff will produce a draft recommendation with supporting rationale that will be subject to a minimum 45-day public review and comment period. Based on public comments, the draft recommendation will be updated, provided to the Delta Independent Science Board for review and input, and then a final staff recommendation, along with any recommendations from the Delta Independent Science Board, will be brought to the State Water Board for consideration at a public Board meeting. The following default and annual and periodic review processes apply to extension, modification, or termination of the VA pathway for HRL water rights.

Default Processes for Continuation, Modification, or Termination of the VA Pathway

At year six of the VA pathway, the HRL participants may submit a request to the State Water Board to extend the VA pathway, including any requested modifications, beyond the initial eight-year term. Upon receipt of the request, the State Water Board will initiate a process to evaluate the VA pathway for consideration of extending it beyond the initial eight-year term, including with possible modifications. Following receipt of any request for extension of the VA pathway, the State Water Board will solicit public comments and hold a public workshop to discuss the possible extension and modification of the VA pathway, including information regarding the effectiveness of the VA pathway at achieving the applicable narrative objectives. Following the public workshop, the State Water Board will act on the request for extension or modification to determine whether to extend the VA pathway after year eight. The State Water Board will consider the green, yellow, and red light criteria described below to determine the continuation of the VA pathway (green light), modification of the VA pathway (yellow light), or termination of the VA pathway (red light).

In determining whether to continue, modify, or terminate the VA pathway under the default process, the State Water Board will consider the following:

i. Whether HRL participants timely and fully provided HRL flow and non-flow commitments consistent with State Water Board approved accounting protocols;

ii. Whether the monitoring, science, and reporting requirements and other requirements were met;

iii. The HRL participants' synthesis of the most current science and analyses of the effects of the HRL implementation, including evaluation of the HRL hypotheses, the habitat suitability assessments, the habitat utilization and biological effectiveness assessments, and the ecological outcomes analysis;

iv. Public comments and analyses on the effectiveness of the VA pathway;

v. The status and trends of native fishes and other aquatic organisms;

vi. Whether the periodic reports or other sources of reliable information indicate that factors outside of the VA pathway are impairing the ability to achieve the narrative fish viability objective and narrative salmon protection objective by 2050;

vii. Whether HRL flows have been adequately protected;

viii. Whether funding has been available for the HRL commitments and additional funds are available to continue the HRL commitments;

ix. The past, present, and probable future beneficial uses of water;

x. The environmental characteristics of the Bay-Delta watershed, including the quality of water available thereto;

xi. Water quality conditions that could reasonably be achieved through the coordinated control of all factors that affect water quality in the Bay-Delta watershed; and

xii. Economic considerations.

~~In addition to~~ After consideration of the factors set forth in (i) through (xii) above, if the State Water Board staff's draft recommendation is to terminate the VA pathway, the ~~State Water Board~~ staff will include an addendum to the Scientific Basis Report Supplement that synthesizes the then-current scientific information concerning flows and habitat conditions for the protection of fish and wildlife beneficial uses, and includes a draft assessment of the factors set forth in (i) through (xii) above. The addendum will be publicly circulated for comment with the draft recommendation for continuation, modification, or termination of the VA pathway and provided to the Delta Independent Science Board for review and input. The State Water Board will consider that addendum as part of its Board Meeting on the staff recommendation for continuation, modification, or termination of the VA pathway. If the State Water Board concludes that it is appropriate to terminate the VA pathway under the red light scenario discussed below, it will also perform further environmental review required under the California Environmental Quality Act and decide whether any modifications to the non-VA Pathway regulatory provisions ~~in Sections 4.4.2.2, 4.4.2.3, and 4.4.2.6~~ of the Bay-Delta Plan are necessary in recognition of updated scientific information in the addendum or other legal or policy reasons and take one of the following actions:

(a) If the Board determines modifications to the non-VA Pathway regulatory provisions ~~in Sections 4.4.2.2, 4.4.2.3, and 4.4.2.6~~ are necessary, it will immediately commence an update to the Bay-Delta Plan or its implementing regulation to incorporate the necessary changes.

(b) If the Board determines modifications to the non-VA Pathway regulatory provisions ~~in Sections 4.4.2.2, 4.4.2.3, and 4.4.2.6~~ are not necessary, it will provide a new determination, that is judicially reviewable under Code of Civil Procedure section 1085, that the non-VA Pathway regulatory provisions ~~in Sections 4.4.2.2, 4.4.2.3, and 4.4.2.6~~ of the Bay-Delta Plan are legally and scientifically appropriate under the provisions of Water Code section 13241.

Green Light

A green light determination could occur if the State Water Board concludes that the HRL participants provided flow and non-flow commitments, including in a manner substantially consistent with Board-approved accounting protocols, and the monitoring, science, reporting, and other requirements of the Bay-Delta Plan have been fulfilled. The State Water Board must also determine that the VA pathway is substantially achieving the HRL metrics and targets, including biological effectiveness, habitat suitability, and habitat utilization criteria; and that the ecological outcomes analysis and other relevant information support the conclusion that continuing the VA pathway will contribute the HRL participants' responsibility toward attainment of the narrative fish viability and salmon protection objectives by 2050. If the above green light criteria are met, the State Water Board may approve continuation of the VA pathway without any substantial modification, except for changes necessary to continue the VA pathway.

Yellow Light

A yellow light determination could occur if the State Water Board concludes that the HRL participants provided flow and non-flow commitments, including in a manner substantially consistent with Board-approved accounting protocols, and the monitoring, science, reporting, and other requirements of the Bay-Delta Plan have been fulfilled. The State Water Board must also determine that the VA pathway is meeting a significant number of HRL metrics and targets, including biological effectiveness, habitat suitability, and habitat utilization criteria; and the ecological outcomes analysis and other relevant information support the conclusion that continuing the VA pathway, with modifications, will contribute the HRL participants' responsibility toward attainment of the narrative fish viability and salmon protection objectives by 2050. If the above yellow light criteria are met, the State Water Board may approve continuation of the VA pathway with modification.

Red Light

A red light determination could occur if the State Water Board concludes that the VA pathway and HRL participants are not achieving the conditions above for green or yellow light determinations. Under a red light determination, the State Water Board may determine that the non-VA Pathway regulatory provisions described above~~, including the new Sacramento/Delta inflow and cold water habitat and inflow-based Delta outflow provisions described in Sections 4.4.2.2, 4.4.2.3, and 4.4.2.6~~ apply to HRL water rights. The State Water Board may also determine that modifications to the non-VA Pathway regulatory provisions are needed and pursue appropriate processes to update the Bay-Delta Plan.

Possible Modification or Termination of the VA Pathway as Part of Annual and Periodic Review Processes

The State Water Board will use the default processes described above to consider extension, modification, or termination of the VA pathway at year eight unless, consistent with the State Water Board's periodic review obligations, there is a need to consider modification or termination of the VA pathway and associated components of the Bay-Delta Plan and its implementation at any time, including before year eight, due to: (1) the HRL participants' failure or inability to implement HRL commitments as described for the VA pathway in the Bay-Delta Plan; or (2) significant evidence that continuing implementation of the VA pathway will not provide reasonable protection of beneficial uses ~~or will jeopardize the continued survival of native fishes~~.

HRL Participants' Failure to or Inability to Implement HRL Commitments

The State Water Board may consider modification or termination of the VA pathway, including components of the VA pathway or the VA pathway as a whole, at any time, including before year eight, due to a lack of compliance as described in this section. The State Water Board will first conduct a public workshop and solicit public comments, including as part of annual or periodic review processes, to assess whether the HRL participants have fulfilled the commitments described for the VA pathway in the Bay-Delta Plan. The State Water Board may allow additional time for the HRL participants to come into compliance before considering the need for modifications to or termination of the VA pathway under this section. Modification or termination of the VA pathway for compliance issues include any of the following reasons:

i. Failure to implement the HRL flow, habitat, funding, monitoring, science, or other provisions consistent with this program of implementation; or

ii. Withdrawal of a party or parties from the VA pathway if the withdrawal materially affects the ability of any remaining HRL participants to fulfill their HRL commitments included in the program of implementation.

In considering whether to modify or terminate the VA Pathway under this section, the State Water Board will endeavor to preserve the VA pathway for those HRL participants who have met their commitments. The Board may modify or terminate the VA pathway without a Bay-Delta Plan amendment for the compliance issues stated above consistent with the annual and periodic review processes in Section 4.6. Any such determination to modify or terminate the VA Pathway shall be judicially reviewable under Code of Civil Procedure section 1085.

Significant Evidence that Continuing Implementation of the VA Pathway Will Not Provide Reasonable Protection of Beneficial Uses ~~or Will Jeopardize the Continued Survival of Native Fishes~~

As part of the periodic review processes, the State Water Board may ~~consider~~ make a determination to modify~~ing~~ or terminate~~ing~~ the VA pathway, including components of the VA pathway or the VA pathway as a whole, at any time, including before year eight, based on significant evidence that continuing implementation of the VA pathway will not provide reasonable protection of beneficial uses ~~or will jeopardize the continued survival of native fishes~~. Any such ~~consideration of modification or termination of~~ determination regarding the VA pathway will be informed by a~~n~~ draft assessment prepared by State Water Board staff of the twelve factors (i through xii above), and the draft assessment will be ~~that is~~ subject to a minimum 45-day public review and comment period. Based on public comments, the draft assessment will be updated, provided to the Delta Independent Science Board for review and input, and then a final staff recommendation, along with any recommendations from the Delta Independent Science Board, will be brought to the State Water Board for consideration at a public Board meeting. If, after consideration of public input and Delta Independent Science review, the State Water Board determines that significant evidence supports the conclusion that continuing implementation of the VA pathway will not provide reasonable protection of beneficial uses ~~or will jeopardize the continued survival of native fishes~~, the Board may modify or terminate the Bay-Delta Plan's VA pathway through a Bay-Delta Plan amendment.

Association of California Water Agencies

Bringing Water Together

Submitted via electronic mail to SacDeltaComments@waterboards.ca.gov

September 18, 2026

Mr. Erik Ekdahl, Chief Deputy Director
Division of Water Rights
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Re: Comment Letter – Final Draft Bay-Delta Plan

Dear Mr. Ekdahl:

The Association of California Water Agencies (ACWA) appreciates the opportunity to provide public comments to the State Water Resources Control Board (State Water Board) on the August 2026 final draft Sacramento/Delta updates (final draft updates) to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Watershed (Bay-Delta Plan or Plan). ACWA represents approximately 470 public water agencies that collectively deliver approximately 90% of the water in California for domestic, agricultural, and industrial uses.

ACWA has strongly supported the Healthy Rivers and Landscapes (HRL) Program as the preferred pathway for updating the Bay-Delta Plan. The HRL Program—as developed and proposed by participating public water agencies—was designed to provide a holistic and integrated approach to improve the Bay-Delta ecosystem for fish and wildlife by aligning a broad spectrum of habitat, science, and adaptive management tools. Concurrently, it would help secure water supply reliability for other beneficial uses of water, including California's communities, farms, recreation, and hydropower.

ACWA has engaged extensively throughout the Bay-Delta Plan update process, submitting written comments on previous drafts of the Sacramento/Delta updates and Staff Report. Specific to the final draft updates, ACWA offers the following input to the State Water Board.

1. **Recognize the HRL Program's unprecedented effort to improve ecosystem outcomes and water supply reliability.**

The Memorandum of Understanding (MOU) signatories (parties) have worked together to establish a governance framework and develop a science and adaptive management program to activate habitat with flow contributions to improve biological function for species, with the intention of moving beyond rigid, historical, flow-centric paradigms that have failed to deliver meaningful improvements for species. This comprehensive package—which includes the Tuolumne River HRL Program—represents one of the largest publicly funded investments in habitat and ecosystem recovery in California's history, voluntarily bringing together upper and lower watershed agencies.

The HRL Program, as originally proposed, advances a framework that:

a. Modernizes Water Management: The HRL Program increases environmental water flows paired with adaptive management to enable infrastructure to be operated more flexibly, allowing agencies to respond more rapidly to changing conditions.

b. Supports Interagency Coordination: It fosters alignment between state and local agencies, ensuring they work in tandem to support water supply reliability and environmental outcomes.

c. Establishes Flexible Governance: The HRL Program establishes nimble, science-based governance structures at both the systemwide and tributary/Delta levels, with local expertise and clear accountability guiding long-term implementation.

d. Improves Data and Science: It features a robust science program, structured decision-making, and hypothesis-testing, rather than relying on arbitrary flow volumes that only loosely correlate with species' biological function. It delivers clear, coordinated decisions grounded in the best available science.

e. Enhances Ecosystem Outcomes: The HRL Program commits thousands of acres to floodplain enhancement, instream habitat restoration, and fish food production, activating habitat with water to support ecological function, while advancing regional and system-wide resilience. While ACWA appreciates that the State Water Board's regulatory authority is limited to requiring increased flows for fish and that many non-flow actions are within the jurisdiction or control of other agencies or water users, the HRL Program provides a unique opportunity to address critical stressors that the unimpaired flow pathway does not—such as limited prey abundance, predation, and spawning/rearing habitat scarcity. By integrating flow and habitat restoration, it magnifies their individual benefits in a way the Bay-Delta Plan cannot achieve in the absence of the HRL Program.

The parties have demonstrated their commitment to this pathway by investing considerable time and resources to develop and advance their proposal, including early implementation components, and are ready to engage with the State Water Board as partners during implementation. It is now incumbent on the State Water Board to finalize the Bay-Delta Plan update to enable implementation of the HRL Program that the parties developed. Finalizing the update will provide the regulatory foundation needed to sustain economic productivity, maintain affordability, and protect public health, while also delivering the ecological assets required to expand habitat and improve conditions for species that cannot afford further delay.

2. **Ensure the final draft updates are consistent with the elements of the proposal advanced by the HRL Program parties.**

The parties developed the HRL Program using the best available science—with direct engagement from the California Environmental Protection Agency (CalEPA), California Natural Resources Agency, California Department of Water Resources, California Department of Fish and Wildlife, and U.S. Bureau of Reclamation. As a result of this collaborative process, the parties carefully crafted a comprehensive and integrated HRL Program to meaningfully contribute to meeting the Bay-Delta Plan's objectives. The final draft Plan should accurately incorporate the HRL Program as proposed by the parties.

a. Implementing and Enforcement Agreements: It has long been the intention of the parties—based on engagement with the State Water Board and CalEPA—to utilize several agreements, including the Global Agreement, Implementation/Tributary Agreements, and Enforcement Agreements. Currently, the structure of the agreements and enforcement mechanisms is unclear. ACWA recommends that the final draft Plan clarify how these agreements will be incorporated into the Bay-Delta Plan.

b. Flow Accounting: The parties, in consultation with State Water Board staff, worked to collaboratively develop detailed flow accounting for each tributary that accurately reflects the MOU proposals. However, some tributaries' flow accounting provisions in Appendix B.1 have been significantly modified from what was previously developed. Given the extensive work already completed, ACWA recommends that the State Water Board both acknowledge the sufficiency of the previously developed flow accounting documents and revise the final draft Plan to accurately capture the parties' proposals.

c. Non-flow Habitat Accounting: The HRL Program is built on ambitious, statewide commitments by participating parties to implement habitat enhancement and restoration projects. The final draft updates include new language that could be interpreted as requiring ongoing maintenance of restoration projects for the duration of the HRL Program that could undermine the dynamic processes essential to successful ecological projects. ACWA recommends that the final draft Plan modify this requirement to focus on assessment of the functionality of restoration projects, with provisions for maintenance as needed.

The parties carefully constructed the HRL Program to ensure consistency with the requirements for the Bay-Delta Plan update. Excluding or altering certain elements of the HRL Program has the potential to undermine the painstaking balance inherent in the program and would preemptively subvert its efficacy.

3. **Address concerns regarding the unimpaired flow pathway and State Water Board authority.**

ACWA has significant concerns that the State Water Board's reliance on only one management tool (i.e., unimpaired flows) will be ineffectual in generating the desired ecological outcomes. Science indicates that the correlation between species' response and a given amount of flow yields diminishing returns.[1,2] Decision-makers should not rely on flow as the sole indicator of the ability to achieve meaningful species recovery, as the evidence suggests that flow-abundance relationships do not produce measurable results to support necessary biological functions and life-cycle improvements; material and unpredictable changes to these relationships can occur from the unanticipated interaction of other stressors; and species modeling is inherently uncertain.[3,4]

Despite this evidence, the final draft updates include problematic provisions that compound these underlying uncertainties. ACWA remains deeply concerned by the framework for transitioning parties to the unimpaired flow pathway without sufficient review, analysis, and process. The final draft updates reflect an expansive interpretation of agency authority, relying on legal positions that lack clear statutory backing and have historically led to protracted disputes over regulatory boundaries. Furthermore, unilateral Executive Director discretion subjects elements of the HRL Program to reinterpretation and approvals far beyond what is necessary to enable successful program implementation. The transition framework and administrative discretion in the final draft updates leave the parties' substantial investments with little regulatory security, while also placing additional administrative burdens on program participants that will reduce the resources available for the meaningful work to improve ecosystem outcomes and water supply reliability for all Californians reliant on the Bay-Delta.

ACWA recommends that the final draft Plan incorporate a transition framework requiring rigorous environmental review and full public process, establish clear statutory boundaries and transparent justifications for any enforcement actions, and provide a formal mechanism to bring disputed decisions directly before the State Water Board for public review and resolution.

Conclusion

The Bay-Delta Plan update has profound implications for water supplies in California and, consequently, established state priorities, policies, and planning documents. Given the foundational nature of the Plan, its impacts will be far-reaching, including, but not limited to the coequal goals, sustainable groundwater management, housing development, affordability, food production, and California's economy. For additional

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[1] Tamburello, N., et al. 2019. *Durability of environment–recruitment relationships in aquatic ecosystems: insights from long-term monitoring in a highly modified estuary and implications for management*. Limnology and Oceanography 64(S1):S223-S39.
[2] Kimmerer, W. 2002. *Effects of freshwater flow on abundance of estuarine organisms: physical effects or trophic linkages?* Marine Ecology Progress Series 243:39-55.
[3] Kimmerer, W. 2002. *Physical, biological, and management responses to variable freshwater flow into the San Francisco Estuary*. Estuaries 25(6B):1275-90.
[4] Thomson, J., et al. 2010. *Bayesian change point analysis of abundance trends for pelagic fishes in the upper San Francisco Estuary*. Ecological Applications. 20(5):1431-1448.

discussion and detail regarding the comments and concerns above, including region-specific issues, please refer to ACWA member agencies' comment letters.

ACWA appreciates the opportunity to provide input on the final draft updates. Please do not hesitate to contact Stephen Pang at StephenP@acwa.com or (916) 669-2369 if you have any questions or would like to discuss these comments further.

Sincerely,

Stephen Pang
State Relations Advocate
Association of California Water Agencies

cc: The Honorable Wade Crowfoot, Secretary for Natural Resources, California Natural Resources Agency
The Honorable Yana Garcia, Secretary for Environmental Protection, California Environmental Protection Agency
The Honorable E. Joaquin Esquivel, Chair, State Water Resources Control Board
The Honorable Dorene D'Adamo, Vice Chair, State Water Resources Control Board
The Honorable Jared Blumenfeld, Member, State Water Resources Control Board
The Honorable Sean Maguire, Member, State Water Resources Control Board
The Honorable Nichole Morgan, Member, State Water Resources Control Board
The Honorable Meghan Hertel, Director, California Department of Fish and Wildlife
The Honorable Thomas Gibson, Director, California Department of Water Resources
Mr. Eric Oppenheimer, Executive Director, State Water Resources Control Board
Ms. Karla Nemeth, Executive Director, Association of California Water Agencies
Ms. Chelsea Haines, Director of State Regulatory Relations, Association of California Water Agencies

Back to Agenda

AGENDA ITEM X-1
DRAFT

Finance Committee Meeting Minutes
San Juan Water District
September 8, 2026
1:00 p.m.

Committee Members: Pam Tobin, Director (Chair)
Mike McRae, Director (Member)

District Staff: Adam Larsen, General Manager
Donna Silva, Director of Finance
Greg Zlotnick, Director of Water Resources & Strategic Planning
Entela Fallstead, Senior Accountant
Teri Grant, Clerk of the Board/Executive Assistant

Members of the Public: Person 1

1. **Review General Manager Reimbursements (W & R)**
The Committee reviewed the credit card charges of the General Manager and found them to be in order. There were no reimbursement requests from the General Manager.

2. **Review Check Register from August 2026 (W & R)**
The Committee reviewed the August 2026 check register and found it to be in order.

3. **Review of Legal Bills (W & R)**
The Committee reviewed the legal bills and found them to be in order. Ms. Silva will follow up regarding the December and May invoices from Jones Mayer for general services, which were not included in the spreadsheet. At the Committee's direction, staff will include two fiscal years of legal bills in the materials for each meeting. In response to Director McRae's question, Ms. Silva explained that legal expenses are allocated between wholesale and retail operations by line item. She further noted that conservation litigation expenses are allocated entirely to wholesale operations because they benefit all wholesale customer agencies.

4. **Other Finance Matters (W & R)**
Ms. Silva informed the Committee that the 2017 Certificates of Participation bonds will become callable in 2027. She will work with the rate consultant to evaluate whether using reserves to retire the outstanding bonds would be financially prudent and will report the findings at a future meeting.

5. **Public Comment**
There were no public comments.

The meeting was adjourned at 1:31 p.m.