WORKSHOP MEETING OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
BOARD OF DIRECTORS WITH MET DIRECTORS
18700 Ward Street, Conference Room 101, Fountain Valley, California
November 5, 2025, 8:30 a.m.

Teleconference Sites:
25652 Paseo De La Paz, San Juan Capistrano, CA 92675
17420 Walnut Street, Fountain Valley, CA 92708

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

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

Telephone Audio:	**(669) 900 9128 fees may apply**
	(877) 853 5247 Toll-free
Webinar ID:	**882 866 5300#**

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

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

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

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

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

NEXT RESOLUTION NO. 2163

PRESENTATION ITEMS

1. INTEGRATED OVERVIEW OF METROPOLITAN NEAR-TERM BUDGET DRIVERS AND LONG-TERM RESOURCE PLANNING (PRESENTATION BY METROPOLITAN STAFF)

Recommendation: Receive and file the presentation.

2. FEDERAL GOVERNMENT AFFAIRS AND ADVOCACY FORECAST (PRESENTATION BY GARRETT DURST)

Recommendation: Receive and file the presentation.

3. STATE ADVOCACY RECAP (PRESENTATION BY SYRUS DEVERS)

Recommendation: Receive and file the presentation.

DISCUSSION ITEMS

4. LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (NRR)
b. State Legislative Report (SDA)
c. Legal and Regulatory Report (Ackerman)
d. County Legislative Report (Whittingham)
e. MWDOC Legislative Matrix
f. MET Legislative Matrix

Recommendation: Review and discuss the information presented.

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

Recommendation: Receive input and discuss the information presented.

INFORMATION ITEMS

6. MET ITEMS CRITICAL TO ORANGE COUNTY

a. MET's Finance and Rate Issue
b. MET's Water Supply Condition Update
c. MET's Water Quality Update
d. Colorado River Issues
e. Delta Conveyance Activities and State Water Project Issues

7. MET BOARD AGENDA DISCUSSION ITEMS

a. Summary regarding October MET Board Meeting
b. Review items of significance for MET Board Agenda

ADJOURNMENT

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

Item No. 1

PRESENTATION ITEM
November 5, 2025

TO: **Board of Directors**

FROM: **Harvey De La Torre, General Manager**

Staff Contact: Melissa Baum-Haley, Assistant General Manager
Heather Baez, Director of Government Affairs
Jared Dawson, Water Resources Analyst

SUBJECT: **INTEGRATED OVERVIEW OF METROPOLITAN NEAR-TERM BUDGET DRIVERS AND LONG-TERM RESOURCE PLANNING (PRESENTATION BY METROPOLITAN STAFF)**

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive the presentation.

REPORT

Purpose

This presentation provides information on the Metropolitan Water District's potential cost pressures for the upcoming biennial budget cycle and beyond. MWDOC invited Metropolitan staff to present their recent analysis integrating near-term budget drivers with long-term resource planning opportunities.

Discussion

Ahead of the Fiscal Year 2025–26 and 2026–27 Metropolitan biennial budget development process, Metropolitan staff analyzed potential cost drivers and resource planning opportunities to provide the Metropolitan Board with supplemental information as it enters the budget planning cycle.

The Metropolitan Board Letter (Attachment 1) summarizes the assumptions, data, methodologies, and findings from this analysis. It establishes the foundation for upcoming discussions on rate setting, budget challenges, and long-term capital planning.

The analysis builds on Metropolitan's currently adopted biennial budget and ten-year forecast by incorporating known changes to costs and revenues, estimated additional expenditures needed to maintain the integrity of Metropolitan's existing system, and potential cost and rate impacts of large-scale resource planning projects.

Metropolitan conducted the rate impact analysis in steps to clearly separate different cost pressures and their effects on future rates. This included:

1. Establishing a baseline forecast;
2. Incorporating recent Board actions and known changes;
3. Adding near-term operational and capital needs;
4. Evaluating major resource planning projects; and
5. Testing rate sensitivity under varying demand scenarios.

Metropolitan's financial analysis highlights near- and long-term fiscal challenges, demonstrating that substantial, sustained reinvestment will be needed to maintain Metropolitan's system and meet the region's water service needs.

Current Cost Pressures

Even before adding new initiatives or future capital projects, Metropolitan faces upward rate pressures from:

- Essential staffing for day-to-day operations and expanded capital delivery;
- Fleet and operating equipment; and
- Increasing capital investments in infrastructure refurbishment and replacement.

Future Major Capital Projects

Major capital project opportunities, such as Pure Water Southern California, Sites Reservoir, and the Delta Conveyance Project, are designed to strengthen drought resilience, diversify supplies, and modernize infrastructure. However, they represent billions of dollars of potential new commitments.

Through the Climate Action Master Plan for Water (CAMP4W), the Metropolitan Board can ensure investments are strategically aligned with both immediate operational needs and long-term regional priorities. The CAMP4W process should provide a framework for determining how much new supply development to pursue, when those investments should occur, and which projects are the most cost-effective in achieving both near- and long-term regional goals.

Next Steps

The Metropolitan biennial budget process for Fiscal Year 2025–26 and 2026–27 will generally include the following steps:

- Conceptual budget process and early preparation discussions (Fall 2025)
- Board workshops on key issues and drivers (February and March 2026)
- Board adoption of Biennial Budget (April 2026)

MWDOC staff will continue to monitor Metropolitan's budget development process and provide updates to the Board. Understanding Metropolitan's budget challenges and constraints helps MWDOC anticipate potential rate impacts and inform member agencies' local planning decisions.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

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

Attachments/Links:
Attachment 1: Metropolitan Board Letter Attachment 2: Metropolitan Presentation

- **Board of Directors**
  Finance, Affordability, Asset Management, and Efficiency Committee

10/14/2025 Board Meeting

9-2

Subject

Integrated overview of near-term budget drivers and long-term resource planning

Executive Summary

Metropolitan faces a pivotal moment in aligning its near-term budget planning with long-term resource development and system reliability goals. This board letter presents the near-term budget drivers and long-term resource plans and uses them to present an integrated financial analysis prepared at the direction of the Board to provide an early assessment of the cost pressures anticipated for the next biennium and projected through 2045. This analysis builds on the Adopted Biennial Budget and Ten-Year Financial Forecast by incorporating known changes to costs and revenues, estimated additional expenditures needed to maintain the integrity of Metropolitan's existing system, and potential costs and rate impacts of large-scale resource planning projects.

It is important to note that this analysis is **not** intended to select or prioritize specific projects nor propose solutions to the water reliability needs assessment. Instead, it provides a clear understanding of the financial trends and challenges facing Metropolitan, enabling the Board to evaluate the tradeoffs between maintaining current operations and investing in future regional water reliability.

This board letter summarizes the assumptions, data, and methodologies used in the analysis, as well as the resulting findings. It provides the foundational view for upcoming discussions around rate setting, budget challenges, and long-term capital planning.

Context and Key Developments

The Board adopted the fiscal year (FY) 2024/25–2025/26 Biennial Budget and accompanying ten-year financial forecast, establishing a foundation for ongoing fiscal planning, in April 2024. Since the adoption of the rates and charges for calendar years 2025 and 2026, several developments have revised Metropolitan's fiscal outlook.

- Board-Approved Updates:
  - In December 2024, the Board approved Delta Conveyance Project (DCP) funding commitment of $141.6 million in planning and preconstruction costs;
  - In December 2024, the Board authorized $35 million in funding for FY 2024/25 and FY 2025/26 to advance the transition to zero-emission vehicles (ZEV). The credit facility will be used to finance the program, with annual debt service of approximately $5 million commencing in FY 2026/27;
  - In June 2025, the San Diego County Water Authority (SDCWA) and Metropolitan Exchange Agreement was amended, creating a fixed baseline exchange payment and price term decoupled from Metropolitan rates and providing more predictable income; and,

- In July 2025, the Board adopted a policy to use a conservative water sales forecast for budget development and rate settings, using a 70 percent exceedance level for the next biennium and an 80 percent exceedance level thereafter.

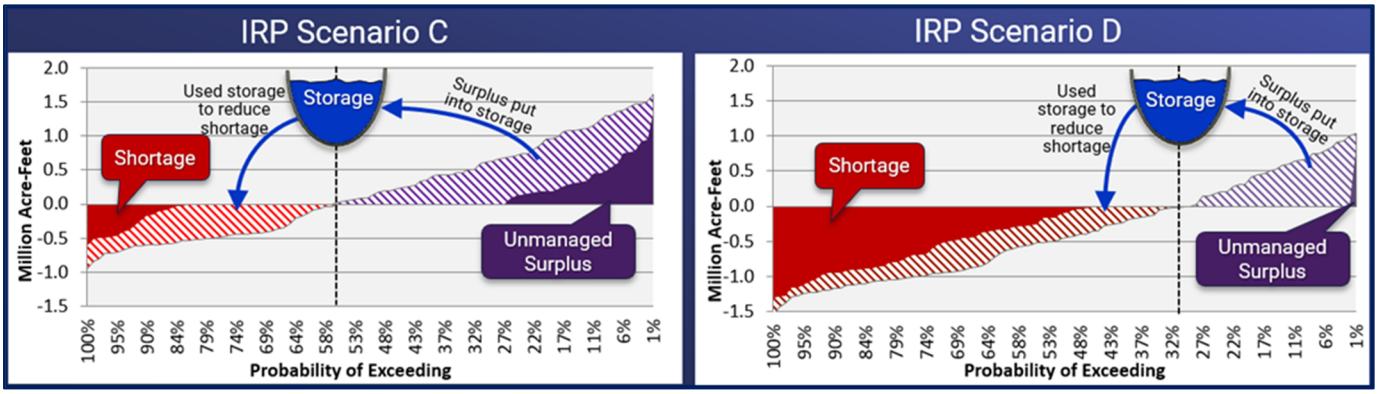
- Mid-Biennium Performance: FY 2024/25 closed stronger than expected, driven by higher than projected property tax revenues, lower-than-budgeted expenditures and revenues from 100 thousand acre-feet (TAF) of Reverse Cyclic Program sales.
- Revised water demand projections from the Integrated Resource Planning (IRP) for the next biennium, and extended to 2045, that incorporates up-to-date demographic data, conservation achievements, and local supply developments.

While the Mid-Biennium outcomes provided short-term fiscal relief, they were largely driven by one-time factors and are insufficient to address emerging challenges such as declining projected water sales, rising capital and operating costs, and the need to address deferred capital refurbishment and replacement (R&R) and workforce capacity.

Water Shortage and Reliability Analysis

Metropolitan's future budget outlook and decisions regarding major capital resource planning projects are closely tied to its ability to manage supply variability under demand uncertainty. In September 2025, staff updated the water shortage and reliability analysis as part of the 2025 Updated IRP Needs Assessment. This update revised Scenarios C and D of the 2020 IRP framework using the most recent demographic data, local supply developments, and revised assumptions for Metropolitan's imported water supplies. It also incorporates updated information from the Department of Water Resources' 2023 Delivery Capability Report for State Water Project (SWP) supplies and reflects potential reductions associated with ongoing Colorado River operating guidelines negotiations.

The 2025 Updated IRP Needs Assessment also accounts for the low demands observed in recent years and better captures expected reductions in imported supplies due to climate-driven extreme weather and uncertainties related to regulatory requirements and future operating rules. The analysis modeled Scenario C and Scenario D to assess the probability and magnitude of shortage events through 2045. The charts below illustrate how shortages and surpluses interact with storage under each scenario in 2045. In the graphic, red areas represent shortages, with the hatched red portion showing the volume offset by stored water. Purple areas represent surpluses, with the hatched purple portion indicating surplus water added to storage and solid purple reflecting unmanaged supplies.



Under Scenario C, even with flat water demands, there is an 18 percent probability of shortages due to degraded water supplies. These shortages are relatively limited and can often be partially mitigated through the use of stored water. In contrast, Scenario D, with higher water demand conditions, results in more frequent and severe shortages, with fewer opportunities to build storage. In 2045, potential shortage events (shown by red areas) could reach 580 TAF on average up to 1.3 million acre-feet (MAF) max under Scenario D, compared to 297 TAF on average up to 607 TAF max under Scenario C.

Overall Rate Impact Analyses

The rate impact analyses were done in steps to clearly separate different cost pressures and their effects on future rates. This included establishing a baseline forecast, incorporating recent Board actions and known changes, adding near-term operational and capital needs, evaluating major resource planning projects, and testing rate sensitivity under varying demand scenarios.

A full description of this methodology is provided in the Background section under "Rate Impact Forecast Approach."

Adding Major Resource Planning Projects

Metropolitan's long-term water reliability strategy includes several large-scale projects currently under evaluation, shown in the table below. These projects represent significant capital investments aimed at enhancing regional water reliability, operational flexibility, and drought resilience. For clarity, all cost estimates in this section are expressed in 2025 dollars unless otherwise noted. These figures and dates are preliminary and subject to refinement as planning advances and additional information becomes available. Refer to Appendix 1 for more descriptions and assumptions for the projects.

Project Names	MWD Share Capital Costs (in 2025 $)	Construction Year Start	Production Year
Pure Water Southern California (PWSC) – 45/75 MGD (Staged) *	$7.2 B (net of grants)	2027	45MGD – 2035 75MGD – 2037
AVEK Expansion (Phase 2)	$500 M	2030	2035
Sites Reservoir (22% participation)	$1.7 B	2027	2033
SWP Surface Storage	$2.6 B	2033	2040
Delta Conveyance Project (47% participation)	$10.1 B ($9.5 B in 2023$)	2029	2045
East-West Conveyance	$4.6 B	2032	2042

** The staged PWSC 45/75 MGD is one of several potential options to be considered by the Board.*

The table below summarizes the estimated annual overall increases in unit costs from 2027 through 2045. For this analysis, unit cost is defined as total expenses net of revenue offsets, which includes property tax revenues, investment income, exchange payments under the SDCWA-Metropolitan Exchange Agreement, and other revenues, divided by annual water sales. The first four rows show the estimated annual overall rate or cost increases building up from the Adopted Ten-Year Forecast to Revised Forecast with Known Changes, and then adding expenditures in the Needed to Maintain Current System Integrity scenario. The subsequent rows show the incremental cost impacts of major resource planning projects, with the "All Major Projects" row combining these impacts. The "Grand Total" row represents the overall projected increase, which includes both system maintenance and all proposed projects.

For 2027 and 2028 combined, total costs are projected to increase by approximately 23 percent. Detailed incremental impacts for each individual resource planning project are provided in Table 3 in the Details & Background Section.

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037 – 2045 Avg %/yr
Adopted Ten-Year Forecast w/ PWSC *	11.5%	11.5%	5%	5%	4%	4%	4%	4%			
Adopted Ten-Year Forecast w/o PWSC *	7.5%	5.5%	4%	4%	4%	3%	3%	3%			
Revised Forecast with Known Changes	**10%**	**5%**	**3%**	**3%**	**4%**	**4%**	**5%**	**5%**	**4%**	**4%**	~4%/yr
Needed to Maintain Current System Integrity	12%	6%	5%	5%	6%	6%	5%	5%	4%	4%	~ 4%/yr
Incremental Additional Impact											
PWSC – 45/75MGD (Staged) **	1.6%	0.7%	2.4%	2.4%	4.8%	4.3%	2.2%	1.5%	8.3%	1.0%	~ 1.9% /yr
Other Major Projects	1.1%	1.1%	2.3%	2.6%	5.7%	12%	10.2%	3.5%	4.7%	4.9%	~1.6% /yr
All Major Projects[1]	**3%**	**2%**	**5%**	**5%**	**11%**	**16%**	**12%**	**5%**	**13%**	**5%**	**~ 5% / yr**
Grand Total[1]	**15%**	**8%**	**10%**	**10%**	**17%**	**22%**	**17%**	**10%**	**17%**	**9%**	**~ 9% / yr**

** Referenced to PWSC Phase 1 - 115 MGD using 2023 estimated costs ($6.4B in 2023$)*
*** The staged PWSC 45/75 MGD is one of several potential options to be considered by the Board.*

Demand Uncertainty is a Critical Factor in Evaluating Potential Major Resource Planning Projects

The 2025 Updated IRP Needs Assessment incorporates updated demographic data and local supply information. The analysis begins with the Revised Budget Projection (see Background section: Revised Forecast with Known Changes). From this Revised Budget Projection, two bookend water demand scenarios (High and Low demand) were applied to capture uncertainty in climate, growth, conservation, and supply. The analysis shows that demand levels significantly influence average unit costs, with results ranging from modest increases under high-demand conditions to more pronounced increases under low-demand conditions. These findings highlight the importance of both demand assumptions and the potential addition of long-term resource planning projects under Board consideration for future financial outcomes.

Additional details on the assumptions, including the revised budget demand projection and the integration of IRP Scenarios C and D to represent Low- and High-Demand Projections, are provided in the Details and Background Section (Water Sales Sensitivity Analyses). This context explains how variability in climate, conservation, and growth directly translates into the financial outcomes illustrated in the accompanying figures for that section.

Policy Considerations and Hypothetical 10-year Forecast

Two major external factors will significantly influence future financial planning. The first is the adoption of permanent statewide efficiency standards under the *Conservation as a Way of Life* framework. These new requirements are expected to change regional water use patterns and may result in additional program funding needs to meet compliance obligations.

The second factor is the potential loss of Colorado River supplies following the expiration of current operating guidelines. This change could require Metropolitan to use its Intentionally Created Surplus (ICS) resources and

[1] Displayed as simple summed total. Actuals will be slightly lower due to compounding.

pursue alternative water transfer strategies. Over time, these actions could increase the annual supply program costs by $112 million or more by 2036.

The findings of the analysis in this board letter underscore the critical tradeoffs Metropolitan faces in planning for the future. Even without new supply development, substantial investments are required to maintain the integrity of the current system. Adding all major projects would more than double average rate increases, underscoring the need for careful consideration and scope.

To navigate these challenges, the Climate Adaptation Master Plan for Water (CAMP4W) will provide the framework for evaluating when to initiate projects, how to prioritize investments, and which strategies will deliver the greatest benefits in terms of cost-effectiveness and regional reliability.

Hypothetical 10-year Financial Forecast with PWSC & Supply Program Cost Increases

To provide an early view of the potential fiscal impacts of these emerging challenges, staff prepared a hypothetical ten-year financial forecast that incorporates both the staged development of the PWSC project and anticipated increases in supply program costs associated with reduced Colorado River supplies. This scenario builds on the "Needed to Maintain Current System Integrity" baseline forecast and assumes Board approval and funding of the PWSC 45/75 MGD[2] (staged) project beginning in 2027. It also assumes the use of ICS in 2027 and 2028 to help offset initial Colorado River reductions. Beginning in 2029, supply program costs are projected to increase by $45 million, escalating to $112 million annually by 2036, with continued reliance on ICS to meet demand shortfalls and manage operational flexibility.

Under this scenario, projected overall rate increases are approximately 21 percent for 2027 and 2028 combined. This reflects both the costs of implementing PWSC and the additional burden of managing supply reductions through higher supply program expenditures and transfers, though most of those costs increases begin in 2029. These preliminary results are intended solely to illustrate the potential range of financial outcomes and provide context for future planning. They will be further refined during the upcoming biennial budget development process as updated cost estimates, supply projections, and regulatory guidance become available.

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Needed to Maintain Current System Integrity	12%	6%	5%	5%	6%	6%	5%	5%	4%	4%
With PWSC 45/75 MGD (Staged) *	14%	7%	7%	7%	11%	10%	7%	7%	12%	5%
Hypothetical 10-yr financial forecast with PWSC & estimated Supply Program cost increases*	**14%**	**7%**	**10%**	**7%**	**11%**	**10%**	**8%**	**7%**	**12%**	**5%**

18%
21%
21%

** The PWSC 45/75 MGD (staged) is one of several potential options to be considered by the Board.*

Take-Away Observations and Next Steps

This integrated financial analysis provides the Board with a foundational view of near- and long-term fiscal challenges, underscoring that significant, sustained reinvestment will be needed to maintain Metropolitan's system and meet the region's water service needs. Current cost pressures, including essential staffing to support day-to-day operations and expanded capital delivery, modernization of fleet and operating equipment, and increasing capital investments in R&R, will drive upward rate pressures even before new initiatives are added. Looking forward, major capital projects such as PWSC, Sites Reservoir, and DCP are designed to strengthen

[2] MGD – Million Gallons per Day

drought resilience, diversify supplies, and modernize infrastructure. However, they represent billions of dollars of new commitments.

These dynamics create a clear set of tradeoffs between advancing regional water reliability goals and maintaining financial sustainability. The Board will need to balance three interconnected objectives:

1. Resource Development – Building the supplies and storage with near- and long-term reliability goals;
2. Shortage Management – Ensuring the system can perform under a wide range of hydrologic and operational conditions; and,
3. Financial Sustainability – Managing near- and long-term rate impacts to keep water affordable for member agencies and the communities they serve.

The decisions ahead will shape Metropolitan's financial trajectory and water service capabilities for decades to come. An integrated approach will help balance the intersecting challenges of affordability, sustainability, and reliability, while ensuring that future investments remain fiscally responsible and consistent with Metropolitan's mission to provide safe, reliable, and affordable water to Southern California. Through a deliberate, data-driven process such as CAMP4W, the Board can ensure that investments are strategically aligned with both immediate operational needs and long-term regional priorities. The CAMP4W process should provide the framework for determining how much new supply development to pursue, when those investments should occur, and which projects are the most cost-effective in achieving both near- and long-term regional goals.

Fiscal Impact

This informational report does not have a direct financial impact and does not recommend nor authorize specific projects or programs for development. Instead, the purpose of this integrated analysis is to provide the Board with an early, high-level estimate of anticipated cost increases for the upcoming biennial budget cycle and beyond.

Applicable Policy

Metropolitan Water District Act Section 124.5: Ad Valorem Tax Limitation

Metropolitan Water District Act Section 133: Fixing of Water Rates

Metropolitan Water District Act Section 134: Adequacy of Water Rates; Uniformity of Rates

Metropolitan Water District Administrative Code Section 4304: Apportionment of Revenues and Setting of Water Rates

Related Board Action(s)/Future Action(s)

November 18, 2025	Board **action** regarding applicability of limits in Section 124.5 of the MWD Act
April 14, 2026	Board **action** regarding biennial budget, rates, and charges

Details and Background

Background

In November 2024, during the FAAME Committee meeting, the Board directed staff to analyze anticipated rate increases for the upcoming biennial budget, considering current financial conditions and expected challenges such as reduced water sales and the fiscal impact of major capital projects.

Building on this direction, in early 2025, the Board expanded the scope of this effort by directing staff to conduct a broader evaluation of key drivers affecting Metropolitan's financial outlook. This included analyzing near-term budget pressures and long-term resource planning initiatives that could affect future rates and system reliability. In May and June 2025, staff presented to the Board an "Overview of Potential Drivers of the Next Biennium

Budget," which identified known financial challenges and potential cost drivers over the next biennium and within the ten-year financial forecast.

Following that presentation, the Board directed staff to integrate these financial analyses into a comprehensive financial review that combines near-term budget requirements with long-term resource planning projects. The goal was to develop a comprehensive financial and reliability outlook for Metropolitan through 2045, consistent with the 2020 IRP.

As part of this effort, the IRP framework was updated in 2025 to reflect revised demographic data, updated SWP and Colorado River supply modeling, and changes in regional storage conditions. These updates ensure that the financial analysis is based on the most current understanding of future supply and demand conditions.

The purpose of this integrated analysis is to provide the Board with an early, high-level estimate of anticipated cost increases for the upcoming biennial budget cycle and beyond. This work builds on the Adopted Biennial Budget and Ten-Year Financial Forecast by addressing known changes to costs and revenues, estimating additional expenditures needed to maintain the integrity of Metropolitan's existing system, and assessing the potential costs and rate impacts of large-scale resource planning projects.

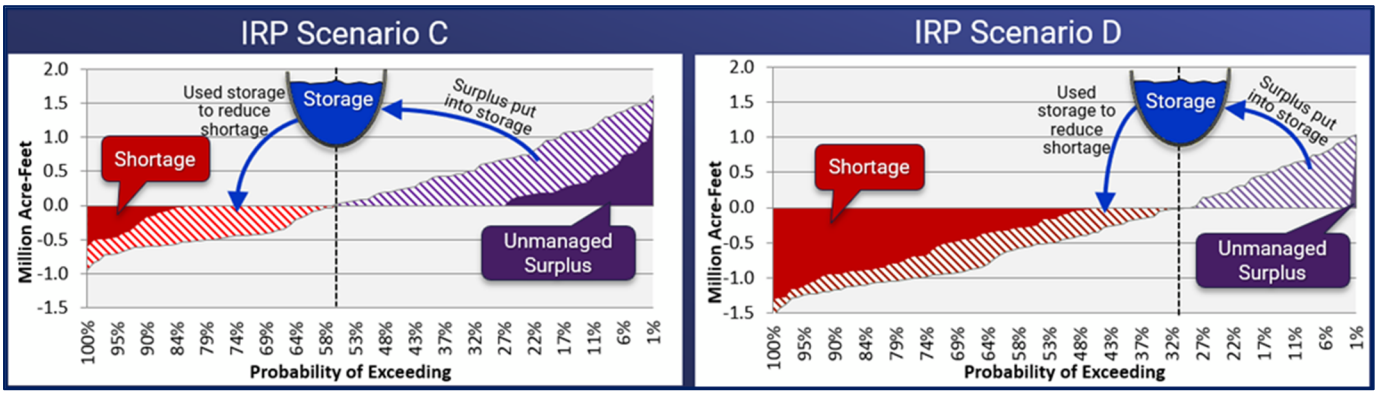
It is important to note that this analysis is **not** intended to select or prioritize specific projects nor propose solutions to the water reliability needs assessment. Instead, it provides a clear understanding of the financial trends and challenges facing Metropolitan, enabling the Board to evaluate the tradeoffs between maintaining current operations and investing in future regional water reliability.

This board letter summarizes the assumptions, data, and methodologies used in the analyses, as well as the resulting findings. It provides the foundational view for upcoming discussions around rate setting, budget challenges, and long-term capital planning.

Water Shortage and Reliability Analysis

Metropolitan's future budget outlook and decisions regarding major capital resource planning projects are closely tied to its ability to manage supply variability under demand uncertainty. In September 2025, staff updated the water shortage and reliability analysis as part of the 2025 Updated IRP Needs Assessment. This update revised Scenarios C and D of the 2020 IRP framework using the most recent demographic data, local supply developments, and revised assumptions for Metropolitan's imported water supplies. It also incorporates updated information from the Department of Water Resources' 2023 Delivery Capability Report for SWP supplies and reflects potential reductions associated with ongoing Colorado River operating guidelines negotiations.

The 2025 Updated IRP Needs Assessment also accounts for the low demands observed in recent years and better captures expected reductions in imported supplies due to climate-driven extreme weather and uncertainties related to regulatory requirements and future operating rules. The analysis modeled Scenario C and Scenario D to assess the probability and magnitude of shortage events through 2045. The charts below illustrate how shortages and surpluses interact with storage under each scenario in 2045. In the graphic, red areas represent shortages, with the hatched red portion showing the volume offset by stored water. Purple areas represent surpluses, with the hatched purple portion indicating surplus water added to storage and solid purple reflecting unmanaged supplies.



Under Scenario C, even with flat water demands, there is an 18 percent probability of shortages due to degraded water supplies. These shortages are relatively limited and can often be partially mitigated through the use of stored water. In contrast, Scenario D, with higher water demand conditions, results in more frequent and severe shortages, with fewer opportunities to build storage. In 2045, potential shortage events (shown in red areas) could reach 580 TAF on average up to 1.3 MAF max under Scenario D, compared to 297 TAF on average up to 607 TAF max under Scenario C.

Adopted Budget and Ten-Year Financial Forecast & Subsequent Updates

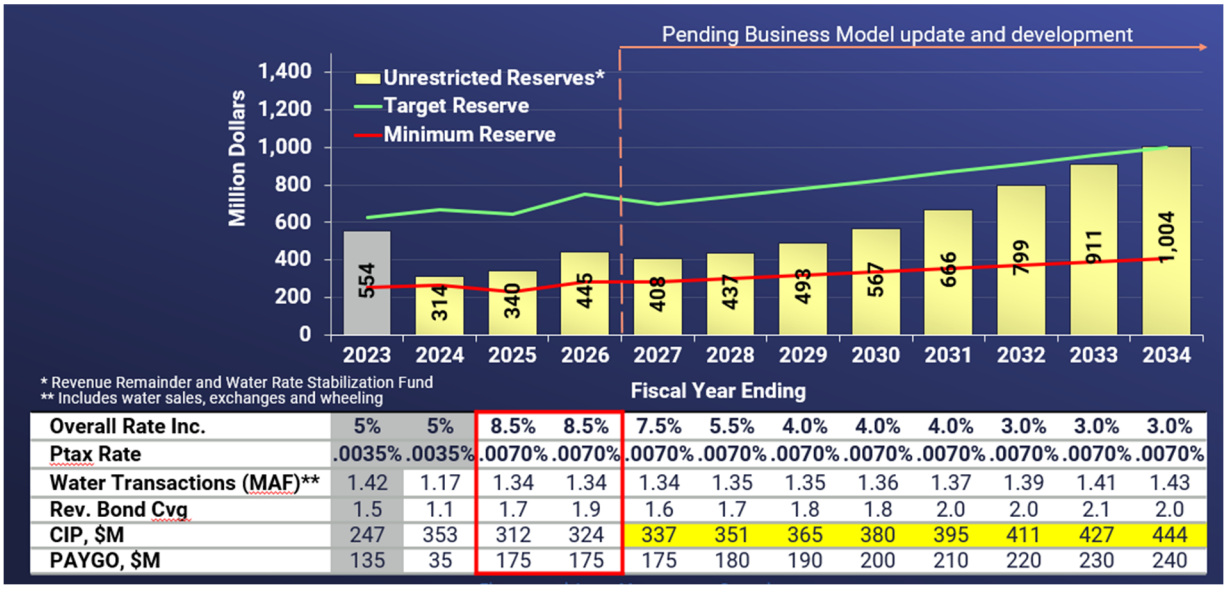
In April 2024, the Board adopted Metropolitan's Biennial Budget for FY 2024/25 and FY 2025/26. This adopted budget sets the financial foundation for the current biennium and was designed to balance revenue stability, expenditure discipline, and rebuilding reserves.

Key assumptions in the adopted budget included an ad valorem property tax rate set at 0.0070 percent, water transactions of 1.34 MAF annually (includes SDCWA exchange deliveries), $60 million per year in new one-time miscellaneous revenues for the biennium, and $18 million per year short-term reduction in department operations and maintenance (O&M) expenditures for the biennium. In addition, the budget appropriated $636.5 million for the Capital Investment Plan (CIP) and increased the PAYGO funding to $175 million per year, ensuring a stronger balance between cash funding and debt financing. It also continued Metropolitan's ongoing investments in conservation and demand management programs, supporting regional water efficiency goals. To support these assumptions, the adopted budget reflected an overall rate increase of 8.5 percent per year for CY 2025 and CY 2026.

The adopted budget was accompanied by two (2) ten-year financial forecasts, which provide a long-term perspective for planning, one with full implementation of Phase 1 (115 MGD in 2023$) PWSC and the second without PWSC.

For the purposes of this analysis, the forecast without PWSC is used as the starting baseline. This approach provides a neutral foundation for evaluating rate impacts by keeping PWSC separate from the initial financial assumptions. It ensures that PWSC can be evaluated independently and on equal footing with other potential future resource projects. Further, it provides the Board with clear visibility into the incremental costs of new initiatives relative to the current system.

Figure 1: Adopted Biennial Budget FY 2024/25 and FY 2025/26 with Ten-Year Forecast without PWSC



Overall Rate Inc.	5%	5%	8.5%	8.5%	7.5%	5.5%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%
Ptax Rate	.0035%	.0035%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%
Water Transactions (MAF)**	1.42	1.17	1.34	1.34	1.34	1.35	1.35	1.36	1.37	1.39	1.41	1.43
Rev. Bond Cvg	1.5	1.1	1.7	1.9	1.6	1.7	1.8	1.8	2.0	2.0	2.1	2.0
CIP, $M	247	353	312	324	337	351	365	380	395	411	427	444
PAYGO, $M	135	35	175	175	175	180	190	200	210	220	230	240

Board Actions Since Budget Adoptions and Mid-Biennium Updates

Since the adoption of the FY 2024/25 and FY 2025/26 Biennial Budget, several significant actions and developments have occurred that affect Metropolitan's financial outlook. These updates include Board actions, policy refinements, and actual financial performance results, all of which are reflected in the revised projections discussed later in this report.

In December 2024, the Board approved an amendment to the funding agreement with the California Department of Water Resources (DWR), providing up to $141.6 million for Metropolitan's share of DCP planning and preconstruction costs for 2026 and 2027. The updated financial forecast also assumed $75 million in credits to be received from the DWR for ongoing SWC costs. Also in December, the Board authorized $35 million in funding, supported by a $35 million credit facility, to replace and transition Metropolitan's operating fleet to comply with state zero-emission vehicle requirements, resulting in approximately $5 million in annual debt service costs beginning in FY 2026/27.

In June 2025, Metropolitan and SDCWA signed a settlement agreement, amending the Exchange Agreement. The amended agreement establishes a fixed baseline exchange payment with agreed "price terms" that are no longer linked to Metropolitan's rates and charges. Revenues from these exchange payments will now be treated as miscellaneous revenue, offsetting Metropolitan's revenue requirements in the same way as property tax revenues and other non-rate income.

The following month, in July 2025, the Board adopted several policy refinements to improve financial planning and stability. These refinements include implementing a more conservative water sales forecast, using a 70 percent exceedance level for the upcoming biennium and an 80 percent exceedance level for subsequent biennia, as well as adjustments to policies related to unrestricted reserves to ensure stronger financial resilience.

At the mid-point of the biennium, staff presented actual FY 2024/25 results to the Board in August 2025. Total water transactions were 1.24 MAF, approximately 100 TAF below budgeted levels. This shortfall was fully offset by 100 TAF of Reverse Cyclic Program sales, which generated $126 million in revenues. Property tax revenues exceeded budget by $74 million, providing a strong source of additional funding stability. On the expenditures side, lower-than-budgeted SWP power costs, along with savings in supply program and demand management, reduced overall expenditures by more than $250 million relative to budget expectations.

While FY 2024/25 performance was stronger than expected due to extraordinary one-time revenues and favorable cost variances, challenges remain for the second year of the biennium. Projected water transactions for FY 2025/26 are now estimated at 1.29 MAF, which is below the budgeted 1.34 MAF and will put downward pressure on water transactions revenues. In addition, costs to maintain and operate Metropolitan's aging infrastructure continue to rise, and staffing needs are increasing to support both day-to-day operations and the expanded capital program.

These trends underscore the importance of conservative planning assumptions adopted by the Board in July 2025 and highlight the ongoing financial pressures associated with sales volatility and long-term capital investment needs.

While the Mid-Biennium outcomes provided short-term fiscal relief, they were largely driven by one-time factors and are insufficient to address emerging challenges such as declining projected water sales, rising capital and operating costs, and the need to address deferred capital R&R and workforce capacity.

Important Note on Preliminary Information

The information provided in this board letter represents preliminary estimates and is intended to provide an early indication of financial trends and potential budget impacts. These figures are not final forecasts and will continue to be refined as part of the upcoming budget process.

At this stage, no costs have been assumed for the potential loss of Colorado River supplies. The analysis does not include updated cost or supply projections from the current budget and ten-year financial forecast; these updates will occur during the biennial budget development process. Similarly, certain cost drivers, such as supply

programs, SWP costs, power costs, or other variable operating costs, are not reflected in this analysis. These items will be evaluated separately and incorporated into the upcoming biennial budget process.

Ongoing annual conservation programs are included based on assumed water savings of approximately 5 TAF per year, totaling about $31 million annually, as reflected in the Adopted Ten-Year Forecast. Any additional costs needed to implement the "Conservation Way of Life" initiative are assumed to be funded by other regional or local programs.

For modeling purposes, the analysis assumes cost recovery occurs exactly as projected, with no changes to reserve levels. These preliminary results will be refined to include additional considerations, such as reserve policies, debt coverage requirements, and other factors typically incorporated into a full cost-of-service and rate design analysis. Staffing assessments remain under active review and will be refined as workforce analyses are completed. Capital project costs remain subject to adjustments as scopes are defined, designs advance, and market conditions evolve.

Revenue and rate projections presented in this report should be viewed as illustrative scenarios intended to frame the scale of potential fiscal impacts rather than as final forecasts. While the Board adopted a more conservative sales projection methodology that applies a 70 percent exceedance level for the next biennium and an 80 percent exceedance level for subsequent biennia, this analysis uses a consistent 70 percent exceedance level throughout the study period. This approach ensures that the rate impacts presented here focus solely on budget drivers and resource planning options without introducing additional variation from changes in sales forecasting assumptions.

The purpose of this preliminary analysis is to help the Board understand potential financial impacts and provide context for evaluating future investments and strategic priorities.

Rate Impact Forecast Approach

Metropolitan's rate forecasting methodology links resource development costs with changes in overall rates, expressed on a per AF (acre-foot) basis. As a matter of policy, rates are developed to recover Metropolitan's total projected budgeted costs, net of offsetting revenues such as property tax revenues (offsetting SWC and General Obligation costs), interest income, and miscellaneous income.

Average unit cost increases will generally reflect the long-term financial needs of the organization, but the rate changes in any single year can vary significantly. These fluctuations are driven by factors such as project funding requirements, cash flow timing, and cost recovery approaches, as well as changes in water sales and operating expenses. To maintain financial stability during these periods, Metropolitan may utilize or replenish unrestricted reserves as needed. For this analysis, staff assumed that costs are recovered exactly as projected, without factoring in reserve adjustments or other short-term balancing measures. This assumption simplifies the modeling process and focuses exclusively on how changes in costs affect long-term rate trajectories.

While this approach is a simplification and does not represent a full cost-of-service or rate design study, it provides valuable insights into how near-term budget drivers and long-term resource planning decisions will impact future rates.

The rate impact analysis was conducted in several steps. It began with establishing a baseline forecast using the adopted FY 2024/25 and 2025/26 budget and **ten-year financial forecast without the PWSC project (Phase 1 – 115 MGD)**. This provided a neutral starting point for evaluating future cost and rate impacts. The forecast was then extended to 2045 by applying assumed inflationary factors to most recurring costs to project long-term trends.

Next, the baseline forecast was adjusted to incorporate recent Board actions. These adjustments included funding for DCP planning preconstruction costs, the transition of Metropolitan's operating fleet to ZEV and the associated debt service, updates reflecting the amended SDCWA-Metropolitan Exchange Agreement, and revised water sales projections based on the 70 percent exceedance level. Updated water demand projections were also integrated to reflect conservation achievements and the most recent demand forecast from the Water Resource Management Group. Together these updates produce the **Revised Forecast with Known Changes**.

Once the revised forecast was established, additional expenditures needed to maintain current system integrity were added. These near-term budget drivers included a multi-year staffing plan, increased CIP funding for R&R

and near-term drought projects, and funding to replace and transition Metropolitan's operating fleet to meet state ZEV requirements. Incorporating these costs produced the **Needed to Maintain Current System Integrity** forecast.

The next step evaluated the potential long-term resource planning options. This involved adding the incremental cost impacts for major resource planning projects, including the staged PWSC 45/75 MGD project (one of several potential options), the AVEK High Desert Water Bank Expansion (Phase 2), Sites Reservoir, SWP Surface Storage, Delta Conveyance Project, and East-West Conveyance. Each project is evaluated individually and collectively to show its impact on overall costs relative to the baseline scenario.

Finally, average annual cost increases were calculated for the entire study period, from 2026 through 2045. For this analysis, unit cost is defined as total expenses net of revenue offsets, which include property tax revenues, investment income, exchange payments under the SDCWA-Metropolitan Exchange Agreement, and other revenues, divided by annual water sales. These calculations were performed for both the **Revised Forecast with Known Changes** and the **Needed to Maintain Current System Integrity** forecasts, providing a clear comparison of how different cost drivers influence long-term cost trajectories.

Overall Rate Impact Analyses

Revised Forecast and Near-Term Cost Drivers

The Adopted Biennial Budget and Ten-Year Financial Forecast provided a baseline for evaluating future costs and rates. Since adoption, several significant developments, including board actions, revised sales assumptions, and other changes, have altered Metropolitan's financial outlook.

To help the Board understand the impact of these updates, this section presents two scenarios. The first, the **Revised Forecast with Known Changes**, reflects recent board decisions and updated assumptions. The second, **Needed to Maintain Current System Integrity**, incorporates the additional expenditures required to sustain Metropolitan's existing system. Together, these scenarios illustrate how recent decisions and emerging budget pressures affect both near-term rate increases and long-term financial planning.

Revised Forecast with Known Changes

This first scenario adjusts the adopted financial forecast to reflect recent board actions and updated assumptions, while holding all other factors constant. Key changes include lower projected water transactions based on updated demand projections and the 70 percent exceedance level approved by the Board in July. The scenario also incorporates the relevant changes in the amended SDCWA-Metropolitan Exchange Agreement, which decouples exchange price from Metropolitan's rates. In addition, it reflects funding for DCP planning and preconstruction costs for 2026 and 2027, a total of $75 million in new credits from DWR to offset existing SWC costs, and $35 million in funding, supported by a $35 million credit facility, to transition Metropolitan's fleet to ZEV, with related debt service of approximately $5 million annually beginning in FY 2026/27. Finally, the scenario includes higher property tax revenues reported in the FY 2024/25 4th Quarter Report.

This revised forecast provides a clear picture of how recent Board actions and external factors are influencing revenue requirements and rate trajectories.

To provide context for the evolving financial outlook, the following analysis compares prior projections with updated information. Table 1 illustrates the difference by showing three views: the original Adopted Ten-Year Financial Forecast with PWSC project, the adopted forecast without PWSC, and the Revised Forecast with Known Changes.

For example, combined rate increases for 2027 and 2028 were originally projected at 13 percent under the adopted forecast without PWSC. Under the Revised Forecast with Known Changes, this rises to 15 percent,

reflecting the cumulative fiscal impact of lower water sales, the amended Exchange Agreement, and new funding commitments.

This scenario provides the Board with an updated, transparent baseline before adding other emerging cost drivers such as staffing and CIP growth.

Table 1: Projected Overall Rate /Cost Increases for Revised Forecast with Known Changes

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037 – 2045 Avg %/yr
Adopted Ten-Year Forecast w/ PWSC *	11.5%	11.5%	5%	5%	4%	4%	4%	4%			
Adopted Ten-Year Forecast w/o PWSC *	7.5%	5.5%	4%	4%	4%	3%	3%	3%			
Revised Forecast with Known Changes	**10%**	**5%**	**3%**	**3%**	**4%**	**4%**	**5%**	**5%**	**4%**	**4%**	**~4%/yr**

** PWSC Phase 1 - 115 MGD using 2023 estimated costs ($6.4B in 2023$)*

Needed to Maintain Current System Integrity

The second scenario builds on the Revised Forecast with Known Changes by adding the near-term budget drivers that have emerged through updated operational and capital planning assessments. This represents the additional funding necessary to sustain Metropolitan's existing system while addressing deferred needs and meeting regulatory requirements.

Key additions include:

- Multi-year staffing plan to support operations and expanded capital program delivery,
- Expanded CIP funding, rising from $688 million to $950 million for the next biennium, and
- Increased fleet modernization costs to comply with State ZEV regulations, including $12 million annually (with $5 million in debt service from the $35 million credit facility authorization).

Together, these factors represent the core operational requirements needed to ensure system reliability over the next decade.

Staffing Needs Assessment

Metropolitan's ability to reliably operate and maintain its water system depends on a skilled and adequately staffed workforce. As demands on the system evolve and capital investment grows, staff are working collaboratively with operations, engineering, and administrative groups to evaluate workforce capacity and ensure staffing levels are aligned with both near-term and long-term strategic priorities.

The assessment focuses on identifying the most critical positions needed to sustain day-to-day operations, support the delivery of the expanded CIP program, and meet regulatory and safety requirements. The process recognizes the complexity of Metropolitan's infrastructure, which includes large-scale treatment facilities, conveyance systems, and an expanded portfolio of capital projects. At the same time, staffing decisions are being carefully balanced against financial sustainability and affordability for member agencies and the communities they serve. This means prioritizing essential positions while managing overall staffing growth responsibly.

Preliminary estimates indicate that additional staffing needs will require incremental funding over the next several years. The initial implementation has been scaled back to limit impacts on rates, with an average biennium rate increase of approximately one (1) percent. The current plan anticipates adding 287 positions gradually over the next three (3) biennia. As the staffing plan is fully implemented, the cumulative impact is expected to increase over time, as shown below.

Fiscal Year	2027	2028	2029	2030	2031	2032
Additional Staffing Needs	$10 M	$21 M	$29 M	$38 M	$46 M	$54 M

Capital Investment Plan Pressures

In April 2024, the Board appropriated $636.5 million for the CIP covering FY 2024/25 and FY 2025/26. This appropriation provided the funding necessary to address Metropolitan's immediate capital needs while maintaining system reliability.

At the mid-point of the biennium, staff reported to the Engineering, Operations, and Technology (EOT) Committee that actual expenditures are now projected to range between $636.5 million and $666.5 million, exceeding the original appropriation. The projected variance is driven by inflationary pressures, supply chain volatility, higher-than-anticipated contract bids, and the acceleration of previously deferred refurbishment projects. Without additional funding, some critical infrastructure work may need to be delayed, increasing both operational and reliability risks.

To address these challenges, staff recommended a $30 million increase to the current biennium CIP budget at the EOT Committee's October 13, 2025, meeting. If approved, this adjustment would raise the total to $666.5 million, establishing a higher effective baseline for future biennia. Many major construction contracts awarded in the second half of this biennium will likely carry over into the next biennium (FY 2026/27 and FY 2027/28), which will increase the starting point for the next biennium's CIP to approximately $950 million, a 42 percent increase over the current biennium. This higher level of funding reflects a combination of factors, including the carryover of existing contract commitments, funding for drought-resilience projects, and a recalibration of baseline infrastructure needs based on updated system assessments.

To limit the initial rate impacts associated with the expanded CIP program, a greater reliance on long-term debt financing will be needed in the early years of the expanded program. This approach provides time to gradually increase PAYGO funding as revenues grow, ensuring Metropolitan can attain and maintain its revenue bond coverage targets over the long term. Under the current plan, approximately 37 percent, or $355 million, will be funded through PAYGO, while the remaining 63 percent, or $595 million, will be supported by long-term debt.

The additional $265 million needed for the next biennium will primarily be debt-financed, resulting in an estimated $17 million in annual debt service, equivalent to roughly a 1 percent overall cost increase. This adjustment will not affect calendar year 2026 rates, but it will place upward pressure on rates in subsequent years as debt service begins to ramp up. The funding mix balances near-term affordability with the need for sustained reinvestment in aging infrastructure.

Funding Fleet Modernization

Metropolitan's operating fleet plays a vital role in day-to-day maintenance and emergency response across its extensive water delivery system. State regulations now require that all fleet vehicles transition to ZEV over the coming years.

In December 2024, the Board approved $35 million in funding, supported by a $35 million credit facility, to transition the operating fleet to ZEV. This action results in approximately $5 million in annual debt service beginning in FY 2026/27, plus an additional $7 million annually for ongoing maintenance and replacement, for a total of $12 million per year. This investment ensures compliance with state mandates while modernizing the fleet to improve operational reliability and reduce long-term maintenance costs.

Integrated Impact Needed for Maintaining Current System

By combining these three drivers, staffing expansion, higher CIP needs, and fleet modernization, Metropolitan faces a substantial cost increase in required funding just to sustain its current system.

As shown in Table 2, which builds upon the Revised Forecast with Known Changes presented in Table 1 by incorporating additional near-term budget drivers that have emerged through recent operational and capital planning assessments. This adjusted forecast represents the additional investments necessary to maintain and

enhance Metropolitan's existing system while addressing immediate needs that are critical to reliable service delivery and regulatory compliance.

For example, under this scenario, combined overall cost increases for 2027 and 2028 are projected to rise from 15 percent under the Revised Forecast with Known Changes to 18 percent, demonstrating the additional financial burden of these emerging operational and capital needs. Over the long term, it is estimated that they both reflect an average annual cost increase of approximately 4 percent per year between 2037 and 2045.

Table 2: Projected Overall Cost Increases - Needed to Maintain Current System Integrity vs Revised Forecast with Known Changes

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037 – 2045 Avg %/yr
Adopted Ten-year forecast w/ PWSC *	11.5%	11.5%	5%	5%	4%	4%	4%	4%			
Adopted Ten-Year Forecast w/o PWSC *	7.5%	5.5%	4%	4%	4%	3%	3%	3%			
Revised Forecast with Known Changes	10%	5%	3%	3%	4%	4%	5%	5%	4%	4%	~4%/yr
Needed to Maintain Current System Integrity	**12%**	**6%**	**5%**	**5%**	**6%**	**6%**	**5%**	**5%**	**4%**	**4%**	**~4%/yr**

23% 13% 15% 18%

** PWSC Phase 1 - 115 MGD using 2023 estimated costs ($6.4B in 2023$)*

While the Needed to Maintain Current System Integrity scenario reflects the costs necessary to maintain Metropolitan's current system, including expanded staffing, increased capital investment, and fleet modernization would represent a significant incremental cost. In 2027 and 2028, maintaining system integrity alone is projected to require an approximate 18 percent combined cost increase over the biennium.

Revised Financial Forecast with Long-term Resource Planning Options

The previous sections established the baseline financial projections and the additional near-term costs required to maintain Metropolitan's existing system. This section builds on that foundation by introducing major long-term resource planning projects under consideration by the Board, shown in the table below.

These projects represent significant capital investments aimed at enhancing regional water reliability, operational flexibility, and drought resilience. Each project is evaluated individually and collectively to determine its incremental cost impact above the "Needed to Maintain Current System Integrity" scenario presented in Table 2.

For clarity, all cost estimates in this section are expressed in 2025 dollars unless otherwise noted. These figures and dates are preliminary and subject to refinement as planning advances and additional information becomes available. Detailed descriptions of the major resource planning projects, including scope, estimated costs, and anticipated schedules, are provided in Appendix 1.

Project Names	MWD Share Capital Costs (in 2025 $)	Construction Year Start	Production Year	Data Status
PWSC – 45/75 MGD (Staged) *	$7.2 B (net of grants)	2027	45MGD – 2035 75MGD – 2037	Staged to gradually build to 75 MGD, Sept 2025 estimate
AVEK Expansion (Phase 2)	$500 M	2030	2035	Preliminary estimate
Sites (22% participation)	$1.7 B	2027	2033	Updated cost projections expected Aug 2025
SWP Surface Storage	$2.6 B	2033	2040	Preliminary estimate
DCP (47% participation)	$10.1 B ($9.5 B in 2023$)	2029	2045	Updated cost projections expected in 2026-2027
East-West Conveyance	$4.6 B	2032	2042	Preliminary estimate

** The PWSC 45/75 MGD (staged) is one of several potential options to be considered by the Board*

Building on the "Needed to Maintain Current System Integrity" scenario shown in Table 2, Table 3 adds the incremental costs of Metropolitan's potential major resource planning projects. This stepwise view allows the Board to see the individual cost contributions of each project, understand the cumulative financial impact if all projects were to proceed, and evaluate how these investments affect future rates relative to sustaining the existing system. All figures are expressed in calendar year percentage rate increases for consistency with previous tables.

The first row shows the estimated annual overall cost increases Needed to Maintain Current System Integrity, including staffing, CIP growth, and fleet modernization. The subsequent rows display the incremental annual cost increase each project adds above this baseline. The "All Major Projects" row represents the combined total increase from all projects added together, while the "Grand Total" row reflects the full projected rate impact, combining both the Needed to Maintain Current System Integrity and all major projects. It is important to note that costs compound over time, meaning the actual cumulative percentages will be slightly lower than the simple sum shown in the "All Major Projects" row.

Table 3: Projected Overall Incremental Cost Impact for Major Resource Planning Projects

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037 – 2045 Avg %/yr
Needed to Maintain Current System Integrity	12%	6%	5%	5%	6%	6%	5%	5%	4%	4%	~ 4%/yr
Incremental Additional Impact											
PWSC – 45/75MGD (Staged) *	1.6%	0.7%	2.4%	2.4%	4.8%	4.3%	2.2%	1.5%	8.3%	1.0%	~ 1.9% /yr
AVEK Expansion (Phase 2)				0.3%	1.1%	1.1%					
Sites (22% participation)	0.6%	0.8%	1.3%	1.5%	1.0%	0.3%	0.3%				
SWP Surface Storage							0.2%	0.4%	1.3%	2.3%	~ 1.3% /yr
DCP (47% participation)	0.5%	0.4%	1.0%	0.5%	0.7%	0.6%	0.7%	1.2%	2.8%	2.6%	~ 1.8% /yr
East-West Conveyance				0.3%	2.9%	10.0%	9.0%	1.9%	0.6%		
All Major Projects**	**3%**	**2%**	**5%**	**5%**	**11%**	**16%**	**12%**	**5%**	**13%**	**5%**	**~ 5% / yr**
Grand Total**	**15%**	**8%**	**10%**	**10%**	**17%**	**22%**	**17%**	**10%**	**17%**	**9%**	**~ 9% / yr**

** The staged PWSC 45/75 MGD is one of several potential options to be considered by the Board*
*** Displayed as a simple summed total. Actuals will be slightly lower due to compounding*

Take-Away Observations

For the next biennium, the additional expenditures Needed to Maintain Current System Integrity are projected to increase costs by approximately 18 percent. Adding the staged 45/75 MGD PWSC project (one of several potential options) increases the projected need to roughly 21 percent. If the early phases of the Sites Reservoir and DCP projects are also included, the total combined cost impact is estimated to reach approximately 23 percent.

This view demonstrates both the timing and magnitude of fiscal impacts, providing essential context for decisions about project sequencing and prioritization.

Water Sales Sensitivity Analyses - Integration of IRP Scenario Planning and Conservative Sales Forecast

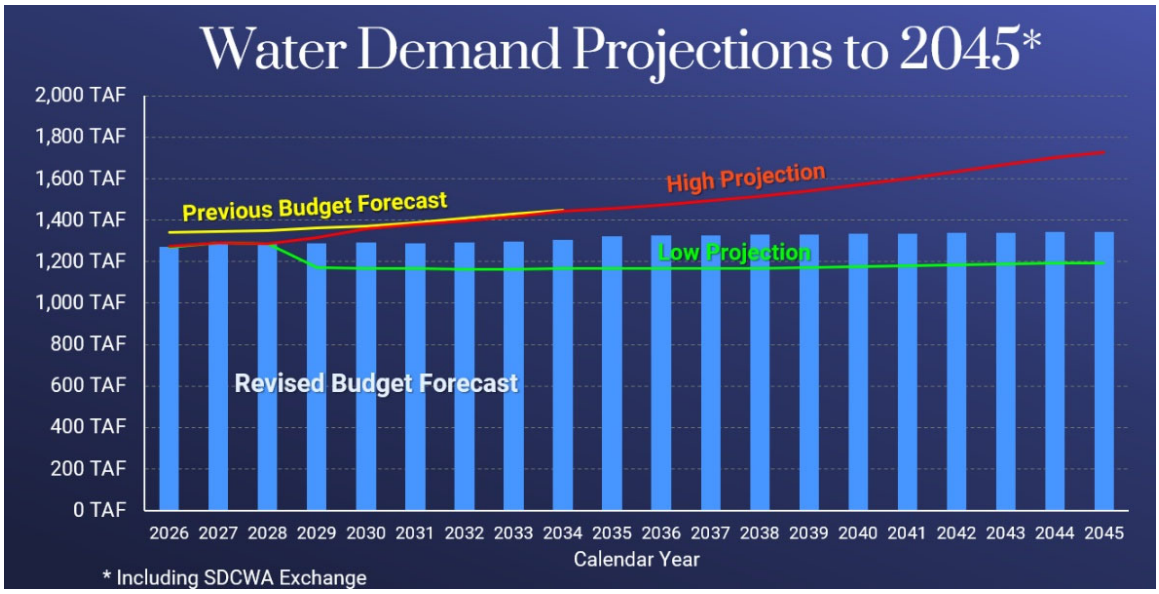
Per the Board's recent adopted policy on conservative water assumptions used for rate settings and consistent with the assumptions used in the current adopted budget, staff applied a 70 percent exceedance level for the water demand forecast as the baseline for this analysis. A 70 percent exceedance forecast means there is a 70 percent probability that actual sales will exceed the forecast, providing a conservative, lower-bound planning assumption for revenue and rate modeling. This approach helps Metropolitan prepare for potential revenue shortfalls by building resilience into budget and rate planning.

Using 2025 updates on demographic data and local supply information, the revised budget demand projection is paired with two bookend projections to reflect uncertainty in climate, growth, conservation, and supply conditions. The Low Projection (IRP Scenario C) assumes modest growth with strong local water use efficiency, limited local supply development, and reductions in imported supply due to climate change and regulatory constraints. The High Projection (IRP Scenario D) reflects strong growth and a rebound in water use, supported by strong local supply development but challenged by the effects of climate change and regulatory impacts on imported supply.

The analysis applied the demand sensitivity in three stages. First, a conservative baseline (Revised Budget Projection) was established using the 70 percent exceedance forecast as the starting point throughout the analysis period. Next, beginning in 2029, demand projections diverge into low and high projections through 2045, consistent with IRP Scenarios C and D. Finally, these demand trajectories were translated into rate impacts by applying the same cost structures used in the rate modeling to isolate how changes in water sales volumes alone affect average unit cost ($/AF), independent of other cost drivers.

Figure 2 presents the projected Water Transaction Forecasts for Calendar Years 2026 through 2045. Water transactions include total deliveries, including the SDCWA exchange volumes. Water sales are defined as water transactions less the SDCWA exchange. The chart illustrates the revised budget forecast at the 70 percent exceedance level and shows how demand projections diverge after 2028 under the low and high projections. This visual framework provides a shared reference point for interpreting how variability in water transactions and the resulting water sales influences financial outcomes.

Figure 2: Water Demand Projections[3] for Calendar Year 2026 to 2045



The preceding tables presented numerical projections of average unit costs[4] and overall cost increases across a range of projections. The following figures provide visual representations of these trends, making it easier to compare scenarios and understand the timing and magnitude of future cost changes. These figures are designed to highlight the difference between sustaining Metropolitan's current system and funding all major planned projects, show the effect of inflation on cost projections and illustrate how water demand assumptions affect unit costs over time.

Figure 3 illustrates the projected average unit cost under two scenarios, expressed in nominal dollars, which include the effects of inflation. The first scenario, Needed to Maintain Current System Integrity, reflects the costs associated with sustaining Metropolitan's existing system through ongoing operations, R&R, and other near-term priorities required for reliable service. Under this scenario, the average annual cost increase is approximately 5 percent per year. The second scenario, Funding All Major Projects, builds on the baseline by adding the capital and operating costs of constructing and maintaining major new resource planning projects such as PWSC, Sites Reservoir, and DCP. In this case, the average annual cost increase rises to approximately 8 percent per year. The comparison between these two scenarios clearly demonstrates the difference between simply maintaining the existing system and making large-scale infrastructure investments to meet the region's future water reliability needs.

[3] Including 277,700 AF of SDCWA exchanged water
* Revised water transaction forecast for upcoming biennial budget at 70 percent exceedance
[4] Average unit cost is defined as total expenses net of revenue offsets, which include property tax revenues, investment income, exchange payments under the SDCWA-Metropolitan Exchange Agreement, and other revenues, divided by annual water sales.

Figure 3: Average Unit Cost in Nominal Dollars for Needed to Maintain Current System Integrity vs Funding All Major Projects for Calendar Year 2026 to 2045

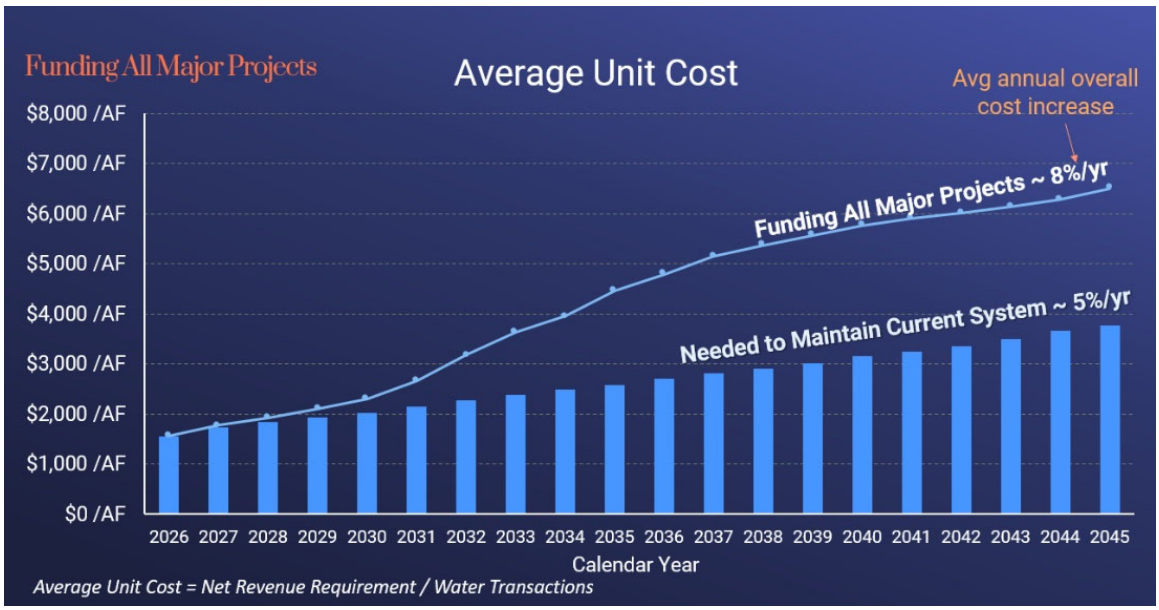
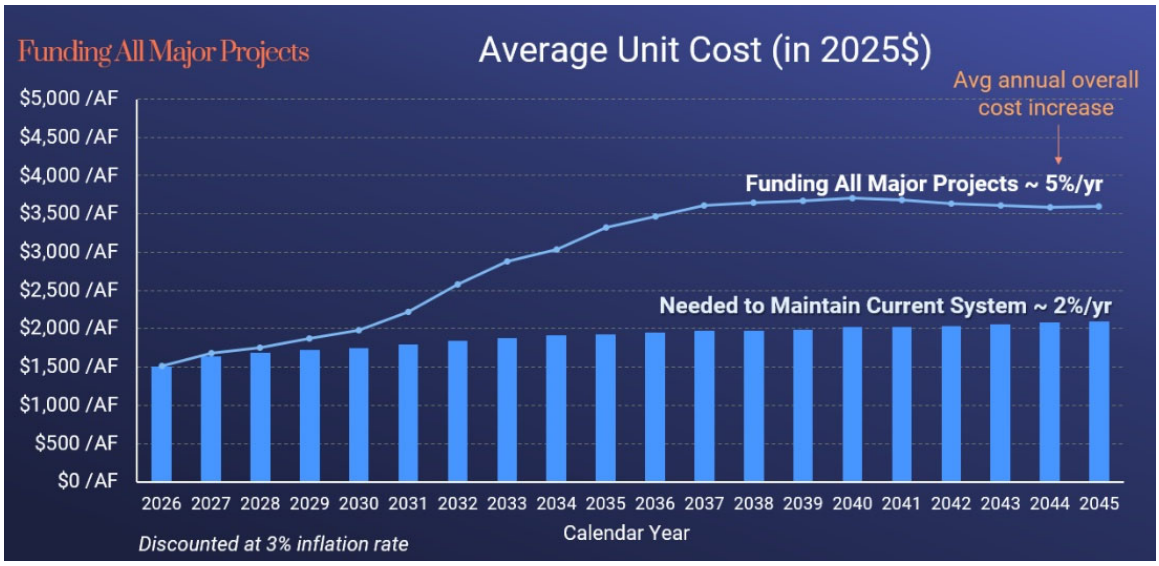


Figure 4 presents the same two scenarios but adjusts all costs to 2025 dollars, removing the effects of inflation. This normalization allows the Board to compare future costs to today's values, providing a clearer, more direct view of real cost growth over time. Under this inflation-adjusted view, the Needed to Maintain Current System Integrity shows an average annual cost increase of approximately 2 percent. In contrast, the Funding All Major Projects scenario reflects a higher average increase of approximately 5 percent, which isolates the true financial impact of new infrastructure investments apart from general inflationary effects. By removing inflation, Figure 4 provides a consistent baseline for evaluating costs and enables the Board to clearly distinguish how much of the projected rate growth is driven by the planned projects versus the effects of overall economic inflation.

Figure 4: Average Unit Cost in 2025 Dollars for Needed to Maintain Current System Integrity vs Funding All Major Projects for Calendar Year 2026 to 2045

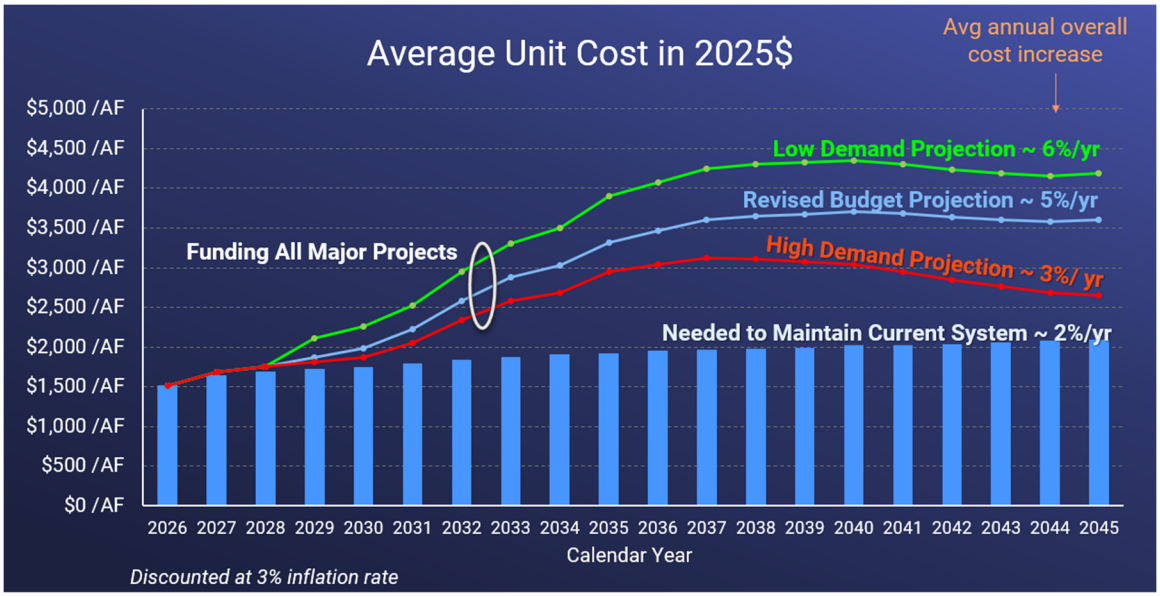


While Figures 3 and 4 compare system-only vs. system-plus-project costs, they assume a single, fixed water demand projection. Figure 5 expands this analysis by incorporating High- and Low-demand forecasts, demonstrating how water sales volume affects unit costs. The Revised Budget Projection represents the central planning case, based on the most recent water demand forecast. The Low Projection (IRP Scenario C) reflects conditions of rapid climate change coupled with lower demand growth. The High Projection (IRP Scenario D) represents a future where rapid climate change occurs alongside higher demand growth. Figure 5 illustrates how average unit costs change under each of these scenarios, expressed in 2025 dollars to remove the effects of inflation. Under higher demand, costs are distributed across a greater volume of water deliveries, resulting in lower per-acre-foot costs. Conversely, under lower demand, fixed costs are spread over fewer units, which causes higher per-unit costs. This demonstrates how demand variability directly influences rate levels, even when total system costs remain constant, and provides a more direct comparison that isolates the real impact of water demand on future unit costs.

The analysis highlights several important insights. Under the "Maintain Current System Integrity" scenario, average unit costs are increased modestly at approximately 2 percent per year. When all major projects are funded under the expected demand scenario, annual increases rise to approximately 5 percent. Under low demand conditions, these annual increases are slightly higher, reflecting the effect of spreading fixed costs across a smaller water volume.

This figure is particularly valuable for strategic planning, illustrating how future factors such as population growth, conservation, and climate impacts could affect Metropolitan's long-term financial position.

Figure 5: Average Unit Cost in 2025 Dollars for Needed to Maintain Current System Integrity vs Funding All Major Projects with Water Demands at Expected, Low, and High for Calendar Year 2026 to 2045



Policy Consideration and Hypothetical 10-year Forecast

As part of this comprehensive financial review, staff evaluated emerging policy considerations and external factors that could significantly influence Metropolitan's financial and operational planning. Two areas of focus are "Conservation as a Way of Life" which was adopted in 2024, and the potential loss of Colorado River supplies following the expiration of current operating guidelines. These factors are expected to have both direct and indirect impacts on future demand projections, revenue stability, and capital investment priorities.

Conservation as a Way of Life

In 2024, the adoption of the "Conservation as a Way of Life" framework establishes permanent, long-term water use efficiency standards to help the state adapt to climate change and address ongoing water supply challenges. Under this framework, water suppliers, not individual customers, are required to meet specific "urban water use

objectives" by implementing locally appropriate and flexible solutions. These include measures such as promoting drought-tolerant landscaping, reducing outdoor irrigation, and minimizing water losses within distribution systems.

Metropolitan's current financial projections assume $31 million annually in conservation funding to support these efforts. However, as regulatory requirements are further defined, the Board will need to consider Metropolitan's role in achieving regional compliance. Future decisions may involve determining whether conservation participation should remain voluntary or evolve into a more standardized or mandated approach across the region. These decisions will have a direct effect on water demand management, operational planning, and ultimately, future rate structures.

Potential Loss of Colorado River Supplies

Another critical factor is the potential reduction of Colorado River supplies due to changes in Colorado River operations once current guidelines expire. The 2025 Updated IRP Needs Assessment incorporated multiple potential outcomes from ongoing Colorado River negotiations, reflecting greater variability in future supply reliability. Under certain conditions, wetter periods could help replenish storage levels, but extreme dry-year shortages are projected to become more severe than in previous forecasts. This will require Metropolitan to use ICS resources strategically and pursue additional supply and storage solutions to maintain regional reliability.

In the near term, Metropolitan's current 1.5 MAF of ICS resources will serve as a bridge to offset initial reductions in Colorado River deliveries while longer-term strategies are implemented. Over time, sustained supply reductions will require additional measures to maintain regional reliability. These strategies may include leveraging the second right of refusal to purchase water made available through the SDCWA-Metropolitan Exchange Agreement, maximizing the Palo Verde Irrigation District fallowing program, expanding conservation initiatives to mitigate supply losses, and pursuing other water transfer purchases for use or storage when feasible.

The timing and effectiveness of these strategies will directly affect both regional supply reliability and Metropolitan's long-term financial commitments.

Hypothetical 10-Year Forecast

To provide an early view of the potential fiscal impacts of these emerging challenges, staff prepared a hypothetical ten-year financial forecast that incorporates both the staged development of the PWSC project and anticipated increases in supply program costs associated with reduced Colorado River supplies.

This scenario builds on the "Needed to Maintain Current System Integrity" baseline forecast with several key assumptions. It assumes Board approval and funding for the PWSC beginning in 2027 and the use of ICS supplies in 2027 and 2028 to help offset initial Colorado River reductions. Beginning in 2029, the scenario includes an increase supply program cost of $45 million, which is projected to escalate to $112 million annually by 2036. It also assumes continued use of ICS to address demand shortfalls and manage operational flexibility, along with a projected cost increase of three (3) percent in 2029 and less than one (1) percent annually thereafter.

Under this scenario, projected overall unit costs increase by approximately 21 percent for 2027 and 2028 combined, as shown in Table 4. This reflects both the costs of implementing PWSC and the additional burden of managing supply reductions through higher supply program expenditures and transfers, though most of those costs increases begin in 2029. Expressed on a per-acre-foot basis, these unit cost projections provide a clearer picture of how total expenditures translate into rate impacts when spread across water sales.

These preliminary results are intended solely to illustrate the potential range of financial outcomes and provide context for future planning. They will be further refined during the upcoming biennial budget development process as updated cost estimates, supply projections, and regulatory guidance become available.

Table 4: Hypothetical 10-year Financial Forecast with PWSC & Supply Program Cost Increases

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Needed to Maintain Current System Integrity	12%	6%	5%	5%	6%	6%	5%	5%	4%	4%
With PWSC 45/75 MGD (Staged) *	14%	7%	7%	7%	11%	10%	7%	7%	12%	5%
Hypothetical 10-yr financial forecast with PWSC & estimated Supply Program cost increases*	**14%**	**7%**	**10%**	**7%**	**11%**	**10%**	**8%**	**7%**	**12%**	**5%**

** The PWSC 45/75 MGD (staged) is one of several potential options to be considered by the Board*

Take-Away Observations

The financial analysis presented in this report demonstrates that rising costs will translate into significant rate impacts necessary to sustain Metropolitan's current system. These increases are driven by several interconnected factors, including the organizational-wide staffing needed to support day-to-day operations and expanded capital program, the rising costs associated with replacing and modernizing operating fleet and operating equipment, and the growing investment in repairs, replacements, and refurbishment projects within the CIP.

Even before adding new projects, these baseline pressures alone will require substantial long-term reinvestment to maintain system reliability, comply with regulatory requirements, and meet the region's water service needs.

The analysis also shows that pursuing all major planned capital projects, including PWSC, Sites Reservoir, DCP, and others, would further increase costs, placing additional pressure on financial impacts for Metropolitan's member agencies and the communities they serve. These projects are designed to enhance drought resilience, diversify supplies, and modernize infrastructure, but they also represent billions of dollars in new commitments. The timing and sequencing of these projects are key factors in managing cumulative financial impacts. When multiple projects move forward simultaneously, peak rate increases can occur, as reflected in Table 3 and Figures 3 through 5.

This creates a clear tradeoff between advancing regional reliability goals and cost pressures. As Metropolitan looks ahead, decisions will need to strike a balance among three critical objectives: developing supplies and storage to meet both near- and long-term reliability needs, ensuring the system can operate effectively under a wide range of hydrologic and operational conditions, and managing rate impacts to keep water affordable for member agencies and the communities they serve.

This analysis provides the Board with the financial context needed to navigate these tradeoffs and to evaluate the pathways forward in determining how best to meet the region's future water reliability and affordability goals.

Role of the CAMP4W Process

The CAMP4W process will be central to these future decisions, guiding the Board in determining how much new supply development Metropolitan should pursue and when those investments should occur. It will also help identify which projects and strategies are the most cost-effective in achieving both near- and long-term regional goals. By integrating technical, financial, and policy perspectives, CAMP4W will help Metropolitan prioritize investments and sequence project development to ensure the most effective use of limited financial resources.

Next Steps for the Board

As the Board prepares for upcoming budget and rate-setting discussions, this analysis will provide a foundation for the FY 2026/27–2027/28 biennium and establish a framework for evaluating and comparing project proposals as they are refined. These projections will be further refined as new information becomes available, particularly for projects still in early planning stages, such as SWP Surface Storage and AVEK expansion Phase 2.

10/6/2025

Katano Kasaine *Date*
Assistant General Manager/
Chief Financial Officer

10/6/2025

Deven Upadhyay *Date*
General Manager

Ref# cfo12702420

APPENDIX 1 – PROJECT DESCRIPTIONS & ASSUMPTIONS

Pure Water Southern California (PWSC)

PWSC is one of the most significant regional water supply initiatives under consideration.

- It will create a sustainable new local water source by purifying treated wastewater for potable reuse.
- Depending on the final configuration, PWSC could be developed in multiple sizes, including 45 MGD, 75 MGD, 45/75 MGD staged, 115 MGD, 150 MGD, or 150 MGD staged options.
- Under the currently modeled 45/75 MGD staged plan, PWSC would produce up to 77,300 AF per year, beginning with 45 MGD and expanding to 75 MGD based on regional demand and regulatory considerations.

Staging Strategy for 45/75 MGD:

- The initial 45 MGD phase will establish core treatment and delivery infrastructure.
- A second stage would expand capacity to 75 MGD if justified by regional needs, regulations, and financial conditions.
- Construction is anticipated to begin in 2027, with operations commencing by 2035 for 45 MGD, if approved, by 2037 for 75 MGD
- Staging provides early benefits while reducing near-term fiscal exposure and avoiding overbuilding should future demand not materialize.

Cost Considerations:

- The 45/75 MGD staged option is estimated at $7.2 billion (net of grants).
- Incremental construction allows for re-evaluation at each stage, balancing near-term investment with long-term flexibility.
- Funding will come from a mix of rates, grants, and debt financing.

At this time, no final decisions have been made on the final size, staging, or cost recovery approach. The PWSC program is not currently included in Metropolitan's CIP as a capital program; however, the Board is expected to consider its inclusion in the CIP as part of the upcoming biennial budget process. For this analysis, the 45/75 MGD staged option is modeled separately to ensure transparency and comparability with other potential projects. It is one of several potential options to be considered by the Board.

AVEK High Desert Water Bank Expansion (Phase 2)

Metropolitan is evaluating participation in a Phase 2 expansion of the High Desert Water Bank Program with the Antelope Valley-East Kern Water Agency (AVEK).

- The existing program, approved in 2019, provides 280 TAF of storage and 70 TAF per year of direct recovery into the East Branch of the California Aqueduct.
- The proposed expansion would add 440 TAF of storage, increasing total program capacity to 720 TAF, and raise annual put-and-take capability to 110 TAF.
- The project would also establish a new connection to the West Branch of the California Aqueduct.

Schedule and Costs:

- Construction is anticipated to begin in 2030, with operations commencing by 2035.
- Metropolitan's preliminary participation costs are estimated at $500 million, to be refined as planning progresses.

Strategic Benefits:

- Provides additional flexibility to capture supplies in wet years and recover water during droughts or emergencies.
- Supports reliable deliveries when SWP allocations are low or upstream infrastructure is disrupted.

Sites Reservoir Project

The Sites Reservoir Project is a proposed 1.5 MAF off-stream storage facility located west of Maxwell, California.

- Metropolitan holds a 22.1 percent share, equating to 312 TAF of storage and long-term yields of 32 TAF annually on average, with higher deliveries in dry years (56 TAF).
- The project operates under its own independent water right, separate from the SWP.

Schedule and Costs:

- Construction is anticipated to begin in 2027, with operations commencing by 2033
- Metropolitan's share of total capital costs is estimated at $1.7 billion (2025$).
    - Assuming full debt financing over 30 years at 4 percent, annual capital obligations are approximately $101 million.
    - Annual O&M costs are projected at $11.9 million, plus $2.9 million in R&R, net of hydropower credits.

Strategic Benefits:

- Adds storage capacity independent of the SWP, improving resilience against variable hydrology and climate-driven supply fluctuations.

State Water Project (SWP) Surface Storage

Staff is evaluating a potential 300 TAF SWP surface storage facility to enhance drought resilience and operational flexibility.

Planning Status:

- Phase 2 of the Surface Water Storage Study narrowed potential sites from over 300 to 10 locations for further evaluation.
- Phase 3, beginning later in 2025, will include technical assessments, environmental review, and modeling in coordination with DWR and other regional partners.

Schedule and Costs:

- Construction is anticipated to begin in 2033, with operations commencing by 2040
- Preliminary construction costs are estimated at $2.6 billion (2025$)
    - Current assumptions include a 15/85 split between PAYGO and debt financing.
    - These figures do not yet include O&M or compliance costs and are not part of the current baseline forecast.

Delta Conveyance Project (DCP)

The DCP is a critical investment to modernize the SWP's aging Delta infrastructure and prepare for climate-driven hydrologic changes and sea level rise.

- Adds new intakes in the Sacramento River to capture supplies during high-flow events, increasing reliability and resilience.
- Expected to provide up to 190 TAF annually, supporting regional storage and drought management efforts.

Schedule and Costs:

- Construction is anticipated to begin in 2029, with operations commencing by 2045
- Preliminary Metropolitan's share of construction costs are estimated at $10.1 billion (2025$)
    - Metropolitan's capital financing obligation is preliminarily estimated at $380 million annually, plus $13 million in O&M and additional R&R costs.

East-West Conveyance

The proposed East-West Conveyance would expand Metropolitan's regional water transfer capacity and improve system reliability.

Schedule and Costs:

- Preliminary planning and design is anticipated to start in 2027, and construction begins in 2032, with operations commencing by 2045
- Preliminary capital cost estimate is $4.6 billion, funded primarily through long-term debt.

Finance, Affordability, Asset Management, and Efficiency Committee

Integrated Overview of Near-term Budget Drivers and Long-term Resource Planning

Item 9-2
October 14, 2025

Item 9-2

Integrated Overview of Near-term Budget Drivers and Long-term Resource Planning

Subject

Integrated Overview of Near-term Budget Drivers and Long-term Resource Planning

Purpose

Provide the Board with Integrated Financial Overview of Near-term Budget Drivers and Long-term Resource Planning

Background and Context

- At the November 2024 FAAME meeting, the Board directed staff to analyze the anticipated rate increases in the next biennial budget based on current situations and anticipated challenges
- At the June 2025 FAAME meeting, the Board requested an analysis of Metropolitan's future financial capacity to support potential major capital projects

Objective

To provide an early estimate of the approximate rate increases expected for the next budget cycle using the following scenarios:

- Revised Forecast with Known Changes
- Estimated additional expenditures Needed to Maintain Current System Integrity
- Cost and rate impacts of major resource planning projects

This analysis is NOT intended to help select or compare projects

Disclaimers

- No assumption of costs associated with potential loss of Colorado River supplies
- The analysis does not include updated cost and supply projections from our current Budget and Ten-Year Financial Forecast. These items will be evaluated and updated as part of the upcoming biennial budget process
- There are no updates to cost drivers such as supply programs, SWP costs, power costs, or other variable operating costs
- The forecast also assumed $75M credits to be received from DWR for ongoing SWC costs
- The analysis includes on-going annual conservation programs at an assumed water savings of ~5,000/yr from continued conservation program
  - About $31M/yr in the adopted 10-yr forecast
  - Any additional costs needed to implement the "Conservation way of life" are assumed to be funded by other regional or local programs
- The analysis assumes that costs are recovered exactly as projected (no reserve changes)
- The analysis is intended to provide an early indication of the trend and will be refined as part of the budget process for additional considerations including - reserves, debt coverage considerations, and other factors that would typically be incorporated into a full cost-of-service and rate design analysis

Water Shortage and Reliability

2025 Updated IRP Needs Assessment

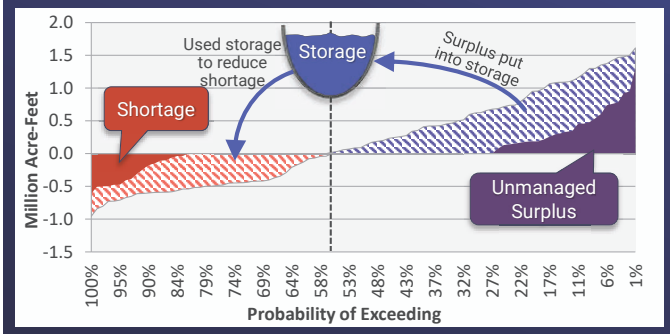
Updated for major changes in demographics, local supplies, SWP and Colorado River supplies, and storage programs

- Reflect potential outcomes of ongoing negotiations Colorado River Supply
- Capture updated 2023 Delivery Capability Report modeling with adjustments

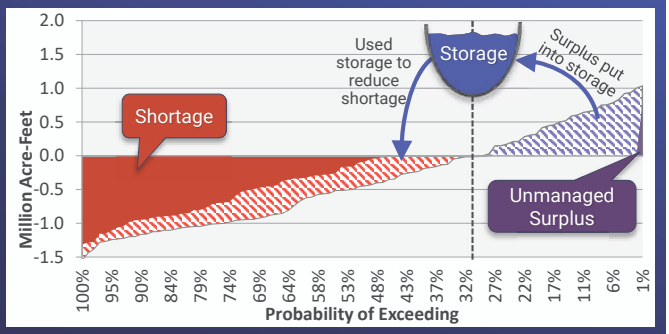
Water Shortage Analyses – 2045 Assessment Baseline

2025 Updated IRP Need Assessment

IRP Scenario C



IRP Scenario D



Scenario C – Even with flat water demands, there is an 18% probability of shortages due to degraded water supplies.

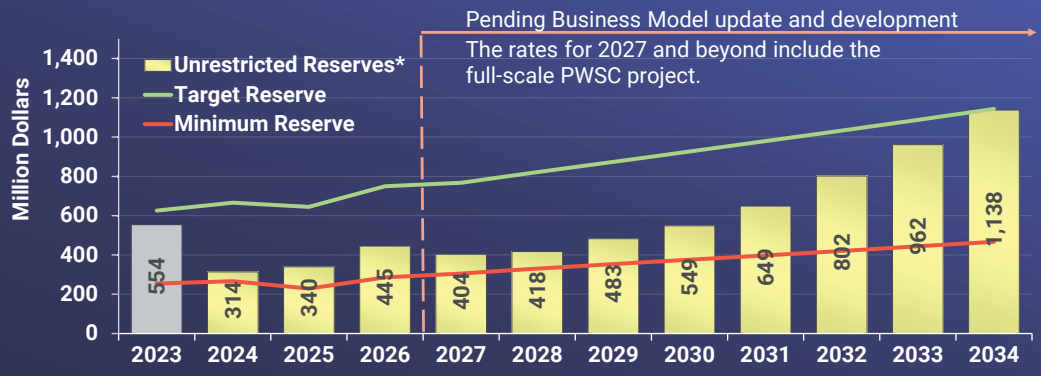
Scenario D – Under higher water demand conditions, significant shortages are projected by 2045.

Adopted Ten-Year Financial Forecast includes PWSC

Ten-year Financial Projection

Adopted FY 2024/25 and FY 2025/26 Budget

The 10-year Financial Forecasts do not include funding of any other large projects that will be considered in the CAMP4W process like Sites Reservoir, East-West Conveyance, or the Delta Conveyance Project.

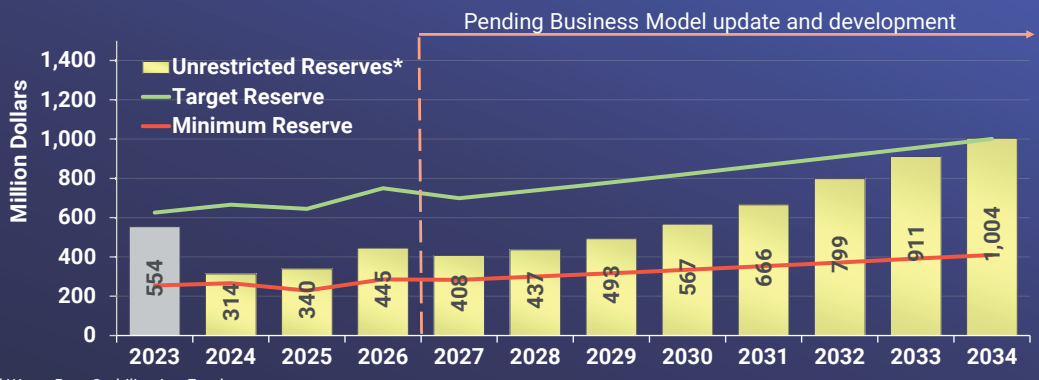


* Revenue Remainder and Water Rate Stabilization Fund
** Includes water sales, exchanges and wheeling

Overall Rate Inc.	5%	5%	8.5%	8.5%	11.5%	11.5%	5.0%	5.0%	4.0%	4.0%	4.0%	4.0%
Ptax Rate	.0035%	.0035%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%
Water Transactions (MAF)**	1.42	1.17	1.34	1.34	1.34	1.35	1.35	1.36	1.37	1.39	1.41	1.43
Rev. Bond Cvg	1.5	1.1	1.7	1.9	1.6	1.8	1.9	1.8	1.8	1.7	1.7	1.7
CIP, $M	247	353	312	324	1,390	1,684	2,171	1,966	1,544	1,091	655	502
PAYGO, $M	135	35	175	175	175	250	275	275	250	225	230	240

Ten-Year Forecast Projection w/out PWSC

Ten-year Financial Projection without PWSC Project



* Revenue Remainder and Water Rate Stabilization Fund
** Includes water sales, exchanges and wheeling

Overall Rate Inc.	5%	5%	8.5%	8.5%	7.5%	5.5%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%
Ptax Rate	.0035%	.0035%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%	.0070%
Water Transactions (MAF)**	1.42	1.17	1.34	1.34	1.34	1.35	1.35	1.36	1.37	1.39	1.41	1.43
Rev. Bond Cvg	1.5	1.1	1.7	1.9	1.6	1.7	1.8	1.8	2.0	2.0	2.1	2.0
CIP, $M	247	353	312	324	337	351	365	380	395	411	427	444
PAYGO, $M	135	35	175	175	175	180	190	200	210	220	230	240

Revised Forecast with Known Changes

Revised Forecast with Known Changes

Approved Board actions

- Delta Conveyance Project (DCP) funding commitment of $141.6 M
- Fleet transition to Zero-Emission Vehicles
  - $35 M bond funding - Annual Debt service ~$5 M starting FY 2027

Revenue assumption revisions from Amended SDCWA-MWD Exchange Agreement

Other Updated items

- Higher property tax revenues reflect in the Q4 Report (~$74M increase)
- Revised water demand forecast reflecting updated conditions
  - 70% exceedance consistent with Board policy adopted in July 2025

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035 - 2045
Water Sales (TAF)	1,012	1,008	1,009	1,017	1,013	1,013	1,021	1,030	1,046 – 1,067
Water Transactions (TAF)	1,290	1,285	1,287	1,294	1,290	1,291	1,299	1,307	1,324 – 1,344

Estimated Annual Overall Cost Increases

Revised Forecast with known changes

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037– 2045 Avg %/yr
Adopted 10-Year Forecast w/ PWSC *	11.5%	11.5%	5%	5%	4%	4%	4%	4%			
Forecast w/o PWSC *	7.5%	5.5%	4%	4%	4%	3%	3%	3%			
Revised Forecast with Known Changes	**10%**	**5%**	**3%**	**3%**	**4%**	**4%**	**5%**	**5%**	**4%**	**4%**	**~ 4%/yr**

23%

13%

15%

** PWSC Phase 1 - 115 MGD using 2023 estimated costs ($6.4B in 2023$)*

Additional Expenditures Needed to Maintain Current System Integrity

Needed to Maintain Current System Integrity

Additional Operating Fleet Funding (Operating Equipment)

- Modernize MWD's operating fleet to meet state regulatory requirements
- $35 M funding and debt financing
- Additional annual funding of ~$12M/yr (including $5M debt service)

Funding Staffing Needs

- Ensure workforce capacity to support operations, maintenance, and CIP
- Collaborative review across departments to identify critical staffing gaps
- Targeted, phased hiring plan aligned with upcoming biennium budget
- Estimated additional costs:

Fiscal Year	2027	2028	2029	2030	2031	2032
Additional Staffing Costs	$10 M	$21 M	$29 M	$38 M	$46 M	$54 M

Needed to Maintain Current System Integrity… continued

Funding Additional Capital Investment Plan Expenditures (CIP)

- Drivers:
  - High cost: Inflationary pressures & supply chain volatility
  - Funding deferred refurbishment projects
  - Funding drought mitigation projects
- Next biennium CIP: projected at $950 M
  - Current biennium CIP budget = $636.5 M
  - Increase in CIP to be ~100% debt financed in the next biennium with long-term goal of ~ 50% PAYGO by 2034
  - CIP escalated at 4% per year

Estimated Annual Overall Cost Increases

Needed to Maintain Current System Integrity

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037– 2045 Avg %/yr
Adopted 10-Year Forecast w/ PWSC *	11.5%	11.5%	5%	5%	4%	4%	4%	4%			
Forecast w/o PWSC *	7.5%	5.5%	4%	4%	4%	3%	3%	3%			
Revised Forecast with Known Changes	10%	5%	3%	3%	4%	4%	5%	5%	4%	4%	~ 4%/yr
Needed to Maintain Current System Integrity	12%	6%	5%	5%	6%	6%	5%	5%	4%	4%	~ 4%/yr

23%

13%

15%

18%

** PWSC Phase 1 - 115 MGD using 2023 estimated costs ($6.4B in 2023$)*

Impact of Funding Major Projects

1. Addition of 45/75MGD PWSC (Staged)
2. Addition of all major projects

Major Resource Planning Projects

Project	Construction Year Start*	Production Year	MWD Share Capital Costs (in 2025 $)	Data Status / Notes
PWSC – 45/75 MGD (Staged) **	2027	45MGD – 2035 75MGD – 2037	$7.2 B (net of grants)	Staged to gradually build to 75 MGD, Sept 2025 estimate
AVEK Expansion (Phase 2)	2030	2035	$500 M	Preliminary estimate
Sites (22% participation)	2027	2033	$1.7 B	Updated costs projections expected Aug 2025
SWP Surface Storage	2033	2040	$2.6 B	Preliminary estimate
Delta Conveyance Project (DCP) (47% participation)	2029	2045	$10.1B ($9.5 B in 2023$)	Updated costs projections expected in 2026-2027
East-West Conveyance	2032	2042	$4.6 B	Preliminary estimate

** The construction start year is preliminary and subject to change.*
*** The staged PWSC 45/75 MGD is one of several potential options to be considered by the Board*

Funding Major Projects

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037– 2045 Avg %/yr
Needed to Maintain Current System Integrity	12%	6%	5%	5%	6%	6%	5%	5%	4%	4%	~ 4%/yr
Incremental Additional Impact											
PWSC – 45/75 MGD (Staged) *	1.6%	0.7%	2.4%	2.4%	4.8%	4.3%	2.2%	1.5%	8.3%	1.0%	~1.9%/yr
Grand Total**	**14%**	**7%**	**7%**	**7%**	**11%**	**10%**	**7%**	**7%**	**12%**	**5%**	**~ 6% / yr**

** The staged PWSC 45/75 MGD is one of several potential options to be considered by the Board*
*** Displayed as simple summed total. Actuals will be slightly lower due to compounding*

Funding Major Projects

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037– 2045 Avg %/yr
Needed to Maintain Current System Integrity	12%	6%	5%	5%	6%	6%	5%	5%	4%	4%	~ 4%/yr
Incremental Additional Impact											
PWSC – 45/75 MGD (Staged) *	1.6%	0.7%	2.4%	2.4%	4.8%	4.3%	2.2%	1.5%	8.3%	1.0%	~1.9%/yr
AVEK Expansion (Stage 2)				0.3%	1.1%	1.1%					
Sites (22% participation)	0.6%	0.8%	1.3%	1.5%	1.0%	0.3%	0.3%				
SWP Surface Storage							0.2%	0.4%	1.3%	2.3%	~1.3%/yr
DCP (47% participation)	0.5%	0.4%	1.0%	0.5%	0.7%	0.6%	0.7%	1.2%	2.8%	2.6%	~1.8%/yr
East-West Conveyance				0.3%	2.9%	10.0%	9.0%	1.9%	0.6%		
All Major Projects**	**3%**	**2%**	**5%**	**5%**	**11%**	**16%**	**12%**	**5%**	**13%**	**5%**	**~ 5% / yr**
Grand Total**	**15%**	**8%**	**10%**	**10%**	**17%**	**22%**	**17%**	**10%**	**17%**	**9%**	**~ 9% / yr**

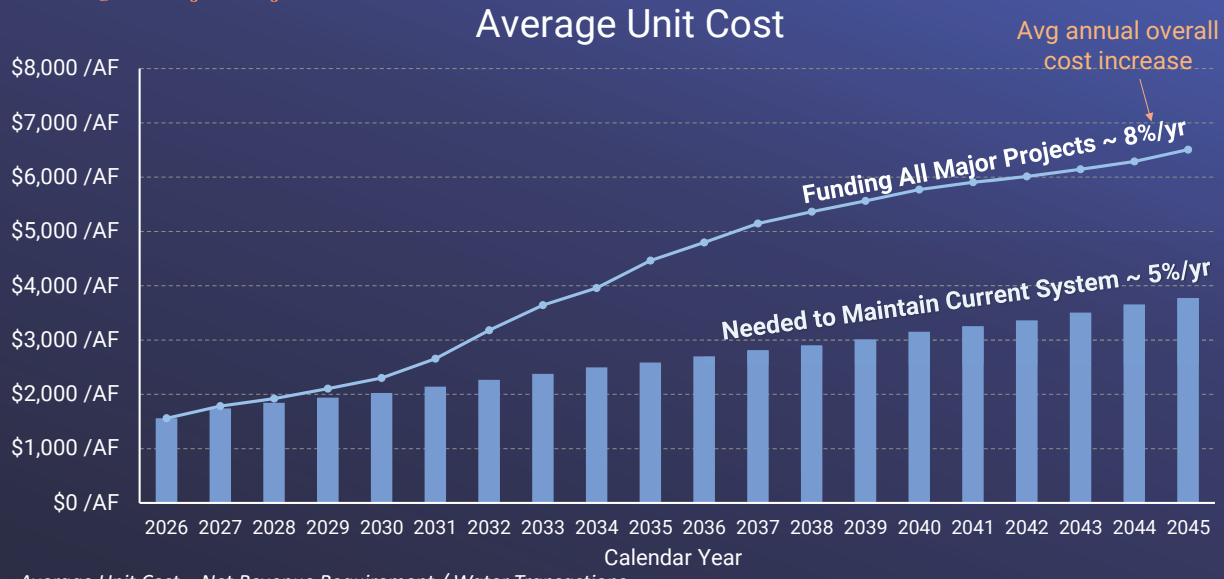
18%

23%

** The staged PWSC 45/75 MGD is one of several potential options to be considered by the Board*
*** Displayed as simple summed total. Actuals will be slightly lower due to compounding*

Average Unit Cost Impact

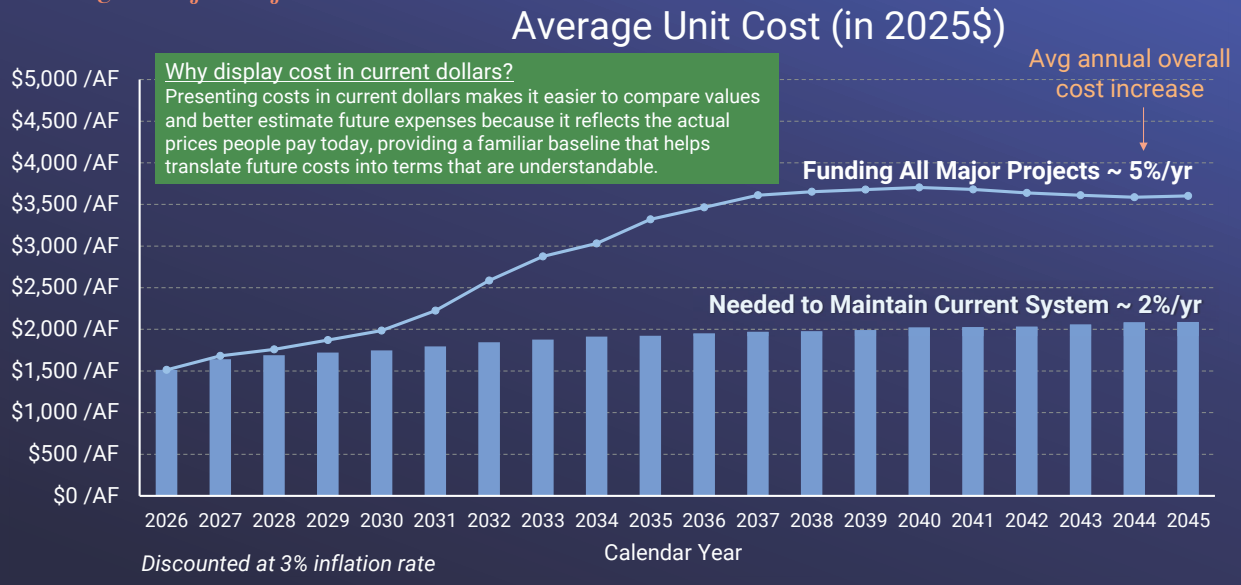
Funding All Major Projects



Average Unit Cost = Net Revenue Requirement / Water Transactions

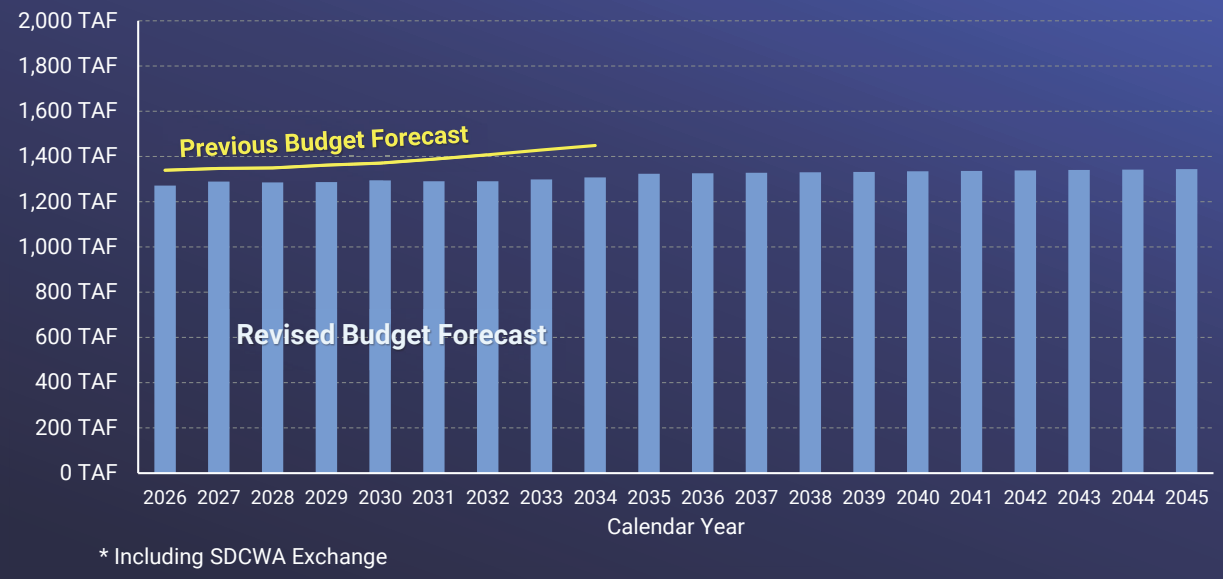
Average Unit Cost Impact in 2025 Dollars

Funding All Major Projects



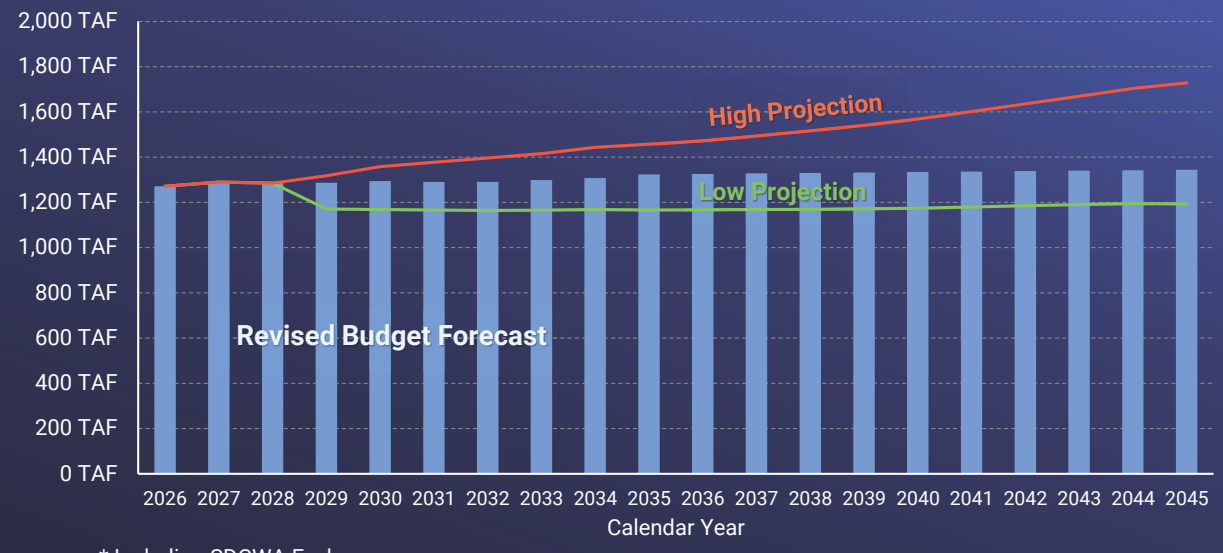
Water Demand Sensitivity Analysis

Water Demand Projections to 2045*



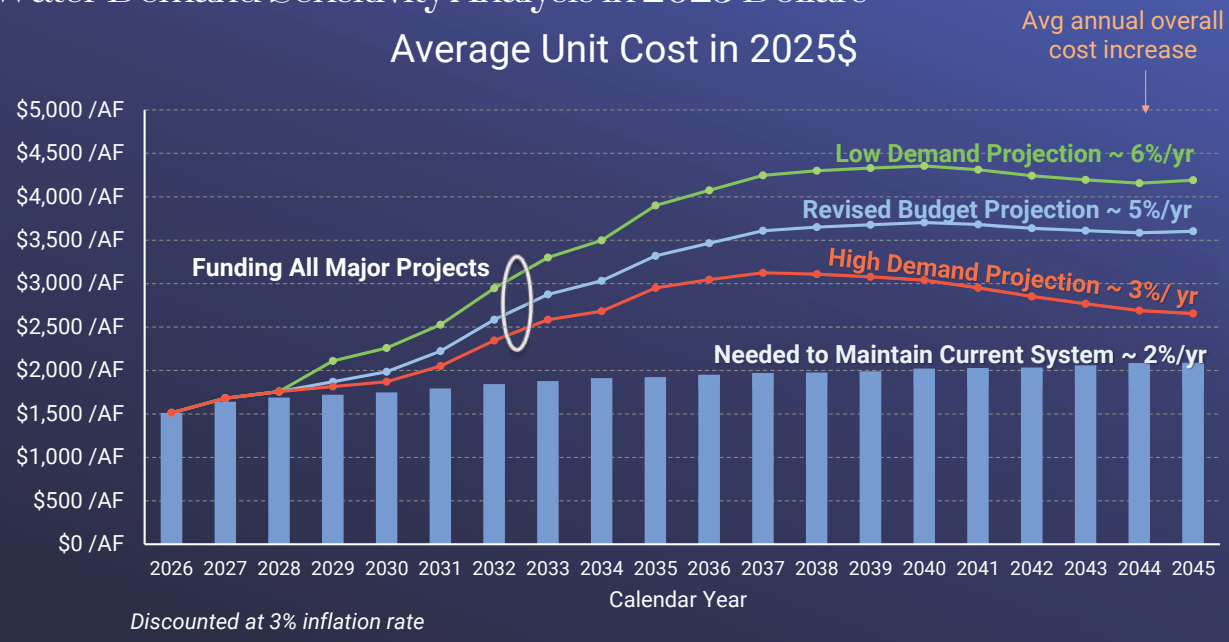
* Including SDCWA Exchange

Water Demand Projections to 2045*



* Including SDCWA Exchange

Water Demand Sensitivity Analysis in 2025 Dollars



Discounted at 3% inflation rate

Policy Discussion & Hypothetical 10-Year Forecast Update

Policy Discussion: Conservation Funding

"Conservation a way of life" adopted in 2024 establishes water use efficiency goals for urban water suppliers to help the state adapt to climate change and chronic water challenges. This regulatory framework requires suppliers, not individual customers, to meet these "urban water use objectives" by implementing flexible, locally appropriate solutions such as promoting native plants and reducing water waste, ultimately aiming to make sustainable water use a permanent practice.

- What roles should Metropolitan play in meeting the region's goal "conservation way of life"?
- Metropolitan's current financial projections includes conservation funding of $30.5M per year
- What role should Metropolitan play in encouraging and facilitating member agencies' efforts to meet the urban water use objectives?

Policy Discussion: Loss of Colorado Supplies

Potential significant supply loss post-2026 guidelines

- Short-term strategy
  - Given low water demand projection, use ICS to mitigate the initial loss of CRA supply while we develop long-term solutions
  - Current ICS ~ 1.5MAF
- Potential Long-Term Strategies:
  - Maximizing PVID fallowing
  - 2nd right of refusal to purchase of SDCWA Exchange Agreement water
  - Increase conservation
  - Other transfer purchases to be used or stored, when possible

Hypothetical 10-year Financial Forecast with PWSC & Supply Program Cost Increases

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Needed to Maintain Current System Integrity	12%	6%	5%	5%	6%	6%	5%	5%	4%	4%
With PWSC 45/75MGD (Staged) *	14%	7%	7%	7%	11%	10%	7%	7%	12%	5%
Hypothetical 10-Yr Financial Forecast with PWSC & Estimated Supply Program Cost Increases**	14%	7%	10%	7%	11%	10%	8%	7%	12%	5%

18%
21%
21%

** The staged PWSC 45/75 MGD is one of several potential options to be considered by the Board*

**Assumptions:

Board approved PWSC project and funding
2027 and 2028 Colorado River reductions meet with ICS draws
2029 and beyond
- increase supply program costs by $45M in 2029 increasing to $112M by 2036
- continue to draw on ICS as needed to meet demands
--> cost increase of 3% in 2029 and <1%/yr beyond

This preliminary estimate is subject to updated cost and supply projections as part of the budget development

Take-Away Observations

- Substantial rate increases are needed to maintain our current system, including addressing organizational-wide staffing needs, operating equipment, and investing in R&R CIP projects
- Pursuing all major capital projects will further challenge affordability
- Balance objectives of supply and storage development, reliable system operation, and managing rate impacts
- CAMP4W process will help determine:
  - What amount of supply development does the Board want to pursue and when?
  - What are the most cost-effective projects and/or strategies to help achieve these goals?

Next Steps

FY 2026/27 and FY 2027/28 Budget Calendar

June to Dec 2025	Develop proposed 2026/27 and 2027/28 Biennial Budget, proposed water rates and charges for calendar years 2027 and 2028; Ten-Year Forecast; and cost of service report
Jan/Feb 2026	Post draft proposed 2026/27 and 2027/28 Biennial Budget document
Feb 9, 2026	FAAME Committee, proposed 2026/27 and 2027/28 Biennial Budget; CIP; proposed water rates and charges for calendar years 2027 and 2028; Ten-Year Forecast; and cost of service report (Workshop #1)
Feb – April 2026	Workshop #2, Workshop #3 and Workshop #4
April 14, 2026	Board **action** regarding Biennial Budget and calendar year rates and charges

Item No. 2

PRESENTATION ITEM
November 5, 2025

TO: **Board of Directors**

FROM: **Harvey De La Torre, General Manager**

Staff Contact: Heather Baez, Director of Government Affairs

SUBJECT: **FEDERAL GOVERNMENT AFFAIRS AND ADVOCACY FORECAST (PRESENTATION BY GARRETT DURST)**

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive the presentation.

REPORT

Purpose

MWDOC staff invited Sara Tucker and Garrett Durst of Natural Resource Results (NRR), MWDOC's legislative advocates in Washington, D.C., to provide an overview presentation of the 2025 legislative session and a preview of the 2026 session.

Overview

A new Administration was sworn in January 2025, including Cabinet appointments and changes to long-term staff. Additionally, MWDOC has three new members in our delegation (Congressmen Min and Tran and Senator Schiff), which has afforded us the opportunity to reach out and provide education to those offices (as well as returning members of the delegation) on what makes MWDOC unique, and the services we provide to the county. Topics covered included:

- Water Loss Control Program
- WEROC
- Turf Rebate Program
- Support for the Water Conservation Tax Parity Act

Next Steps

In 2026, we expect this work to continue. In addition to this ongoing work, NRR will highlight three additional areas of interest that will present both challenges and opportunities for MWDOC to engage. These include:

- Colorado River Post 2026 Guidelines
- Sites Reservoir
- Federal Grants

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

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

Attachments/Links:
N/A

Item No. 3

PRESENTATION ITEM
November 5, 2025

TO: **Board of Directors**

FROM: **Harvey De La Torre, General Manager**

Staff Contact: Heather Baez, Director of Government Affairs

SUBJECT: **STATE ADVOCACY RECAP (PRESENTATION BY SYRUS DEVERS)**

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive the presentation.

REPORT

Purpose

MWDOC staff invited Syrus Devers, MWDOC's legislative advocate in Sacramento, to provide an overview of the 2025 legislative session and a preview of the 2026 session.

Overview

The 2025 session was a busy one. We entered the year knowing a few issues would be high priority, including Low Income Rate Assistance (LIRA), Advanced Clean Fleets/Zero Emission Vehicles, legislation to update the California Water Plan, and legislation targeting the Delta Conveyance Plan. MWDOC has taken a position on several bills sponsored by our membership associations, with Mr. Devers providing the Board with updates throughout the year.

Key bills from the 2025 legislative year included:

- **Bills still active:**
  - AB 532 (Ransom) - Low Income Rate Water Assistance (LIRA)
- **Bills that failed:**
  - SB 496 (Hurtado) - Emergency vehicle exemption for vehicles responding to critical operations related to emergencies and disasters, with an appeals process

- Budget Trailer Bill Language – Delta Conveyance Project Streamlining did not advance through the legislature

- **Bills that passed:**
  - SB 72 (Caballero) - Legislation to update the California Water Plan (requires public workshops, addresses 9 million acre feet of "additional supply" through various strategies)
  - AB 149 (Public Resources Trailer Bill) - Provides a legal framework and funding for controlling invasive mussels, including golden mussels

Next Steps

Looking ahead to 2026, we expect to remain engaged in the following priorities:

- **LIRA (AB 532 - Ransom):** LIRA discussions as AB 532 is a 2-year bill, working with our retail member agencies to ensure they are comfortable with any amendments taken.
- **Emergency vehicle exemptions (SB 496 - Hurtado):** MWDOC supported SB 496 (Hurtado), which would have updated the emergency vehicle exemption to include vehicles that respond to and support critical operations related to emergencies and disasters, and established an appeals process when exemption requests are denied. Unfortunately, this bill was not successful, and we will support similar language in the next legislative year.
- **Water Plan implementation (SB 72 - Caballero):** Now that SB 72 is in statute, we must ensure its implementation doesn't render the bill meaningless or exacerbate the status quo, which is a risk. The bill calls for public workshops, and it's safe to assume some interest groups will try to use these workshops to their advantage. Specifically, the 9 million acre feet of "additional supply" can be met through a "variety of strategies," including "conservation." Environmental justice groups, for example, may advocate for it all to come from conservation. Given the MWDOC Board's prior policy positions, we need to be ready to advocate for more storage.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

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

Attachments/Links:
N/A

To: Board of Directors, *Municipal Water District of Orange County*
From: Natural Resource Results
RE: Monthly Board Report – October 2025

Government Shutdown

We are now well into the government shutdown (began on October 1, 2025). The earlier target date of November 21st for a short-term continuing resolution (CR) that had been passed by the House has now effectively been rendered untenable. Senate Democrats have repeatedly rejected the House-passed CR that would fund the government through November 21st.

Meanwhile, GOP leaders acknowledge that the November 21st end date likely will not allow enough time to negotiate all 12 FY26 spending bills. Internal discussions are underway about extending the CR beyond November 21st — possibly into December or even into 2026 — to give more breathing room.

As for specific floor action: John Thune (R-SD), as Senate Majority Leader, has brought—or attempted to bring—various bills to the floor aimed at partially funding segments of the federal workforce (for example, pay for active-duty military or essential employees) but these efforts have not succeeded in breaking the impasse.

The House has not been in session since September 19th and President Trump has been traveling internationally this past week. It is likely that Trump will need to convene Congressional leadership to work out a deal.

This marks the first government shutdown in which SNAP beneficiaries are not expected to receive benefits. The resulting strain on low-income households could serve as a significant political pressure point that may help force a resolution to the current impasse, though the crystal ball is still murky.

During the current federal funding lapse, staff at the Bureau of Reclamation have been subject to a highly constrained operating environment in which only mission-critical "excepted" personnel are working, while other functions are paused pending appropriation. Although the Bureau has maintained essential dam safety, water delivery and power generation operations, the shutdown has nonetheless created uncertainty and operational strain. For example, we have heard reports of challenges with the Bureau of Reclamation's Division of Financial Management in the Sacramento office.

SDA
Government Relations

To:	MWDOC
From:	Syrus Devers
Date:	November 5th, 2025
Re:	State Legislative Report

Legislative Report

In the final count, 1,247 of the 2,641 bills introduced in 2025 made it to the Governor's desk. Of the 1,247 that made it through the Legislature, 1,124 were signed and 123 were vetoed.That makes 2025 a perfectly average year.

Here are the remaining results not previously reported in **bold.**

Low Income Rate Assistance (LIRA): This is actually a mixed bag, but in the end no harm was done so it lands in the "win" column. This issue has vexed water agencies as far back as 2019 when then Senator Bill Monning introduced SB 200 and tried to fund LIRA through a tax on water. The California Municipal Utilities Association (CMUA) attempted to be proactive this year and sponsored AB 532 (Ransom) which would have created a fund in the state budget for LIRA programs, and put voluntary LIRA programs on a solid statutory footing, but the bill was held on the infamous Suspense File in the Assembly. **CMUA is wasting no time and has called for a stakeholder meeting on November 4th. Count on this issue coming back in 2026.**

SB 72 (Caballero-support): The "Solve the Water Crisis" effort which then became "Water for All" as SB 72 arrived on the Governor's desk a few days before session ended. **SDA was not 100% certain the bill would be signed. Newsom, however, was kind on this one and signed it in the first week of October.**

Note: this was an expensive two-year effort and the supporters have every reason to celebrate, but now the real work starts. The bill calls for 9 MAF of additional water supply by 2050, but specifies that the target may be met through any means. If public water agencies fail to effectively participate in the process to determine how the additional water supply will be realized, the end result could do more harm than good. Imagine what would happen if the entire goal was met through additional conservation requirements on public water suppliers. While that would be contrary to the intent of the bill, advocacy groups that routinely oppose any real expansion of the water supply will pursue exactly that result. Every public water agency will need to maintain attention over the course of many years to see this through, which is far easier said than done.

SB 31 (McNerney): This bill removes antiquated barriers to the use of recycled water. It was not brought to MWDOC's attention because it does not impact member agencies, but it is worth

mentioning because it does represent sound, forward looking policy on recycled water. Newsom signed the bill on the last day, giving the sponsor of the bill reason to celebrate and an upset stomach at the same time.

AB 523 (Irwin): This bill allows for MWD members with one seat to appoint a proxy to avoid an absence. While the bill started in controversy, everything was worked out in the end and Newsom signed it rather quickly.

Looking Forward

Here are the issues likely to come up in 2026:

Low Income Rate Assistance: three bills were introduced in 2025, but none survived the legislative process. This issue has come up every year since Senator Monning attempted to enact a water tax to fund LIRA in 2019. Safe to assume there will be another effort in 2026.

Advanced Clean Fleets: With the failure of the CSDA sponsored bill to bring some relief to public agencies that are left with few compliance options, the issue will be even more urgent in 2026 with the expiration of the rule that allowed for 50% of new vehicle purchases to be ZEVs in 2025. Starting January 1st, large agencies will now be under a 100% ZEV requirement.

DCP: there is no reason to not pick up where we left off this year, especially since the water policy of our next governor is a complete unknown. Obviously this will be up to the major stakeholders, but MWDOC has a real interest in the reliability of the State Water Project.

Final Word on 2025

2025 has to be scored as a banner year by any objective metrics. No bill harmful to MWDOC's interests survived, but that is not how it feels to those who work for water supply interests in Sacramento.

The year was overshadowed by the budget and the mostly unsuccessful efforts to get the Legislature to focus on water policy, and by outside politics that consumed the political resources of the Governor. While water is always a priority in California, to be fair to Governor Newsom, it was a particularly challenging year in the similarly important issue areas of healthcare funding and housing. For these reasons, 2025 does not feel like a huge win even though it should.

ACKERMAN CONSULTING

Legal and Regulatory

November 5, 2025

1. **PFAS Update:** UCI has recently completed a 6-year PFAS study in north and central Orange County. They have discovered slightly elevated concentrations compared to other areas across the US, but lower than in areas with associated chemical plants. Possible connections to high cholesterol, obesity, thyroid disease, and some cancers have been linked to PFAS, although direct connections have been harder to establish. Testing is made more difficult by the lack of a control group. Everyone has some level of PFAS in their system.

2. **Water Purifier:** Rice University has developed a Solar Thermal Resonant Energy Exchange Desalination system that can produce water 24/7, cheaper and easier than current RO methods. It is a two-channel process; one carries sun-heated salt water, and the other air. As the heated water evaporates, it condenses into clean water in the air channel. This is like other methods being studied worldwide. Each hopes to expand the process to make it economical.

3. **Water Sector Investment:** While spending money on water infrastructure is always necessary, it is not always a favorite of Wall Street. That may be changing, however. A recent report on global investment trends has shown that water projects are becoming more desirable. 2024 showed a giant surge, and 2025 is expected to be even better. 30% of global investors have included significant projects ($500 million to $1 billion) in their portfolio. 72% of organizations reporting say they will invest more in the coming years. North America and Western Europe dominate the investment field, but the Middle East is growing fast. This is good news for the water world as their projects seem to be getting bigger and more expensive.

4. **Wave Energy:** Converting ocean energy into electricity has been an idea for many years. Until recently, there have not been serious projects to consider. That may be changing. Eco Wave Power has commenced a pilot project in the Port of Los Angeles. Seven blue steel structures have been attached to an unused wharf in the Port. Half of the cost is being furnished by Shell Oil. These floats rise and fall with wave action, generating hydraulic fluid pressure. This becomes a motor attached to a generator. While this is expensive and does not produce a lot of power, the potential is there. It is estimated that waves along the US coast produce enough energy to power 1/3 of the US's needs. (They were happy in the report that they got all their permits for the project in a “quick” two years.)

5. **Tallest Dam:** China has just completed the Shuangjiangkou Dam on the Dadu River in central China. It is 1033 feet tall, surpassing the prior tallest dam, the Jinping-I Dam, also in China. They claim it will produce 7 billion kilowatt hours of electricity, enough for 3 million homes. It cost just under $5 billion. It will offset 3 million tons of coal used for electricity.

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6. **Dam Payments:** There are more than 121,000 dams in the US. 62% are privately owned. Ten dams fail every year. 2600 dams are designated as high hazard, meaning they would cause loss of life if they failed. 67% of dams are unrated, and of those, 4,000 are estimated to be high hazard. FEMA has allocated about $300 million over 6 years nationwide. The owners of each dam, whether public or private, are responsible for maintenance and repair. Many in both categories are unable to pay. The McClure Dam in Santa Fe, New Mexico, is almost 100 years old and needs $20 million in repairs. It supplies Santa Fe with drinking water. They are currently drawing on reserves and seeking other funding sources.

7. **Forest "Roomba":** The BurnBot RX, which looks like a cross between a tank, a Zamboni, and an 18-wheeler, is being deployed to "clean" the forest. It was designed for controlled burns to create fire breaks around buildings and roads. It is remotely controlled and can work in difficult environments and hot weather. It is slow (1/2 miles per hour) and thorough. It is safe even though it operates at high temperatures and burns up everything in its path. Many other technologies are being evaluated for efficiency, safety, and cost. BurnBot RX is getting a lot of attention. It is preferable to the standard controlled burn operations, which require more personnel and road closures.

8. **Blob Returns:** The blob may be returning. The blob is a basin-scale marine heat wave of warmer water (4-10 degrees F) that is very large (the size of the US). It occurs in the Pacific Ocean between the Gulf of Alaska and Southern California. It is generally long-lasting and affects the food chain and other marine organisms. It encourages toxic algae. It will be carefully monitored by NOAA, and others could cause serious harm to the marine ecosystem.

9. **Illegal Dredging:** California has been experiencing more than its share of illegal dredging in its waterways for the past few years. The reasons vary by area, but they all affect watercourses, fish migration, wetland loss, and chemical releases. Typical dredging removes sediment and debris from waterways, and it can also change river flow and direction. The Klamath River is experiencing illegal gold dredging that is impacting salmon habitat. The San Joaquin rivers are seeing illegal sand and gravel activity impacting turbidity and fish. The Sacramento Delta is seeing levee modifications and wetland dredging that are impacting flood control and fish. Central Coast streams are experiencing agricultural use that is impacting fish. Enforcement actions have increased dramatically.

10. **Cloud Seeding:** There has been recent activity among the states regarding the regulation of cloud seeding. 24 States are now considering banning or limiting the process. Their concerns are messing with Mother Nature and toxic fallout. Stay tuned.

11. **Water to Ice:** Water is one of the more interesting compounds in the world. It is composed of two elements, hydrogen and oxygen, but it can appear in over 20 forms. The latest is ice XXI, discovered by Korean scientists. This ice is entirely new and occurs at room temperature. Rapid compression at very high pressure can produce "ice" at normal temperatures. Various types of ice have been discovered on the Moon and elsewhere. Water is indeed mysterious, and there may be more to come. I would not recommend ice XXI for your beverages.

WHITTINGHAM
PUBLIC AFFAIRS ADVISORS

TO: MWDOC Board of Directors

FROM: Whittingham Public Affairs Advisors

DATE: November 5, 2025

SUBJECT: November 2025 Local Legislative Report

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

- Cypress City Councilmember Scott Minikus, who was appointed to the City Council in 2021, announced his resignation effective October 1. Former Councilmember Minikus, who had recently retired from his position with the US Department of Homeland Security, announced his departure at a recent Council meeting. City Clerk Alisha Farnell and Assistant City Clerk Christina Dizol also announced their resignations from their respective positions.

- The Orange County Board of Supervisors voted unanimously to retain an outside team of auditors to review billions of dollars in contracts nearly a year after former Supervisor Andrew Do plead guilty to accepting bribes and rerouting over $10 million worth of contracts. Supervisors are paying more than $1.3 million to auditing firm Weaver & Tidwell, asking them to review 2,000+ contracts worth over $4 billion, including spending from the county general fund, pandemic relief funds and the state's Mental Health Services Act. Do recently began serving a five-year prison term.

- The CalOptima Board of Directors also voted unanimously to release October 30 the results of an investigation by an outside law firm into contracts and other protocols & procedures at the agency, with a specific emphasis on the period when former Supervisor Do served on the health care provider's Board. The initial release is anticipated to occur on or shortly after October 30.

- Multiple cities countywide continue to experience leadership changes. The Irvine City Council officially named Interim City Manager Sean Crumby as its new City Manager, while Cecilia Gallardo-Daly continues to serve as Interim City Manager in Costa Mesa. Looking forward, Newport Beach Assistant City Manager Seimone Jurjis will step into the City Manager role on January 1, 2026, succeeding Grace

Leung, and Dana Point City Manager Mike Killebrew announced that he will be retiring as well at the end of the year.

- Final negotiations are ongoing between the County of Orange and a coalition of cities and sanitation districts regarding landfill tipping fees, known as the Waste Infrastructure System Enhancements (WISE) agreements. Upon final approval by the Board of Supervisors (most likely in December), each jurisdiction will work to complete their respective Prop 218 hearings and approve the rate increases prior to the new fees going into effect July 1, 2026.

- Phase II of Orange County's Climate Action Plan, a comprehensive roadmap detailing potential projects and programs to reduce greenhouse gas and other emissions from various sources, is on track to come to the Board of Supervisors on December 2. Key initiatives within the CAP included increasing stormwater capture and infiltration, reducing the amount of organic waste going to landfills by 75 percent and improving edible food recovery by 20 percent, and exploring the feasibility of regional anaerobic digestion and conversion technology facilities. The County is required to have a completed CAP in order to apply for and secure Proposition 4 grants for these targeted programs.

- The South Coast Water District (SCWD) Board of Directors unanimously approved a Memorandum of Understanding (MOU) regarding a potential public agency to public agency partnership, wherein Orange County Waste & Recycling (OCWR) would generate renewable energy from the Prima Deshecha Landfill and provide it as a long-term power supply for SCWD's Doheny Ocean Desalination Project. Prior to consideration of the MOU, a task force was formed between the staff of both agencies in 2022 and a corresponding report, entitled Assessment of Joint Opportunities to Benefit South Orange County Through Renewable Energy and Local Water Supply, was finalized in September 2025. The draft MOU is scheduled to come to the Board of Supervisors for consideration at an upcoming meeting; OCWR is also in discussions with other south county agencies about a similar partnership.

- The Anaheim City Council once again deferred discussion on a potential "gate" tax on the Disneyland Resort and other entertainment venues in the city that would potentially generate roughly $60 million annually. Council member Natalie Rubalcava, who initially proposed the new levy, asked that the potential measure be brought back at a future date as one of numerous options for the City Council to consider bridging the City's budget deficit.

- The San Clemente City Council voted to become a member of the South Orange County Beach Coalition, a newly formed advisory group focused on sand replenishment projects. The Council originally joined the coalition in August but reconsidered its membership during a recent Council meeting. County Supervisor Katrina Foley, O.C. Parks, the County Flood Control District, Capistrano Bay Community Services District, and the Juaneño Band of Mission Indians comprise the voting members of the coalition, which plans to play a role in shaping the

allocation of $300 million in state and federal funds for coastal resiliency projects while developing a master plan for sand nourishment.

- Crews worked overnight to repair a large sinkhole that opened up in the middle of a major street in Orange on Saturday, Oct. 4. The sinkhole, estimated at up to 15 feet deep, appeared on Meats Avenue at Santiago Boulevard, and the street was blocked off, and traffic was redirected around the area. The sinkhole is believed to have been caused by a water main break. The water at several nearby homes was shut off as repairs were underway.

- An unusual mid-October storm in the region necessitated mandatory evacuation orders for several hours in canyon communities impacted by the Airport Fire, which burned 23,000 acres in September of last year. An Orange County Department of Public Works crew unintentionally started the fire when, while clearing large rocks with heavy equipment, they caused a spark that ignited dry brush. To date, the Board of Supervisors has approved nearly $75 million in damage claims related to losses related to the Airport Fire.

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

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

Sincerely,



Peter Whittingham

MWDOC Workshop

Bill Matrix – November 5th, 2025

Prepared by SDA Government Relations

Priority: A. High

NOTE: bills in ~~strikeout~~ were deleted from the Matrix earlier in the year. They are included here for purposes of review.

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

Status: 07/17/2025 **-** Failed Deadline pursuant to Rule 61(a)(10). (Last location was JUD. on 5/14/2025)(May be acted upon Jan 2026)

Location: 07/17/2025 **-** Senate 2 YEAR

Summary: The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would extend the alternative teleconferencing procedures until January 1, 2030. (Based on 04/21/2025 text)

Position	Priority
support	A. High

Notes -
Support - March 5th Workshop; Provisions folded into SB 707

AB 514 (Petrie-Norris, D) **Water: emergency water supplies.**

Status: 05/23/2025 **-** Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/14/2025)(May be acted upon Jan 2026)

Location: 05/23/2025 **-** Assembly 2 YEAR

Summary: Would declare that it is the established policy of the state to encourage, but not mandate, the development of emergency water supplies by both local and regional water suppliers, as defined, and to support their use during times of drought or unplanned service or supply disruption, as provided. (Based on 05/01/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~A. High~~

~~Notes -~~
~~On the April agenda.~~

AB 523 (Irwin, D) **Metropolitan water districts: proxy vote authorizations.**

Status: 10/03/2025-CHAPTERED

Location:

Summary: Under the Metropolitan Water District Act, the board of a metropolitan water district is required to consist of at least one representative from each member public agency, as prescribed. The act authorizes each member public agency to appoint additional representatives not exceeding one additional representative for each 5% of the assessed valuation of property taxable for district purposes within the entire district that is within the boundaries of that member public agency. This bill would, until January 1, 2030, authorize a representative of a member public agency that is entitled to designate or appoint only one representative to the board of directors to assign a proxy vote authorization to a representative of another member public agency to be exercised when the assigning representative is unable to attend a meeting or meetings of the board, as provided. The bill would require the proxy vote authorization to be memorialized by a written instrument, as specified. The bill would prohibit a proxy vote authorization from authorizing the assumption of the assigning representative's officer position at the designated meeting and would limit a proxy vote authorization's effectiveness to no more than 6 board meetings in a calendar year. (Based on 09/05/2025 text)

Position	Priority
B. Watch	A. High

AB 532 (Ransom, D) **Water rate assistance program.**

Status: 08/29/2025 **-** Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

Location: 08/29/2025 **-** Senate 2 YEAR

Summary: Current federal law, the Consolidated Appropriations Act, 2021 requires the federal Department of Health and Human Services to carry out a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program, which is also known as the Low Income Household Water Assistance Program, for making grants to states and Indian tribes to assist low-income households that pay a high proportion of household income for drinking water and wastewater services, as provided. Current law requires the Department of Community Services and Development to administer the Low Income Household Water Assistance Program in this state, and to receive and expend moneys appropriated and allocated to the state for purposes of that program, pursuant to the above-described federal law. The Low Income Household Water Assistance Program was only operative until March 31, 2024. This bill would repeal the above-described requirements related to the Low Income Household Water Assistance Program. (Based on 07/17/2025 text)

Position	Priority
B. Watch	A. High

AB 580 (Wallis, R) **Surface mining: Metropolitan Water District of Southern California.**

Status:CHAPTERED

Location: 09/04/2025 **-** Assembly

Summary: The Surface Mining and Reclamation Act of 1975 prohibits a person, with exceptions, from conducting surface mining operations unless a permit is obtained from, a specified reclamation plan is submitted to and approved by, and financial assurances for reclamation have been approved by, the lead agency for the operation of the surface mining operation. Current law authorizes the Metropolitan Water District of Southern California (MWD) to prepare a master reclamation plan, as provided, that identifies each individual surface mining operation in specified counties and satisfies all reclamation plan requirements for each individual surface mining site. Current law requires the State Mining and Geology Board to act as the lead agency for surface mining operations conducted by the MWD and authorizes the board to conduct an inspection of an individual surface mining operation once every 2 calendar years during a period when that individual surface mining operation is idle or the site has no mineral production.

Current law requires the MWD to be the lead agency for any environmental review of the master reclamation plan. Current law repeals the provisions authorizing the preparation and approval of the master reclamation plan for the MWD on January 1, 2026. This bill would extend the operation of those provisions until January 1, 2041. (Based on 09/02/2025 text)

Position	Priority
support	A. High

Notes -
Support - March 5th Workshop

AB 620 (**Jackson, D**) **Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program: rental vehicles.**

Status: CHAPTERED

Summary: Current law establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program (program) within the Air Quality Improvement Program to make financing tools and nonfinancial supports available to operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles. This bill, for any regulation adopted to develop or implement the program, or other regulations that are regarding the procurement or use of medium- and heavy-duty zero-emission vehicles by a public or private fleet, would require the state board to consider specified things, including, among other things, the environmental and supply chain benefits of renting medium- and heavy-duty zero-emission vehicles compared to procuring them. (Based on 09/08/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~A. High~~

AB 638 (**Rodriguez, Celeste, D**) **Stormwater: uses: irrigation.**

Status: 08/29/2025 **-** Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 **-** Senate 2 YEAR

Summary: The Stormwater Resource Planning Act requires the State Water Resources Control Board, by July 1, 2016, to establish guidance for purposes of the act. This bill would require the board, by December 1, 2026, to develop recommendations for stormwater capture and use for the irrigation of urban public lands, as defined. The bill would require the recommendations to address, but not be limited to, opportunities for the use of captured stormwater for irrigation to offset the use of potable water, as specified, and recommendations for, among other things, pathogens and pathogen indicators and total suspended solids. Prior to approving the recommendations, the bill would require the board to solicit and receive written public comment on proposed recommendations. (Based on 07/03/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~A. High~~

AB 652 (**Alvarez, D**) **San Diego County Air Pollution Control District: governing board: alternate members.**

Status: CHAPTERED

Summary: Current law provides for the San Diego County Air Pollution Control District to have a governing board of 11 members, including 2 members representing the board of supervisors of the County of San Diego, the mayor or a city council member of the City of San Diego, a city council member from each of the 5 supervisorial districts of the county, and 3 public members who are appointed by the other members representing those local governments. Current law requires the 5 city council members to be selected by city selection committees representing the cities of that supervisorial district. Current law provides for the members of the governing board to receive compensation while attending meetings of

the district governing board or while on official business of the district and to receive the actual and necessary expenses incurred in performing the member's official duties, as specified. This bill would provide that the members selected by the city selection committee members may be either a mayor or city council member from the applicable supervisorial district. The bill would authorize each appointing authority to designate an alternate member to serve in place of the regular member when the regular member is absent or disqualified from participating and would require the alternate member to meet the same qualifications applicable to the regular member. (Based on 09/05/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~A. High~~

SB 31 (McNerney, D) **Water quality: recycled water.**

Status: CHAPTERED

Summary: The Water Recycling Law generally provides for the use of recycled water. Current law requires any person who, without regard to intent or negligence, causes or permits an unauthorized discharge of 50,000 gallons or more of recycled water in or on any waters of the state to immediately notify the appropriate regional water board. This bill would, for the purposes of the above provision, redefine "recycled water" and provide that water discharged from a decorative body of water during storm events is not to be considered an unauthorized discharge if recycled water was used to restore levels due to evaporation. (Based on 09/05/2025 text)

Position	Priority
B. Watch	A. High

Notes -
Sponsored by WateReuse

SB 72 (Caballero, D) **The California Water Plan: long-term supply targets.**

Status: CHAPTERED

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as "The California Water Plan." Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers, that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to expand the membership of the advisory committee to include, among others, tribes, labor, and environmental justice interests. The bill would require the department, as part of the 2033 update to the plan, to update the interim planning target for 2050, as provided. The bill would require the target to consider the identified and future water needs for all beneficial uses, including, but not limited to, urban uses, agricultural uses, tribal uses, and the environment, and ensure safe drinking water for all Californians, among other things. The bill would require the plan to include specified components, including a discussion of the estimated costs, benefits, and impacts of any project type or action that is recommended by the department within the plan that could help achieve the water supply targets. (Based on 09/08/2025 text)

Position	Priority
support	A. High

Notes -
Support position taken on 2/5

SB 350 (Durazo, D) **Water Rate Assistance Program.**

Status: 05/23/2025 **-** Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/12/2025)(May be acted upon Jan 2026)

Location: 05/23/2025 **-** Senate 2 YEAR

Summary: Would establish the Water Rate Assistance Program. As part of the program, the bill would establish the Water Rate Assistance Fund in the State Treasury, available upon appropriation by the Legislature, to provide water affordability assistance, for both residential water and wastewater services, to low-income residential ratepayers, as specified. The bill would require the state board to take various actions in administering the fund, including, among other things, tracking and managing revenue in the fund separately from all other revenue. The bill would require the State Water Resources Control Board, in consultation with relevant agencies and after a public hearing, to adopt guidelines for implementation of the program and to adopt an annual report to be posted on the state board's internet website identifying how the fund has performed, as specified. The bill would require the guidelines to include minimum requirements for eligible systems, including the ability to confirm eligibility for enrollment through a request for self-certification of eligibility under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would require the state board to take various actions in administering the program, including, but not limited to, providing guidance, oversight, and funding for low-income rate assistance for residential ratepayers of eligible systems. The bill would authorize the Attorney General, at the request of the state board, to bring an action in state court to restrain the use of any method, act, or practice in violation of these provisions, except as provided. The bill would make the implementation of all of these provisions contingent upon an appropriation by the Legislature. (Based on 05/07/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~A. High~~

SB 394 (Allen, D) **Water theft: fire hydrants.**

Status: CHAPTERED

Summary: Current law authorizes a utility to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts certain acts, including, diverting or causing to be diverted, utility services by any means whatsoever. Current law creates a rebuttable presumption that there is violation of these provisions if, on premises controlled by the customer or by the person using or receiving the direct benefit of utility service, certain actions occur, including that there is an instrument, apparatus, or device primarily designed to be used to obtain utility service without paying the full lawful charge for the utility. This bill would add to the list of acts for which a utility may bring a civil cause of action under these circumstances to include tampering with a fire hydrant, fire hydrant meter, or fire detector check, or connecting to, diverting water from, or causing water to be diverted from, a fire hydrant without authorization from the utility that owns the fire hydrant, except as provided. (Based on 08/27/2025 text)

Position	Priority
support	A. High

Notes -
Support - March 5th Workshop

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

Status: 05/23/2025 **-** Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/5/2025)(May be acted upon Jan 2026)

Location: 05/23/2025 **-** Senate 2 YEAR

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases and requires the state board to adopt rules and regulations to achieve the maximum technologically

feasible and cost-effective greenhouse gas emission reductions from those sources. Pursuant to its authority, the state board has adopted the Advanced Clean Fleets Regulation, which imposes various requirements for transitioning local, state, and federal government fleets of medium- and heavy-duty trucks, other high-priority fleets of medium- and heavy-duty trucks, and drayage trucks to zero-emission vehicles. The Advanced Clean Fleets Regulation authorizes entities subject to the regulation to apply for exemptions from its requirements under certain circumstances. This bill would require the state board to establish the Advanced Clean Fleets Regulation Appeals Advisory Committee by an unspecified date for purposes of reviewing appeals of denied requests for exemptions from the requirements of the Advanced Clean Fleets Regulation. The bill would require the committee to include representatives of specified governmental and nongovernmental entities. The bill would require the committee to meet monthly and would require recordings of its meetings to be made publicly available on the state board's internet website. The bill would require the committee to consider, and make a recommendation on, an appeal of an exemption request denial no later than 60 days after the appeal is made. The bill would require specified information relating to the committee's consideration of an appeal to be made publicly available on the state board's internet website. (Based on 04/07/2025 text)

~~Position~~	~~Priority~~
~~support~~	~~A. High~~

~~Notes -~~
~~Proposed support - April agenda~~

SB 601 (**Allen, D**) **Water: waste discharge.**

Status: 08/28/2025 **-** Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 **-** Assembly 2 YEAR

Summary: The State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality and prescribe waste discharge requirements in accordance with the Porter-Cologne Water Quality Control Act (act) and the National Pollutant Discharge Elimination System (NPDES) permit program. Under the act, the State Water Resources Control Board is authorized to adopt water quality control plans for waters for which quality standards are required by the federal Clean Water Act, as specified, and that in the event of a conflict, those plans supersede regional water quality control plans for the same waters. This bill would authorize the state board to adopt water quality control plans for nexus waters, which the bill would define as all waters of the state that are not also navigable, except as specified. The bill would require any water quality standard that was submitted to, and approved by, or is awaiting approval by, the United States Environmental Protection Agency or the state board that applied to nexus waters as of May 24, 2023, to remain in effect, as provided. (Based on 07/10/2025 text)

Position	Priority
oppose	A. High

Notes -
Oppose adopted May 7th.

SB 697 (**Laird, D**) **Determination of water rights: stream system.**

Status: CHAPTERED

Summary: Current law authorizes the State Water Resources Control Board to hold proceedings to determine all rights to water of a stream system whether based upon appropriation, riparian right, or other basis of right. Current law provides various requirements for the board when determining adjudication of water rights, including, among other things, performing a detailed field investigation of a stream system, as defined, issuing an order of determination, providing notice and a hearing process, and filing a final order. This bill would revise the above-described provisions regarding the board's statutory adjudication of water rights during an investigation of a stream system to, among other things, require representatives of the board to investigate in detail the use of water with the authority, but no requirement, to conduct a

field investigation, authorize the board, if the board determines that the information provided by the person, as specified, is inadequate, to issue information orders that require claimants to submit reports of water use from the stream system through a form provided by the board, and require claimants to respond to that order within 75 days of the date of issuance by the board. (Based on 09/04/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~A. High~~

SB 707 (**Durazo, D**) **Open meetings: meeting and teleconference requirements.**

Status: 09/13/2025 **-** Joint Rule 61(a)(14) and 51(a)(4) suspended. Read third time. Passed. Ordered to the Senate. In Senate. Concurrence in Assembly amendments pending. Assembly amendments concurred in. (Ayes 27. Noes 6.) Ordered to engrossing and enrolling.

Location: 09/13/2025 **-** Senate ENROLLMENT

Summary: Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. This bill would, beginning July 1, 2026, and until January 1, 2030, require an eligible legislative body, as defined, to comply with additional meeting requirements, including that, except as specified, all open and public meetings include an opportunity for members of the public to attend via a 2-way telephonic service or a 2-way audiovisual platform, as defined, and that the eligible legislative body take specified actions to encourage residents to participate in public meetings, as specified. The bill would require an eligible legislative body, on or before July 1, 2026, to approve at a noticed public meeting in open session a policy regarding disruption of telephonic or internet services occurring during meetings subject to these provisions, as specified, and would require the eligible legislative body to comply with certain requirements relating to disruption, including for certain disruptions, recessing the open session for at least one hour and making a good faith attempt to restore the service, as specified. This bill contains other related provisions and other existing laws. (Based on 09/18/2025 text)

Position	Priority
B. Watch	A. High

SB 732 (**Ochoa Bogh, R**) **Emergency backup generators: critical facilities: exemptions.**

Status: 05/01/2025 **-** Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 3/12/2025)(May be acted upon Jan 2026)

Location: 05/01/2025 **-** Senate 2 YEAR

Summary: Current law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Current law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Current law requires the State Air Resources Board to identify toxic air contaminants that are emitted into the ambient air of the state and to establish airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources. This bill would require an air district without a specified rule on emergency backup generators, as defined, as of January 1, 2026, that adopts such a rule to include in the rule provisions that allow the operator of a critical facility, as defined, to use a permitted emergency backup generator in exceedance of the applicable runtime and testing and maintenance limits if specified conditions are met. The bill would require a critical facility allowed to exceed applicable limits under a rule adopted pursuant to that provision to attest to and provide evidence of having taken demonstrable steps toward implementing the use of backup power technologies that meet or exceed emission standards set by the state board. (Based on 02/21/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~A. High~~

Priority: B. Watch

AB 93 (**Papan, D**) **Water resources: data centers.**

Summary: Would require a person who owns or operates a data center, prior to applying to a city or a county for an initial business license, equivalent instrument, or permit, to provide its water supplier, under penalty of perjury, an estimate of the expected water use. When applying to a city or county for an initial business license, the bill would require a person who owns or operates a data center to self-certify, under penalty of perjury, on the application that the person has provided its water supplier an estimate of the expected water use. When applying to a city or county for a renewal of a business license, equivalent instrument, or permit, the bill would require a person who owns or operates a data center to self-certify, under penalty of perjury, on the application, that they have provided the data center's water supplier with a report of the annual water use. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would authorize the Department of Water Resources, as part of any efficiency standard adopted under a specified provision of law, to identify different tiers of data centers, based on factors affecting water consumption, and appropriate standards for each data tier. (Based on 09/15/2025 text)

Position	Priority
B. Watch	B. Watch

AB 267 (**Macedo, R**) **Greenhouse Gas Reduction Fund: high-speed rail: water infrastructure and wildfire prevention.**

Status: 05/01/2025 **-** Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 2/18/2025)(May be acted upon Jan 2026)

Location: 05/01/2025 **-** Assembly 2 YEAR

Summary: Would suspend the appropriation to the High-Speed Rail Authority for the 2026–27 and 2027–28 fiscal years and would instead require those amounts from moneys collected by the State Air Resources Board to be transferred to the General Fund. The bill would specify that the transferred amounts shall be available, upon appropriation by the Legislature, to augment funding for water infrastructure and wildfire prevention. (Based on 01/17/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 269 (**Bennett, D**) **Dam Safety and Climate Resilience Local Assistance Program.**

Status: 05/01/2025 **-** Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 2/10/2025)(May be acted upon Jan 2026)

Location: 05/01/2025 **-** Assembly 2 YEAR

Summary: Current law provides for the regulation and supervision of dams and reservoirs by the state, and requires the Department of Water Resources, under the police power of the state, to supervise the construction, enlargement, alteration, repair, maintenance, operation, and removal of dams and reservoirs for the protection of life and property, as prescribed. Current law requires the department to, upon appropriation by the Legislature, develop and administer the Dam Safety and Climate Resilience Local Assistance Program to provide state funding for repairs, rehabilitation, enhancements, and other dam safety projects at existing state jurisdictional dams and associated facilities that were in service prior to January 1, 2023, subject to prescribed criteria. This bill would include the removal of project facilities as additional projects eligible to receive funding under the program. (Based on 01/17/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 293 (Bennett, D) **Groundwater sustainability agency: transparency.**

Status: CHAPTERED

Summary: Current law requires a groundwater sustainability plan to be developed and implemented for each medium- or high-priority basin by a groundwater sustainability agency. Current law authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin, as provided. Current law requires members of the board of directors and the executive, as defined, of a groundwater sustainability agency to file statements of economic interests with the Fair Political Practices Commission using the commission's online system for filing statements of economic interests. This bill would require each groundwater sustainability agency to publish the membership of its board of directors on its internet website, or on the local agency's internet website, as provided. The bill would also require each groundwater sustainability agency to publish a link on its internet website or its local agency's internet website to the location on the Fair Political Practices Commission's internet website where the statements of economic interests, filed by the members of the board and executives of the agency, can be viewed. (Based on 09/05/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 295 (Macedo, R) **California Environmental Quality Act: environmental leadership development projects: water storage, water conveyance, and groundwater recharge projects: streamlined review.**

Status: 05/01/2025 **-** Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 2/10/2025)(May be acted upon Jan 2026)

Location: 05/01/2025 **-** Assembly 2 YEAR

Summary: The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 authorizes the Governor, until January 1, 2032, to certify environmental leadership development projects that meet specified requirements for certain streamlining benefits related to the California Environmental Quality Act (CEQA). The act, among other things, requires a lead agency to prepare the record of proceedings for an environmental leadership development project, as provided, and to provide a specified notice within 10 days of the Governor certifying the project. The act is repealed by its own term on January 1, 2034. This bill would extend the application of the act to water storage projects, water conveyance projects, and groundwater recharge projects that provide public benefits and drought preparedness. Because a lead agency would be required to prepare the record of proceedings for water storage projects, water conveyance projects, and groundwater recharge projects pursuant to the act, this bill would impose a state-mandated local program. (Based on 01/23/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 307 (Petrie-Norris, D) **Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Department of Forestry and Fire Protection: fire camera mapping system.**

Status: 05/01/2025 **-** Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 2/10/2025)(May be acted upon Jan 2026)

Location: 05/01/2025 **-** Assembly 2 YEAR

Summary: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 authorized the issuance of bonds in the amount of $10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. Of these funds, the act makes available $1,500,000,000, upon appropriation by the Legislature, for wildfire prevention, including, among other things, by making $25,000,000 available, upon appropriation by the Legislature, to the Department of Forestry and Fire Protection for technologies that improve detection and assessment of new fire ignitions.

This bill would require, of the $25,000,000 made available to the department, $10,000,000 be allocated for purposes of the ALERTCalifornia fire camera mapping system. (Based on 01/23/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 367 (**Bennett, D**) **Water: County of Ventura: fire suppression.**

Status: 09/16/2025 **-** Enrolled and presented to the Governor at 2 p.m.

Location: 09/16/2025 **-** Assembly ENROLLED

Summary: Would, beginning July 1, 2030, require a water supplier, as defined, to have access to sufficient backup energy sources to operate critical fire suppression infrastructure, as defined, needed to supply water for at least 24 hours for the purpose of fire suppression in high or very high fire hazard severity zones in the County of Ventura, or to have access to alternative sources of water supplied by a different water supplier or agency that can serve this same purpose of supplying backup water to critical wells and water pumps for 24 hours, as provided. The bill would require the water supplier to take various actions, including annually inspecting critical fire suppression infrastructure and backup energy sources and notifying the Ventura County Office of Emergency Services within 3 business days of any reduction in its water delivery capacity that could substantially hinder firefighting operations or significantly delay the replenishment of reservoirs. The bill would require, if any fire damages and makes uninhabitable more than 10 residential dwellings within the service area of a water supplier, a report be made by the Ventura County Fire Department in cooperation with the water supplier, as specified. By levying new requirements on the Ventura County Fire Department, this bill would create a state-mandated local program. (Based on 09/11/2025 text)

Position	Priority
B. Watch	B. Watch

AB 372 (**Bennett, D**) **Office of Emergency Services: state matching funds: water system infrastructure improvements.**

Status: 09/11/2025 **-** Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/3/2025)(May be acted upon Jan 2026)

Location: 09/11/2025 **-** Senate 2 YEAR

Summary: Current law charges the Office of Emergency Services (OES) with coordinating various emergency activities within the state. The California Emergency Services Act, contingent upon an appropriation by the Legislature, requires the OES to enter into a joint powers agreement pursuant to the Joint Exercise of Powers Act with the Department of Forestry and Fire Protection to develop and administer a comprehensive wildfire mitigation program relating to structure hardening and retrofitting and prescribed fuel modification activities. Current law authorizes the joint powers authority to establish financial assistance limits and matching funding or other recipient contribution requirements for the program, as provided. This bill, contingent upon appropriation by the Legislature, would establish the Rural Water Infrastructure for Wildfire Resilience Program within the OES for the distribution of state matching funds to urban wildland interface communities, as defined, in designated high fire hazard severity zones or very high fire hazard severity zones to improve water system infrastructure, as prescribed. The bill would require the OES to work in coordination with the Department of Water Resources, the State Water Resources Control Board, the Office of the State Fire Marshal, and other state entities as the OES determines to be appropriate, to achieve the purposes of the program. (Based on 08/29/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 404 (Sanchez, R) **California Environmental Quality Act: exemption: prescribed fire, reforestation, habitat restoration, thinning, or fuel reduction projects.**

Status: 05/01/2025 **-** Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 2/18/2025)(May be acted upon Jan 2026)

Location: 05/01/2025 **-** Assembly 2 YEAR

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. Current law, until January 1, 2028, except for the issuance of a permit or other permit approval, exempts from the requirements of CEQA prescribed fire, reforestation, habitat restoration, thinning, or fuel reduction projects, or related activities, undertaken, in whole or in part, on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the federal National Environmental Policy Act of 1969 meeting certain requirements. Current law requires a lead agency, if it determines that a project qualifies for the above exemption and it determines to approve or carry out the project, to file a notice of exemption with the Office of Land Use and Climate Innovation and with the county clerk in the county in which the project will be located and to post the notice of exemption on its internet website together with a description of where the documents analyzing the environmental impacts of the project under the federal act are available for review. Current law requires the lead agency, if it is not the Department of Forestry and Fire Protection, to provide the notice of exemption and certain information to the department. This bill would extend the above exemption and requirements on the lead agency indefinitely. (Based on 02/04/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 430 (Alanis, R) **State Water Resources Control Board: emergency regulations.**

Status: 05/23/2025 **-** Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/14/2025)(May be acted upon Jan 2026)

Location: 05/23/2025 **-** Assembly 2 YEAR

Summary: Current law provides that an emergency regulation adopted by the State Water Resources Control Board following a Governor's proclamation of a state of emergency based on drought conditions, for which the board makes specified findings, may remain in effect for up to one year, as provided, and may be renewed if the board determines that specified conditions relating to precipitation are still in effect. This bill would require the board, within 180 days following a finding by the board that a nonfee emergency regulation is no longer necessary, as provided, to conduct a comprehensive economic study assessing the impacts of the regulation, as specified. (Based on 05/01/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 591 (Caloza, D) **Emergency services: mutual aid: public works.**

Status: 05/23/2025 **-** Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/21/2025)(May be acted upon Jan 2026)

Location: 05/23/2025 **-** Assembly 2 YEAR

Summary: The California Emergency Services Act establishes the Office of Emergency Services within the Governor's office under the supervision of the Director of Emergency Services and makes the office responsible for the state's emergency and disaster response services. The office serves as the State Disaster Council for the purposes of the California Disaster and Civil Defense Master Mutual Aid Agreement. Current law states it is the purpose of the Legislature to facilitate the rendering of aid to areas stricken by an emergency and to make unnecessary the execution of written agreements customarily entered into by public agencies exercising joint powers, and that emergency plans duly adopted and approved as provided by the Governor shall be effective as satisfying the requirement for mutual aid

operational plans provided in the Master Mutual Aid Agreement. Current law requires outside aid be rendered in accordance with approved emergency plans during any state of war emergency or state of emergency when the need arises in any county, city and county, or city. This bill would additionally state that it is the purpose of the Legislature to facilitate the rendering of public works resources critical for disaster response and recovery to areas stricken by an emergency. The bill would require that outside aid rendered during any state of war emergency or state of emergency includes public works personnel, equipment, and materials. (Based on 02/12/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 615 (Davies, R) **Power facilities: emergency response and action plans**

Summary: Current law requires an application to be filed with the State Energy Resources Conservation and Development Commission for certification of a site and related facility that includes an electrical transmission line or thermal powerplant, or both. Current law requires the application to contain, among other information, a description of any electrical transmission lines, a map of the proposed route and existing transmission lines, justification for the proposed route, and a preliminary description of the effect of the proposed electrical transmission lines on the environment, ecology, and scenic, historic, and recreational values, as specified. This bill would remove the requirement that the application include the information described above, and would require that the application also contain an emergency response and action plan, to be paid for by the applicant, that incorporates impacts to the surrounding areas in the event of an emergency and that would be conducted and coordinated with local emergency management agencies, unified program agencies, and local first response agencies. (Based on 09/08/2025 text)

Position	Priority
B. Watch	B. Watch

AB 707 (Soria, D) **San Luis and Delta-Mendota Water Authority: B.F. Sisk Dam Raise and Reservoir Expansion Project.**

Status: 02/15/2025 **-** From printer. May be heard in committee March 17.

Location: 02/14/2025 **-** Assembly PRINT

Summary: Would appropriate $455,500,000 from the General Fund to the San Luis and Delta-Mendota Water Authority for the purpose of funding the State Highway 152 Route improvements required to complete the B.F. Sisk Dam Raise and Reservoir Expansion Project. (Based on 02/14/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 794 (Gabriel, D) **California Safe Drinking Water Act: emergency regulations.**

Status: 09/12/2025 **-** Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 6/12/2025)(May be acted upon Jan 2026)

Location: 09/12/2025 **-** Assembly 2 YEAR

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

or amended to be less stringent. The bill would prohibit an emergency regulation adopted pursuant to these provisions from implementing less stringent drinking water standards, as provided, and would authorize the regulation to include monitoring requirements that are more stringent than the requirements of the federal regulation. The bill would prohibit maximum contaminant levels and compliance dates for maximum contaminant levels adopted as part of an emergency regulation from being more stringent than the maximum contaminant levels and compliance dates of a regulation promulgated pursuant to the federal act. (Based on 04/10/2025 text)

Position	Priority
B. Watch	B. Watch

AB 810 (**Irwin, D**) **Local government: internet websites and email addresses.**

Status: 05/23/2025 **-** Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/7/2025)(May be acted upon Jan 2026)

Location: 05/23/2025 **-** Assembly 2 YEAR

Summary: Current law requires that a local agency that maintains an internet website for use by the public to ensure that the internet website uses a ".gov" top-level domain or a ".ca.gov" second-level domain no later than January 1, 2029. Current law requires that a local agency that maintains public email addresses to ensure that each email address provided to its employees uses a ".gov" domain name or a ".ca.gov" domain name no later than January 1, 2029. Current law defines "local agency" for these purposes as a city, county, or city and county. This bill would recast these provisions by instead requiring a city, county, or city and county to comply with the above-described domain requirements and by deleting the term "local agency" from the above-described provisions. The bill would also require a special district, joint powers authority, or other political subdivision to comply with similar domain requirements no later than January 1, 2031. (Based on 04/10/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

AB 1146 (**Papan, D**) **Water infrastructure: dams and reservoirs: water release: false pretenses.**

Status: 08/29/2025 **-** Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

Location: 08/29/2025 **-** Senate 2 YEAR

Summary: Would prohibit the release of stored water from a reservoir owned and operated by the United States in this state if the release is done under false pretenses, which the bill would define to mean a release of water from a reservoir owned and operated by the United States in a manner that is knowingly, designedly, and intentionally under any false or fraudulent representation as to the purpose and intended use of the water. The bill would authorize the State Water Resources Control Board or the Attorney General, as provided, to bring an action for injunctive relief for a violation of the above-described prohibition. By expanding the scope of a crime, the bill would impose a state-mandated local program. (Based on 06/23/2025 text)

Position	Priority
B. Watch	B. Watch

AB 1413 (**Papan, D**) **Sustainable Groundwater Management Act: groundwater adjudication.**

Status: 09/11/2025 **-** Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/9/2025)(May be acted upon Jan 2026)

Location: 09/11/2025 **-** Senate 2 YEAR

Summary: Current law requires the Department of Water Resources to periodically review the groundwater sustainability plans developed by groundwater sustainability agencies pursuant to the act to

evaluate whether a plan conforms with specified laws and is likely to achieve the sustainability goal for the basin covered by the plan. Current law requires a groundwater sustainability agency to evaluate its groundwater sustainability plan periodically. This bill would require a groundwater sustainability agency to, at least once every 7 years, review, and update if appropriate, its sustainable yield to ensure that the sustainable yield is based on the best available information and best available science, as defined, and will achieve sustainable groundwater management. The bill would also require a groundwater sustainability agency to provide an opportunity for public review and comment before making a determination whether to update its sustainable yield. To the extent that these requirements impose additional duties on groundwater sustainability agencies that are local agencies, the bill would impose a state-mandated local program. (Based on 09/02/2025 text)

Position	Priority
B. Watch	B. Watch

SB 90 (**Seyarto, R**) **Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: grants: improvements to public evacuation routes: mobile rigid water storage: electrical generators.**

Status: 05/23/2025 **-** Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/5/2025)(May be acted upon Jan 2026)

Location: 05/23/2025 **-** Senate 2 YEAR

Summary: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of $10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. The act makes $135,000,000 available, upon appropriation by the Legislature, to the Office of Emergency Services for a wildfire mitigation grant program to provide, among other things, loans, direct assistance, and matching funds for projects that prevent wildfires, increase resilience, maintain existing wildfire risk reduction projects, reduce the risk of wildfires to communities, or increase home or community hardening. The act provides that eligible projects include, but are not limited to, grants to local agencies, state agencies, joint powers authorities, tribes, resource conservation districts, fire safe councils, and nonprofit organizations for structure hardening of critical community infrastructure, wildfire smoke mitigation, evacuation centers, including community clean air centers, structure hardening projects that reduce the risk of wildfire for entire neighborhoods and communities, water delivery system improvements for fire suppression purposes for communities in very high or high fire hazard areas, wildfire buffers, and incentives to remove structures that significantly increase hazard risk. This bill would include in the list of eligible projects grants to the above-mentioned entities for improvements to public evacuation routes in very high and high fire hazard severity zones, mobile rigid dip tanks, as defined, to support firefighting efforts, prepositioned mobile rigid water storage, as defined, and improvements to the response and effectiveness of fire engines and helicopters. (Based on 03/12/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

SB 224 (**Hurtado, D**) **Department of Water Resources: water supply forecasting.**

Status: 09/22/2025 **-** Enrolled and presented to the Governor at 11 a.m.

Location: 09/22/2025 **-** Senate ENROLLED

Summary: Current law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop. Current law also requires the department to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as “The California Water

Plan."This bill would require the department, on or before January 1, 2027, to update its water supply forecasting models and procedures to address the effects of climate change and implement a formal policy and procedures for documenting the department's operational plans and the department's rationale for its operating procedures, including the department's rationale for water releases from reservoirs. The bill would also require the department to establish, and publish on the department's internet website, the specific criteria that it will employ to determine when its updated water supply forecasting model has demonstrated sufficient predictive capability to be ready for use in each of the watersheds. The bill would require the department, on or before January 1, 2028, and annually thereafter, to prepare and submit to the Legislature a report on its progress toward implementing the new forecasting model and to post the report on the department's internet website. (Based on 09/13/2025 text)

Position	Priority
B. Watch	B. Watch

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

Status: 06/05/2025 **-** Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 6/3/2025)(May be acted upon Jan 2026)

Location: 06/05/2025 **-** Senate 2 YEAR

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

Position	Priority
B. Watch	B. Watch

SB 348 (**Hurtado, D**) **State Air Resources Board: Low Carbon Fuel Standard.**

Status: 05/23/2025 **-** Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/19/2025)(May be acted upon Jan 2026)

Location: 05/23/2025 **-** Senate 2 YEAR

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt rules and regulations, as provided, to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that the statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. Pursuant to its authority, the state board has adopted the Low Carbon Fuel Standard regulations to reduce the carbon intensity of transportation fuels used in California, as specified. This bill would require the state board, beginning no later than

January 31, 2026, to reconsider and revise the Low Carbon Fuel Standard to reduce the program's financial burden on drivers in the state, including by taking specified actions. (Based on 05/05/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~B. Watch~~

~~Notes -~~
~~Potential vehicle for ACF~~

SB 614 (Stern, D) **Public resources: transportation of carbon dioxide.**

Status: VETOED

Summary: The Elder California Pipeline Safety Act of 1981 requires the State Fire Marshal to administer provisions regulating the inspection of intrastate pipelines that transport hazardous liquids. A person who willfully and knowingly violates the act or a regulation issued pursuant to the act is, upon conviction, subject to a fine, imprisonment, or both a fine and imprisonment, as provided. This bill would revise the definition of "pipeline," for purposes of the act, to include intrastate pipelines used for the transportation of carbon dioxide. The bill would require the State Fire Marshal, by July 1, 2026, to adopt regulations governing the safe transportation of carbon dioxide in pipelines that, at a minimum, are as protective as certain draft regulations issued by the federal Pipeline and Hazardous Materials Safety Administration on January 10, 2025. The bill would authorize the State Fire Marshal to amend those regulations, as provided. The bill would prohibit the approval of a pipeline for use in transporting carbon dioxide if the pipeline is originally constructed to transport any other liquid or gas and would prohibit the construction of those pipelines using previously used pipe or components. The bill would prohibit an operator from constructing a pipeline transporting carbon dioxide in a location where one or more sensitive receptors, as defined, are located within the emergency planning zone of the pipeline, which is defined as an area within 2 miles of either side of the pipeline, except as provided. The bill would require an operator of a pipeline transporting carbon dioxide to submit to the State Fire Marshal and the public agency that is the lead agency for the project that includes the pipeline an emergency planning zone inventory and map, as provided, and would require the State Fire Marshal and the lead agency to review, at least once every 3 years, the inventory and map for completeness and accuracy. The bill would require the operator, at least once every 3 years, to provide to local governments providing emergency response services to sensitive receptors within an emergency planning zone the inventory and map determined by the State Fire Marshal and the lead agency to be complete and accurate and any updates to the inventory and map. The bill would require the State Fire Marshal and the lead agency to make publicly available on its internet website all inventories and maps determined to be current, complete, and accurate and would require the State Fire Marshal and the lead agency to redact any personally identifiable information from the publicly available inventories and maps. To the extent this requirement imposes additional duties on a local agency regarding the posting of, and the redaction of information from, the inventories and maps, this bill would impose a state-mandated local program. The bill would require the operator to annually provide the map to sensitive receptors within the emergency planning zone of the pipeline. The bill would authorize the State Fire Marshal, for a pipeline transporting carbon dioxide, to order a pipeline shutdown for violations of state or federal laws, or if continued pipeline operations present an immediate danger to health, welfare, or the environment. The bill would, in the event of a pipeline rupture, require the pipeline to remain nonoperational until an investigation into the pipeline rupture is completed and the origin and cause of the pipeline rupture is determined. Because the bill would expand the application of a crime to pipelines transporting carbon dioxide and because a violation of the regulations adopted by the State Fire Marshal related to pipelines transporting carbon dioxide would be a crime, the bill would impose a state-mandated local program. The bill would require that to be recognized by the state board for meeting any requirement under the California Global Warming Solutions Act of 2006, carbon dioxide transported by pipeline be transported only by pipelines meeting or exceeding the standards adopted by the State Fire Marshal. This bill contains other related provisions and other existing laws. (Based on 09/18/2025 text)

Position	Priority
B. Watch	B. Watch

SB 742 (**Pérez, D**) **Water systems and water districts.**

Status: 03/12/2025 **-** Referred to Com. on RLS.

Location: 02/21/2025 **-** Senate Rules

Summary: The California Water District Law provides for the establishment of water districts, and grants a district the power to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes. This bill would state the intent of the Legislature to enact subsequent legislation related to the regulation of water systems and water districts. (Based on 02/21/2025 text)

Position	Priority
B. Watch	B. Watch

Priority: spot bill

AB 497 (**Wilson, D**) **San Francisco Bay/Sacramento-San Joaquin Delta Estuary Water Quality Control Plan.**

Status: 05/08/2025 **-** Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/10/2025)(May be acted upon Jan 2026)

Location: 05/08/2025 **-** Assembly 2 YEAR

Summary: Current law makes available to the Natural Resources Agency bond funds for, among other things, implementing an updated State Water Resources Control Board's San Francisco Bay/Sacramento-San Joaquin Delta Estuary Water Quality Control Plan (Bay-Delta Water Quality Control Plan), which establishes water quality control measures and flow requirements needed to provide reasonable protection of beneficial uses in the watershed. This bill would state the intent of the Legislature to enact future legislation relating to the Bay-Delta Water Quality Control Plan. (Based on 02/10/2025 text)

~~Position~~	~~Priority~~
~~B. Watch~~	~~spot bill~~

Total Measures: 41
Total Tracking Forms: 41

Metropolitan Water District of Southern California
State Legislative Matrix: First Year of Legislative Session
October 13, 2025

Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
AB 259 **B. Rubio** **(D – Baldwin Park)** Sponsors: California Special Districts Association, Three Valleys Municipal Water District	Amended in Assembly Local Government Committee on 4/21/2025. Two-Year Bill	**Open meetings: local agencies: teleconferences.** This bill eliminates the sunset on provisions added to the Brown Act by AB 2449, a bill that provided additional flexibility with Brown Act meeting procedures in the event of a board member's physical absence in connection with a "just cause" or "emergency circumstances," allowing those members to participate in the meeting remotely consistent with the process detailed in the bill.	**Support** Based on 2025 Legislative Policies and Principles.	By removing the sunset on the Brown Act provisions, AB 259 preserves flexibility for Metropolitan and Member Agency board members to meet remotely and continue providing the public with essential services.
AB 532 **R. Ransom** **(D – Stockton)** Sponsor: California Municipal Utilities Association	Amended in Senate Local Government Committee on 7/17/2025. Two-Year Bill	**Water rate assistance program** This bill seeks to revamp the State's Low Income Household Water Assistance Program (LIHWAP), upon appropriation by the Legislature, to provide water rate assistance to ratepayers of public water suppliers, or systems serving disadvantaged communities. The bill also would expressly allow urban retail water suppliers to establish a local low-income rate assistance (LIRA) program using voluntary contributions or other non- ratepayer funds.	**Support** Based on 2025 Legislative Policies and Principles.	This bill would provide clarity in existing law to ensure that water agencies are able to establish local LIRA programs without fear of legal consequences given the provisions of Proposition 218.

Metropolitan Water District of Southern California
State Legislative Matrix: First Year of Legislative Session
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Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
AB 580 **G. Wallis** **(R – Bermuda Dunes)** Sponsor: Metropolitan Water District of Southern California	Chaptered Signed by the Governor, Chapter 270, Statutes of 2025	**Surface Mining: Metropolitan Water District of Southern California** This bill extends the sunset date for 15 years or until January 1, 2041, on Metropolitan's ability to operate under a single Master Reclamation Plan for repairs using earth-moving activities under the Surface Mining and Reclamation Act for the maintenance of the Colorado River Aqueduct (CRA).	**Sponsor** Based on December 2024 Board Action.	Ensuring Metropolitan can continue operating under a single Master Reclamation Plan will maintain environmental oversight without delays and prevent duplicative compliance.
AB 638 **C. Rodriguez** **(D – San Fernando)** Sponsor: Natural Resources Defense Council	Amended in Senate on 7/3/2025. Two-Year Bill	**Stormwater: uses: irrigation** This bill would require the State Water Resources Control Board (Board) to establish guidance for stormwater capture, and its use for the irrigation of public urban lands by July 1, 2026. Public lands include parks, street medians, parkways, and golf courses owned by the state, city, county, or designated for public use. The Board would be required to solicit public comment before establishing recommendations.	**Support** Based on 2025 Legislative Policies and Principles.	About 76,000 Acre-Feet of stormwater runoff is currently treated at surface water treatment facilities and introduced directly into Metropolitan's member agency distribution system. Metropolitan does not currently use urban runoff for irrigation on our properties. The use of stormwater for non- potable irrigation of public lands reduces the demand for potable water while enhancing drought resilience.

Metropolitan Water District of Southern California
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Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
AB 794 **J. Gabriel** **(D – Encino)** **Sponsors:** Clean Water Action, Environmental Working Group	Amended in Assembly Environmental Safety and Toxic Materials Committee on 4/10/2025. Two-Year Bill	**California Safe Drinking Water Act: emergency regulations** This bill would authorize the State Water Resources Control Board (SWRCB) to adopt an emergency regulation for water quality based on federal regulations in effect on January 19, 2025, regardless of whether the requirements were repealed or amended to be less stringent. The bill would prohibit an emergency regulation adopted pursuant to these provisions from implementing less stringent drinking water standards, as provided, and would authorize the regulation to include requirements that are more stringent than the requirements of the federal regulation. The bill would require, on or before January 1, 2026, the SWRCB to adopt an emergency regulation and to initiate a primary drinking water standard for perfluoroalkyl and polyfluoroalkyl substances (PFAS).	**Oppose Unless Amended** Based on 2025 Legislative Policies and Principles.	While AB 794 aims to protect public health, its approach circumvents the established regulatory process for setting Maximum Contaminant Levels (MCLs). Metropolitan's Legislative Priorities and Principles call for using the best available science to protect public health and improve water quality when setting MCLs. The broad scope of this bill, which would allow the SWRCB to set through emergency action primary and secondary MCLs for any chemical with a federal MCL, sets a dangerous precedent and fails to align with well-established regulatory principles.

Metropolitan Water District of Southern California
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Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
AB 1146 **D. Papan (D – San Mateo)**	Amended in Senate Natural Resources and Water Committee on 6/23/2025. Two-Year Bill	**Water infrastructure: dams and reservoirs: water release: false pretenses** This bill adds language to the Water Code prohibiting the release of stored water from a reservoir owned and operated by the United States if the release is done under false pretenses and would authorize the State Water Resources Control Board to issue an injunctive relief order for violation of such release of stored water. This bill would define "false pretenses" as a release of water from a reservoir in a manner that is knowingly, designedly, and intentionally under a false or fraudulent representation or assumption as to the purpose and intended use of the water.	**Watch** Based on 2025 Legislative Policies and Principles.	Amendments have narrowed the scope of this bill to reservoirs owned and operated by the United States, which would exclude Metropolitan's and Member Agency owned and operated reservoirs. The bill's definition of "false pretenses" remains unclear and does not specify what would qualify as "false or fraudulent representation," nor does it indicate how intent would be determined.

Metropolitan Water District of Southern California
State Legislative Matrix: First Year of Legislative Session
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Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
AB 1319 **N. Schultz (D – Burbank)**	Amended in Senate Appropriations Committee on 9/2/2025. Pending Governor's Signature	**Protected species: California Endangered Species Act.** This bill would amend the California Endangered Species Act (CESA) to authorize the California Department of Fish and Wildlife (CDFW) to deem a species as a provisional candidate species if it finds that a federal action that occurs after January 19, 2025, results in a decrease in protection for that species and listing under CESA could provide protection for that species. This bill would provide that an entity shall not be held criminally or civilly liable for any take consistent with existing federal take authorization as long as the take authorization is issued before January 19, 2025.	**Oppose Unless Amended** Based on 2025 Legislative Policies and Principles.	This bill could have profound impacts on Metropolitan's activities and its State Water Project and Colorado River imported supplies. The time and cost to get CESA permits after CDFW listings would be high, and while permit applications are pending, opponents could litigate to halt or modify projects, including ongoing operations of the State Water Project and Colorado River water deliveries and power production. Recent amendments would allow CDFW to make its own determination to add a species as a "provisional candidate species" without any prior notice or opportunity to provide comment. This amendment significantly reduces transparency and would provide CDFW with unprecedented authority that could subject Metropolitan to significant additional mitigation that increases costs and reduces water deliveries. Metropolitan sought additional amendments to limit the applicability of this bill to species that are federally delisted.

Metropolitan Water District of Southern California
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Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
SB 31 **J. McNerney** **(D – Stockton)** **Sponsor:** WateReuse California	Amended in Assembly Water, Parks, and Wildlife Committee on 6/9/2025. Pending Governor's Signature	**Water quality: recycled water** SB 31 aims to enhance California's water sustainability by increasing the use of recycled water in non-potable applications. This bill modernizes outdated regulations and expands the permissible uses of recycled water to reduce dependence on potable sources. The bill would make updates to Title 22 of the Code of Regulations to expand the use of recycled water in parks, schools, and food handling and processing facilities.	**Support** Based on 2025 Legislative Policies and Principles.	Supporting the use of recycled water in non-potable applications such as irrigation, decorative water features, and industrial processes reduces the demand for potable water while enhancing drought resilience.
SB 72 **A. Caballero** **(D – Merced)** **Sponsor:** California Municipal Utilities Association	Chaptered Signed by the Governor, Chapter 210, Statutes of 2025.	**The California Water Plan: long-term supply targets** This measure would revise the California Water Plan to require the Department of Water Resources (DWR) to update the California Water Plan by December 31, 2028, and every five years after, to include a long-term water supply target for 2050 and discussion on the development of specified water supply sources to meet demand.	**Support** Based on 2025 Legislative Policies and Principles.	The intent of this bill is to help modernize California's water management practices and provide long-term reliable supplies in response to the current climate challenges. Metropolitan supported a similar version of this bill in 2024, SB 366 (Caballero), which passed the Legislature and was vetoed by the Governor.

Metropolitan Water District of Southern California
State Legislative Matrix: First Year of Legislative Session
October 13, 2025

Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
SB 394 **B. Allen** **(D – Santa Monica)** **Sponsor:** Las Virgenes Municipal Water District	Amended in Assembly Judiciary Committee on 7/3/2025. Pending Governor's Signature	**Water theft: fire hydrants** SB 394 would allow a local agency that provides water service the ability to increase fines and penalties for water theft from fire hydrants. The bill also adds tampering with a fire hydrant, fire hydrant meter, or fire detector check, or the unauthorized diversion of water from a fire hydrant to the list of acts for which a utility may bring a civil cause of action.	**Support** Based on 2025 Legislative Policies and Principles.	Metropolitan Member Agencies and subagencies that provide local water services could adopt ordinances with enhanced penalties for water theft from a fire hydrant.
SB 454 **J. McNerney** **(D – Stockton)** **Sponsor:** Association of California Water Agencies	Vetoed	**State Water Resources Control Board: PFAS Mitigation Program** SB 454 would establish a PFAS Mitigation Fund to address PFAS contamination in California's drinking water, stormwater, andwastewater systems. Administered by the SWRCB, the fund will provide financial support through grants, loans, and contracts to water suppliers and wastewater operators to cover or reduce treatment and disposal costs, ensuring safe and clean water across the state with a focus on disadvantaged communities.	**Support** Based on 2025 Legislative Policies and Principles.	The proposed bill would be highly beneficial to Metropolitan, its Member Agencies, and other water and wastewater agencies currently grappling with increased PFAS-related regulations and source contamination issues. By allowing for grants, loans, and contracts through the PFAS Mitigation Fund, and the provision of assistance services, the bill provides much-needed financial relief and assistance to support treatment and mitigation efforts.

Metropolitan Water District of Southern California
State Legislative Matrix: First Year of Legislative Session
October 13, 2025

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

Item No. 6

INFORMATION ITEM
November 5, 2025

TO: **Board of Directors**

FROM: **Harvey De La Torre, General Manager**

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

SUBJECT: **MET ITEMS CRITICAL TO ORANGE COUNTY**

STAFF RECOMMENDATION

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

REPORT

This report provides a brief update on the status of the following key MET issues that may affect Orange County:

a. MET's Finance and Rate Issue
b. MET's Water Supply Condition Update
c. MET's Water Quality Update
d. Colorado River Issues
e. Delta Conveyance Activities and State Water Project Issues

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

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

Attachments/Links:
Attachment 1: Issue Briefs a-e

Issue Brief A

SUBJECT: MET Finance and Rate Issues

RECENT ACTIVITY

Water Transactions for October 2025 (for water delivered in August 2025) totaled 123.0 thousand acre-feet (TAF), which was 10.1 TAF lower than the budget of 133.1 TAF. This translates to $149.8 million in receipts for October 2025, which were $2.7 million lower than the budget of $152.5 million.

Year-to-date water transactions through October 2025 (for water delivered in May 2025 through August 2025) were 451.5 TAF, which was 41.1 TAF lower than the budget of 492.6 TAF.

Year-to-date water receipts through October 2025 were $537.1 million, which was $38.0 million lower than the budget of $575.1 million.

Month		Acre-Feet (AF)[1]		Variance		Revenue ($)[2]		Variance	
Delivered/ Billed In	To be Collected in	Budget	Actual	AF	%	Budget	Actual	$	%
May	July	110,834	104,802	(6,032)	-5%	122,873,672	134,899,988	12,026,316	10%
June	August	117,893	105,957	(11,936)	-10%	150,194,358	117,905,817	(32,288,541)	-21%
July	September [3]	130,799	117,703	(13,096)	-10%	149,512,493	134,460,017	(15,052,476)	-10%
August	October [3]	133,060	122,998	(10,062)	-8%	152,486,828	149,830,784	(2,656,044)	-2%
YTD Total		**492,586**	**451,460**	**(41,126)**	-8%	**575,067,351**	**537,096,606**	**(37,970,745)**	-7%
September	November	125,227	-	-	0%	141,365,920	-	-	0%
October	December	126,161	-	-	0%	139,251,900	-	-	0%
November	January	128,056	-	-	0%	136,399,566	-	-	0%
December	February	107,621	-	-	0%	112,940,010	-	-	0%
January	March	90,739	-	-	0%	105,775,733	-	-	0%
February	April	78,856	-	-	0%	91,212,001	-	-	0%
March	May	84,484	-	-	0%	98,206,004	-	-	0%
April	June	110,200	-	-	0%	129,990,583	-	-	0%
FY Total		**1,343,930**	**451,460**	**N/A**	**N/A**	**1,530,209,068**	**537,096,606**	**N/A**	**N/A**

ISSUE BRIEF B

SUBJECT: MET's Supply Condition Update

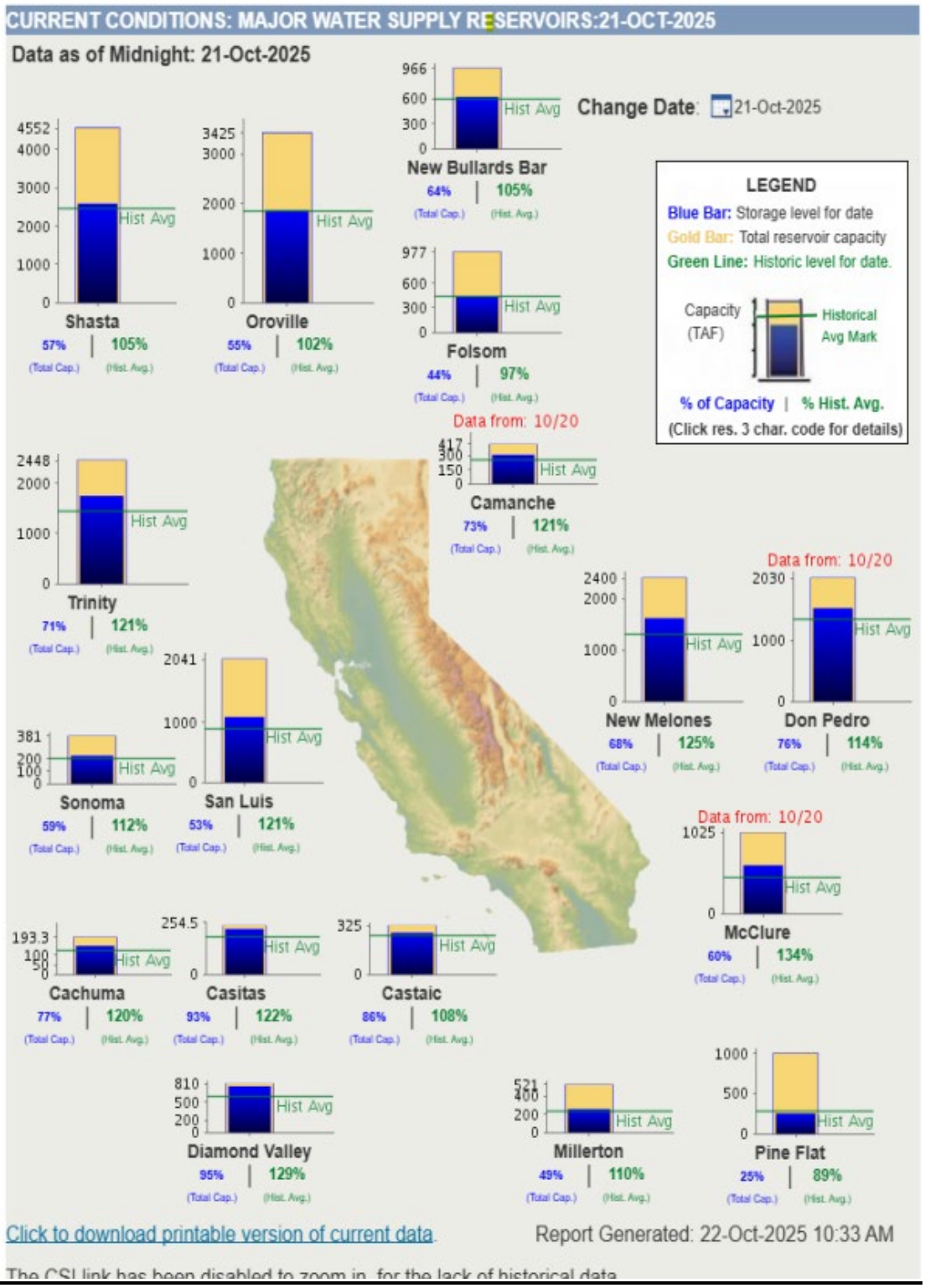
RECENT ACTIVITY

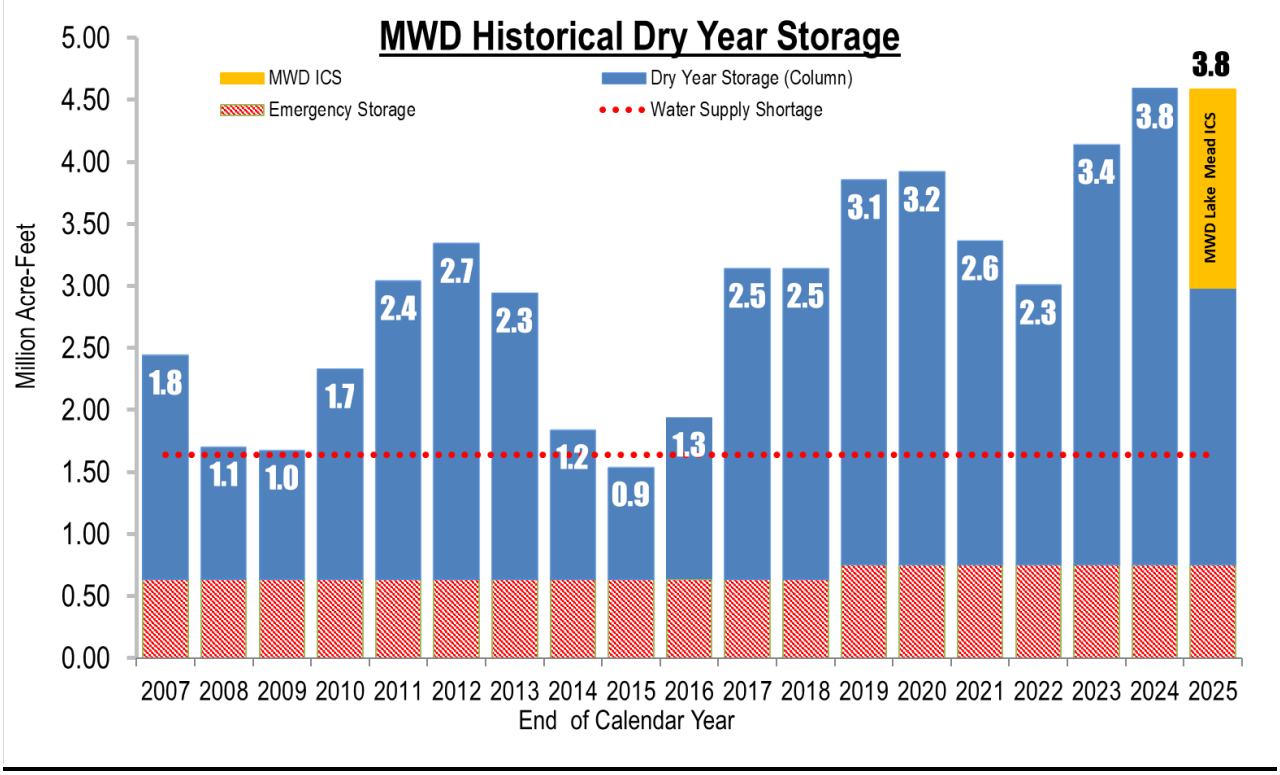
The 2025-26 Water Year (2025-26 WY) officially started on October 1, 2025. Thus far, Northern California accumulated precipitation (8-Station Index) reported ***1.65 inches or 78% of normal as of October 22nd***. The Northern Sierra Snow Water Equivalent has not been reported yet for the 2025-26 WY. The Department of Water Resources (DWR) has yet to set the initial State Water Project (SWP) ***"Table A" allocation percentage.***

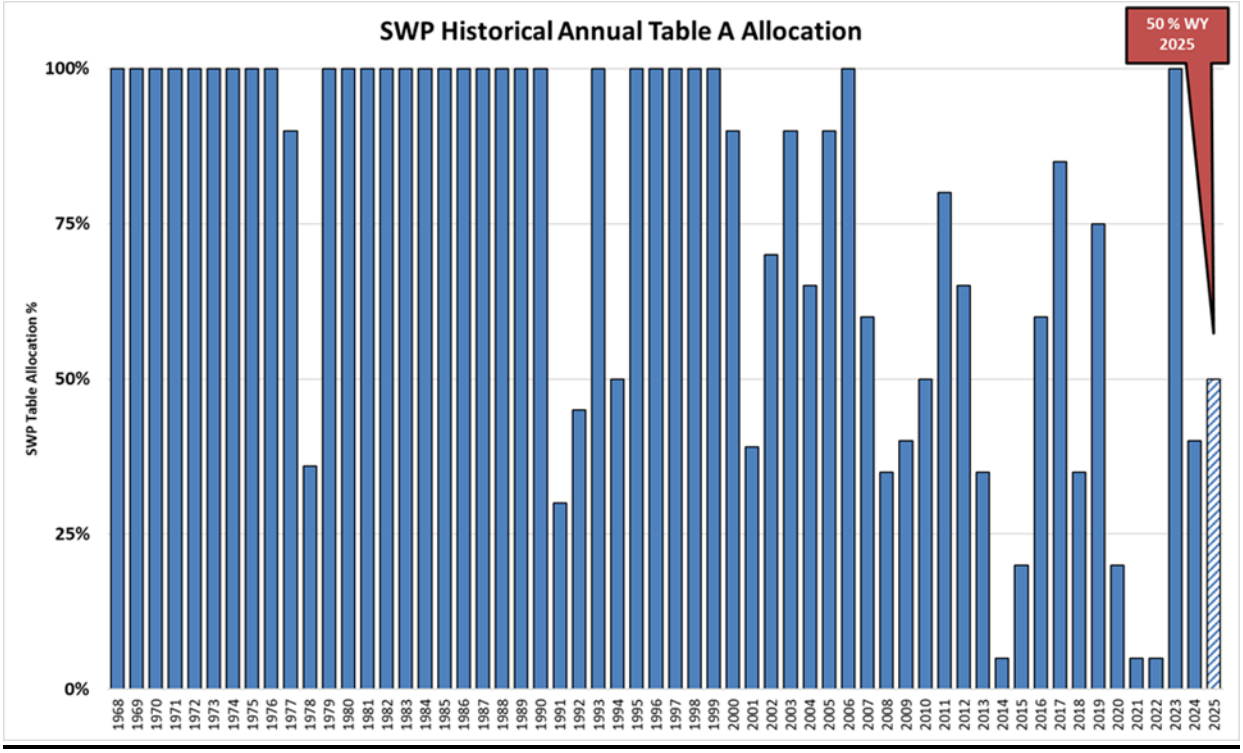
The Upper Colorado River Basin has accumulated precipitation of 3.08 inches, or 237% of normal, ***as of October 19th***. Snowpack is measured across four states in the Upper Colorado River Basin, encompassing the Colorado River system. The Upper Colorado River Basin Snow Water Equivalent has yet to be recorded for the 2025-26 WY. Due to the below-average inflows into Lake Powell over the past several years, the United States Bureau of Reclamation **declared a shortage at Lake Mead that has been ongoing since January 1, 2022 (below 1,075 feet storage level)**. As of October 2025, **there is a 100% chance of shortage continuing in CY 2026, a 93% chance in CY 2027, and a 97% chance in CY 2028. Additionally, there is a 30% chance of a California shortage (below a 1,045-foot storage level) in 2027.**

As of October 21st, Lake Oroville storage is at ***55% of total capacity and 102% of normal.*** Additionally, as of October 21st, San Luis Reservoir has a current volume of 53% of its ***total capacity and is 121% of normal.***

With Calendar Year (CY) 2025 estimated total demands and losses of 1.73 million acre-feet (MAF) and with a 50% SWP Table A Allocation, Metropolitan is projecting that supplies will equal demand levels in CY 2025. Based on this, the estimated total dry-year storage for Metropolitan at the end of ***CY 2025 will remain at approximately 3.8 MAF.*** A projected dry-year storage supply of ***3.8 MAF would be approximately 2.8 MAF abovea typical level where MET enters Water Supply Allocations.*** A significant factor in maintaining a high water storage level is lower-than-expected water demands. We are seeing regional water demands reaching a 40-year low. **However, *with a majority of MET's water supplies stored in Lake Mead, which still projects a 5-year shortage, there remains considerable uncertainty about future supply balances. In addition, the Colorado River Basin States have been meeting for months to negotiate new, post-2026 operations at Glen Canyon Dam, located at Lake Powell, and Hoover Dam, located at Lake Mead.***


CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:21-OCT-2025
Data as of Midnight: 21-Oct-2025
Change Date: 21-Oct-2025
LEGEND
Blue Bar: Storage level for date
Gold Bar: Total reservoir capacity
Green Line: Historic level for date.
Capacity (TAF)
Historical Avg Mark
% of Capacity | % Hist. Avg.
(Click res. 3 char. code for details)
Shasta 57% | 105%
Oroville 55% | 102%
New Bullards Bar 64% | 105%
Folsom 44% | 97%
Data from: 10/20
Camanche 73% | 121%
Trinity 71% | 121%
Sonoma 59% | 112%
San Luis 53% | 121%
New Melones 68% | 125%
Don Pedro 76% | 114%
Data from: 10/20
McClure 60% | 134%
Cachuma 77% | 120%
Casitas 93% | 122%
Castaic 86% | 108%
Diamond Valley 95% | 129%
Millerton 49% | 110%
Pine Flat 25% | 89%
Hist Avg
Click to download printable version of current data
Report Generated: 22-Oct-2025 10:33 AM
The GSI link has been disabled to zoom in, for the lack of historical data


MWD Historical Dry Year Storage
MWD ICS
Dry Year Storage (Column)
Emergency Storage
Water Supply Shortage
Million Acre-Feet
5.00
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
1.8
1.1
1.0
1.7
2.4
2.7
2.3
1.2
0.9
1.3
2.5
2.5
3.1
3.2
2.6
2.3
3.4
3.8
3.8
MWD Lake Mead ICS
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
End of Calendar Year


SWP Historical Annual Table A Allocation
50 % WY 2025
SWP Table Allocation %
100%
75%
50%
25%
0%
1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

2025 WSDM Storage Detail

WSDM Storage	1/1/2025 Estimated Storage Levels [1]	CY 2025 Maximum Put Capacity [2]	2025 Total Storage Capacity
Colorado River Aqueduct Delivery System	**1,544,000**	**78,000**	**1,622,000**
Lake Mead ICS	1,544,000 [3]	78,000	1,622,000 [3]
SWP System	**1,163,000**	**311,000**	**2,338,000**
MWD & DWCV Carryover	380,000	149,000	529,000 [4]
MWD Articles 14(b) and 12(e)	3,000 [5]	0	0
Castaic and Perris DWR Flex Storage	219,000	0	219,000
Arvin-Edison Storage Program	100,000	0 [6]	350,000
Semitropic Storage Program	227,000	67,000	350,000
Kern Delta Storage Program	142,000	48,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
AVEK High Desert Water Bank Program	45,000	47,000	280,000
In-Region Supplies and WSDM Actions	**1,060,000**	**60,000**	**1,246,000**
Diamond Valley Lake	788,000	22,000	810,000
Lake Mathews and Lake Skinner	188,000	38,000	226,000
Conjunctive Use Programs (CUP)	84,000	0	210,000 [7]
Other Programs	**762,000**	**223,000**	**1,181,000**
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	381,000	223,000	800,000
Total	**4,529,000**	**673,000**	**6,387,000**
Emergency	750,000	0	750,000
Total WSDM Storage (AF) [8]	**3,779,000**	**673,000**	**5,637,000**

[1] Preliminary start of year balances, subject to DWR adjustments and USBR final accounting in May 2025.

[2] Put capacity assumed under a 40 percent SWP Table A Allocation. Storage program losses included where applicable.

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

[4] Total storage capacity varies year-to-year as the contractual annual storage limit, based on the SWP Table A allocation, is combined with the remaining balance from the previous year. There is a potential risk that Metropolitan's stored water be converted to SWP contractor water if San Luis Reservoir approaches full capacity.

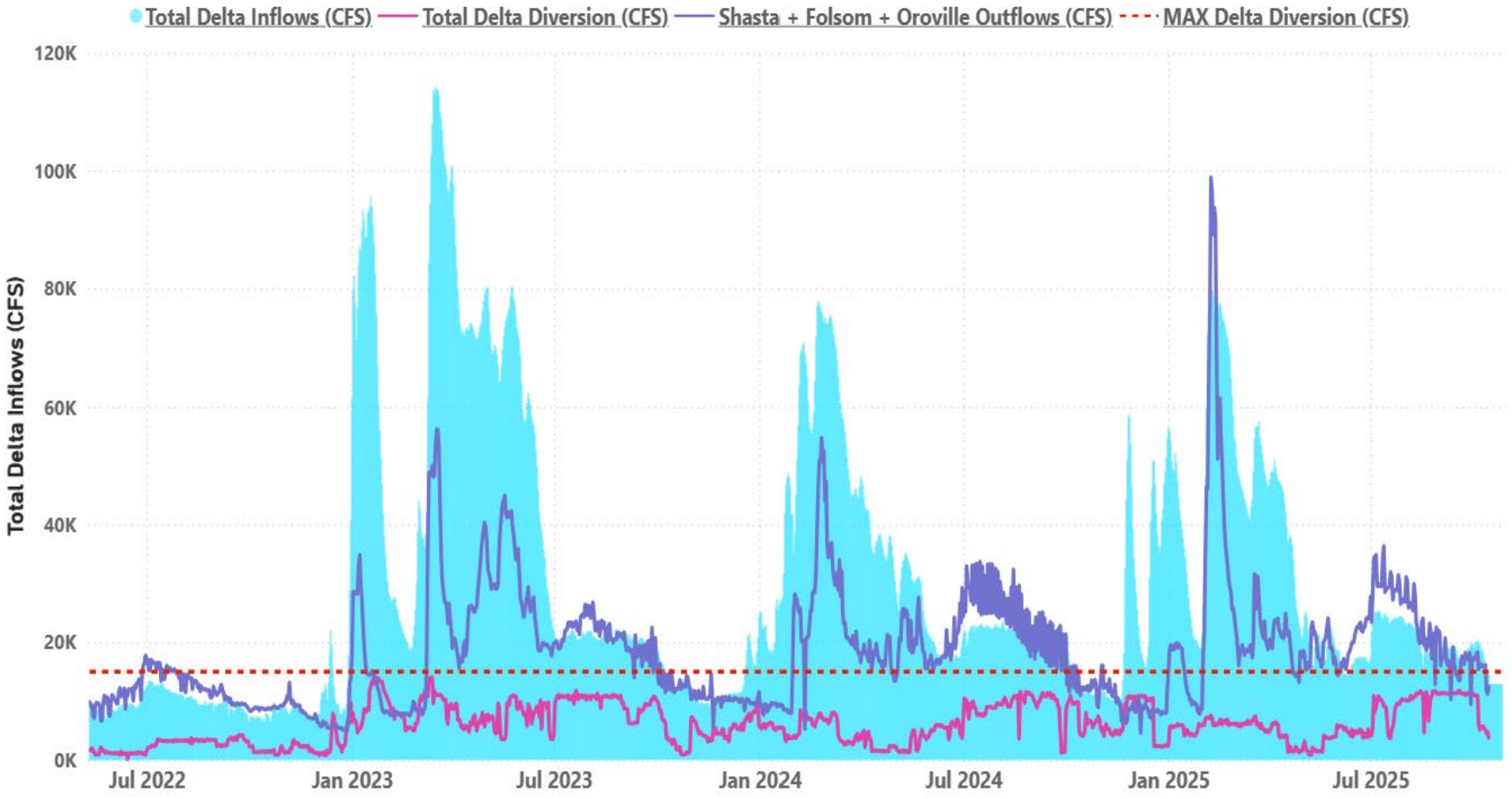
[5] DWR has approved carryover supplies under Article 14 (b) of the State Water Project Contract for delivery in 2025.

[6] Puts are limited due to water quality considerations.

[7] Total of all CUP programs including IEUA/TVMWD (Chino Basin); Long Beach (Central Basin); Long Beach (Lakewood); Foothill (Raymond and Monk Hill); MWDOC (Orange County Basin); Three Valleys (Live Oak); Three Valleys (Upper Claremont); and Western. On April 8, 2025, the Board authorized the termination of six inactive CUP agreements, effectively decreasing the CUP storage capacity to 115,000 AF by July 1, 2025. Future WSDM reports will reflect the decreased capacity once the termination agreements have been executed.

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

Bay Delta Daily Historical Water Operations



ISSUE BRIEF C

SUBJECT: MET's Water Quality Update

RECENT ACTIVITY

Water System Operations

Metropolitan member agency water deliveries were 137,000 acre-feet (AF) for September 2025, with an average of 4,570 AF per day, which was about 70 AF per day higher than in August 2025. Treated water deliveries were 2,900 AF higher than August for a total of 70,800 AF, or 52 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) pumped a total of 95,500 AF in September. SWP imports averaged 2,990 AF per day, totaling about 89,700 AF for the month. The target SWP blend is currently 40% for Diemer, Weymouth, and Skinner plants.

Metropolitan has sufficient SWP, Colorado River supplies, and storage to meet demands in 2025. Water continues to be managed in accordance with WSDM principles and operational objectives, with an emphasis on positioning SWP supplies to meet future demands in the SWP-dependent areas. The SWP Allocation is expected to remain at 50% for the calendar year. Metropolitan is continuing to manage Table A supplies to preserve supplies for the SWP-dependent area. At the same time, Metropolitan has shifted operations to manage surplus supplies. With the additional supplies, Metropolitan is delivering to member agency cyclic programs and to Desert Water Agency and Coachella Valley Water District in 2025.

The Metropolitan Water District of Southern California

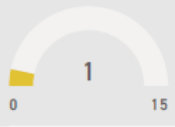
Weekly Operations Plan

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

10/16/2025 - 10/23/2025

Colorado River Aqueduct:
4-pump flow

Hydroelectric Generation:
3.0 MW
1 plant(s) in operation



Total Member Agency Demands
3,330 AF/Day

Change in Member Agency Demands*
▼ -920 AF/Day

Forecast October Deliveries to Member Agencies
127 TAF

East Branch SPW Imports

Rialto Pipeline	720 AF/day	▲
Santa Ana Valley Pipeline	120 AF/day	▼
Inland Feeder	500 AF/day	▲

West Branch SPW Imports

Castaic Lake	1590 AF/day	▼
SCVWA (formerly CLWA)	40 AF/day	▼

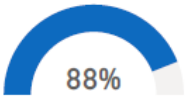
Water Quality

Plant Name	Targeted Blend (% SPW) As of 10/15/2025	TDS (mg/L) As of 10/15/2025	TTHMs (µg/L) As of 10/6/2025
Weymouth	40	454	27.0
Diemer	40	462	22.0
Skinner	40	491	16.0
Jensen	100	285	12.0
Mills	100	200	18.0

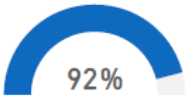
Terminal Reservoirs

as of 10/15/2025

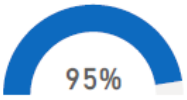
Lake Mathews
159,800 AF
▼ -4,800 AF*



Lake Skinner
40,400 AF
▲ 400 AF*



Diamond Valley Lake
767,600 AF
▼ -1,100 AF*



** = data from 10/8/2025*

Weekly Water Quality System Status

Wednesday, October 15, 2025

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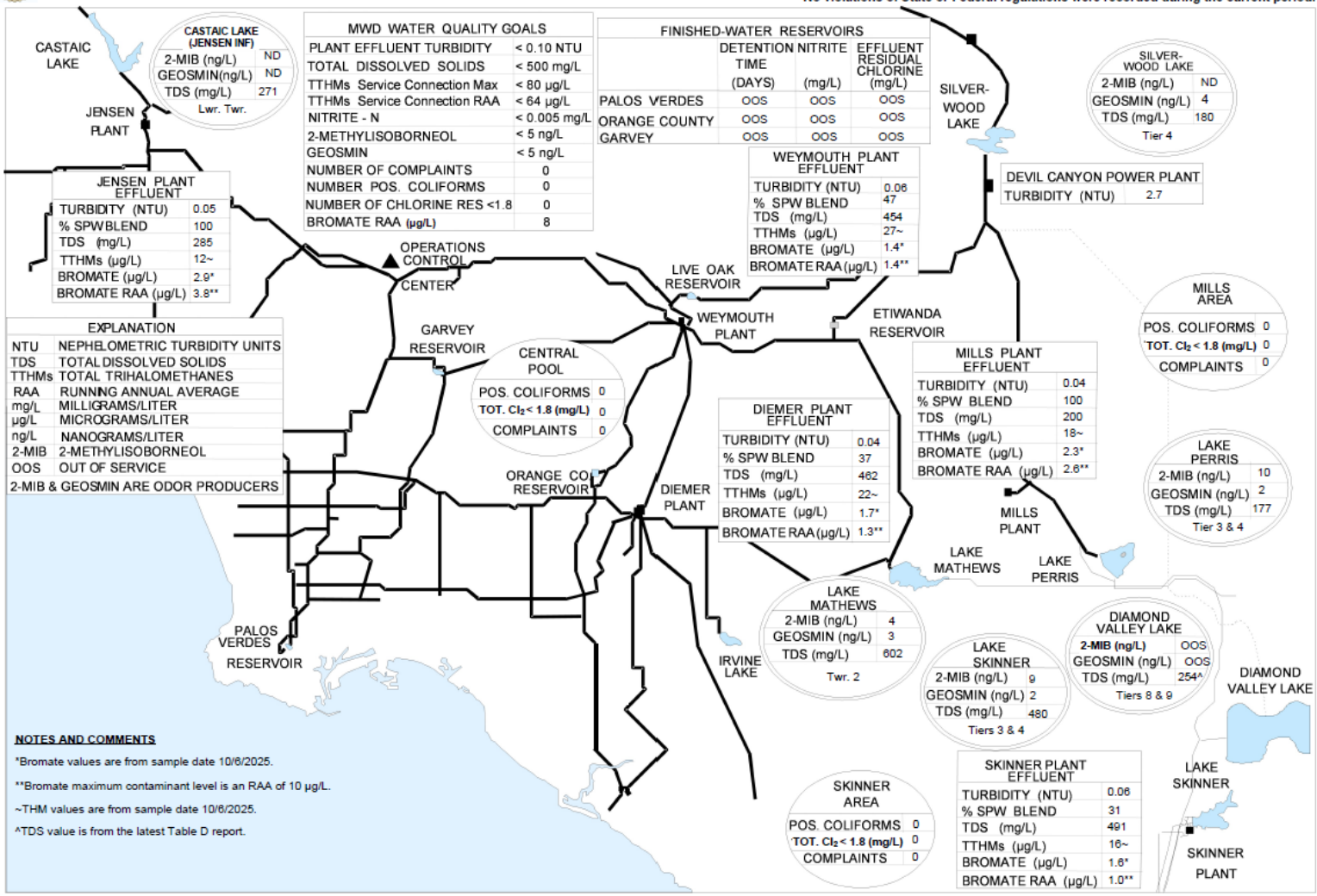
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

No violations of State or Federal regulations were recorded during the current period.



WATER QUALITY INFORMATION LINE: (800) 354-4420
VISIT MWD ON THE WEB AT http://www.mwdh2o.com

ISSUE BRIEF D

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Develop Post-2026 Guidelines and Negotiate Implementation Agreements: Provide input that shapes the U.S. Bureau of Reclamation's (Reclamation) selected alternative

Colorado River Basin States (Basin States) Meetings

The Basin States are meeting frequently in an effort to reach consensus on an alternative for Post-2026 operations of Lake Powell and Lake Mead. Recent discussions have focused on how Lake Powell releases will be determined in the Post-2026 Guidelines. Lake Powell releases supply both the Lower Basin and Mexico Treaty deliveries. The Interior Department and Reclamation support the Basin States' effort to reach a consensus alternative that may be incorporated into the Post-2026 Guidelines. Metropolitan staff participate in these meetings as advisors to California's principal representative in the Basin States negotiations, JB Hamby, in his role as Chair of the Colorado River Board of California.

Develop Post-2026 Guidelines and Negotiate Implementation Agreements: Negotiate implementation agreements that protect and benefit Metropolitan's interests

Lower Basin Meetings

California, Arizona, and Nevada are working together to reach a Lower Basin consensus regarding operational elements of Lake Mead for the Post-2026 Guidelines, including Lower Basin water use reductions; storage of conserved water (i.e. Intentionally Created Surplus), including augmentation water that may be exchanged with interstate partners; and how any surpluses would be allocated. Metropolitan staff participate in these meetings along with representatives of other Lower Basin contractors and states.

California 440 Meetings

California, Arizona, and Nevada have tentatively agreed to reduce Lower Basin water use by 1.5 million acre-feet (maf) under most system conditions to address evaporation and other system losses—often referred to as the structural deficit. The 1.5 maf of reductions includes 250,000 acre-feet (af) that is contingent on Mexico's participation at past levels. California's share of the 1.5 maf would be 440,000 af (440). The California contractors have started meeting to develop commitments to meet

California's 440. Metropolitan is working with the other contractors to develop principles for sharing California's Colorado River reductions in the Post-2026 Guidelines. The agencies have agreed to develop a proposal for sharing reduction by this November. Metropolitan staff will provide updates and receive board directions on the process as it moves forward.

Bureau of Reclamation Consultation Regarding Lake Powell's Declining Elevation

Reclamation has begun consultations under the 2019 Upper Basin Drought Contingency Plan (DCP) after its September 24-Month Study showed the risk of Lake Powell dropping to elevation 3,500 feet within the next year. In 2025, Lake Powell fell by more than 2 maf (31 feet) and Lake Mead declined by over 0.5 maf (7.6 feet). (September 24-Month Study— 2-Year Probabilistic Projections). Under the DCP, a forecast of Lake Powell below 3,500 feet triggers monthly consultations with the Upper Basin States and consideration of actions to protect Glen Canyon Dam. In the Draft 2026 Annual Operating Plan, Reclamation committed to using all available tools to prevent Lake Powell from dropping below this critical threshold for dam operations and hydropower. (The U.S. Bureau of Reclamation's Draft 2026 Annual Operating Plan for Lake Powell and Lake Mead—Draft 2026 Operations Plan for Colorado River Reservoirs). The most probable forecast shows Lake Powell falling below 3,525 feet in 2026, and management options could include releasing more water from upstream reservoirs and reducing releases from Powell, as was done in 2022.

ISSUE BRIEF E

SUBJECT: Delta Conveyance Activities and State Water Project Issues

RECENT ACTIVITY

Decide on Sites Reservoir and Protect our Bay-Delta Interests

Maintain and Advocate for Metropolitan's Interests in Delta Conveyance Project Planning and Associated Funding

The Delta Conveyance Project recently received support from a range of legislative, labor, business, social justice, and water agency stakeholders for a bill aimed at streamlining permitting for the project. While the Governor proposed measures to simplify administrative review and potentially reduce project costs, the bill did not advance during the final week of the 2025 legislative session due to the volume of high-profile legislative activity. At its August 21, 2025, regularly scheduled board meeting, the Delta Conveyance Design and Construction Authority (DCA) Board approved several resolutions to secure executive support service agreements aimed at providing strategic, facilitation, and human resources support for the DCA's ongoing operations and strategic initiatives. The DCA Board also adopted a resolution approving an advocacy policy and delegated authority to the DCA executive director to take positions on legislative or regulatory proposals impacting the DCA and/or the Delta Conveyance Project. Under the policy, any written positions will be signed by the DCA Board President.

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

A request for bids was released for Delta Properties Infrastructure Phase 5B Improvements. Upon completion, this project will result in all siphons on Metropolitan's Delta Islands being metered, including real-time telemetry equipment. This project is related to compliance with SB 88. Staff presented an update on the Webb Tract Wetland Restoration Project to the Delta Stewardship Council (DSC). The DSC concurred that no certification of consistency with the Delta Plan is required for the project. Metropolitan staff prepared permit applications for the Webb Tract Wetland Restoration Project for submittal to regulatory agencies.

Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
October 14, 2025

BOARD CONSENT ITEMS

Approved Commendatory Resolution for Director S. Gail Goldberg, representing San Diego County Water Authority, and Director Miguel Angel Luna, representing City of Los Angeles. **(Agenda Item 6A)**

Approved Committee assignments and appointed:

Director McMillan as Metropolitan representative to the Delta Construction Authority and the Delta Finance Authority.

Director Kassakhian as the Legal and Claims Committee Chair, removed him as vice chair of the Legislation and Communications Committee, and he will remain a member of the committee.

Director Shepherd Romey as Co-Vice Chair for Legislation and Communications Committee, and as a member of the Legal and Claims Committee.

Director Denham as a member of the One Water and Adaptation Committee, the Subcommittee on Imported Water, and the Ad Hoc Committee on Colorado River Negotiations.

Director Miller as a member of the Subcommittee for CAMP4W. **(Agenda Item 6C)**

(a.) Amended the Capital Investment Plan for fiscal years 2024/25 and 2025/26 to include invasive mussel mitigation and control at Metropolitan facilities; and (b.) Authorized an increase of $500,000 in the operation and maintenance budget for fiscal year 2025/26 to purchase operating equipment to control the growth of invasive mussels. **(Agenda Item 7-1)**

Authorized the General Manager to grant a permanent easement to the City of Rialto for public road purposes on Metropolitan fee-owned property in the city of Rialto and identified as County of San Bernardino Assessor Parcel Number 0239-301-23. **(Agenda Item 7-2)**

Authorized the execution of an amendment to an existing lease agreement with New Cingular Wireless PCS, LLC to adjust the rental amount and extend the term for up to 25 additional years, thereby allowing continued operation of a commercial telecommunication site at the Iron Mountain Pumping Plant identified as San Bernardino County Assessor Parcel No. 0643-221-06. **(Agenda Item 7-3)**

Approved the Emergency Event Member Agency Payment Deferment Program, amended the Administrative Code to add Section 4520 to implement the Program, and delegated authority to the General Manager to administer the Program. **(Agenda Item 7-4)**

Adopted a resolution authorizing electronic submissions of Government Code claims, any amendments thereto, and applications for leave to present a late claim, pursuant to Government Code section 915(a)(3), and approved amendments and an addition to the Metropolitan Water District Administrative Code to conform to the authority set forth in the resolution. (**Agenda Item 7-5)**

Authorized and funded additional counsel position in the Office of the General Counsel. **(Agenda Item 7-6)**

Authorized on-call agreements with Helix Environmental Planning Inc. and Rincon Consultants Inc. in amounts not to exceed $2 million each and ECORP Consulting Inc., Dudek, and Environmental Science Associates in amounts not to exceed $1 million each, for a maximum of five years for environmental planning services. **(Agenda Item 7-7)**

Adopted a resolution designating authorized agents for funding from the Federal Emergency Management Agency and the California Office of Emergency Services. **(Agenda Item 7-8)**

Awarded a $6,412,126 contract to Houalla Enterprises Ltd. DBA Metro Builders & Engineers Group Ltd. to rehabilitate and improve a chemical feed facility at the Robert B. Diemer Water Treatment Plant. **(Agenda Item 7-9)**

BOARD ITEMS - ACTION

Appropriated an additional $30 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26, increasing the biennial Capital Investment Plan appropriation to $666.48 million. **(Agenda Item 8-1)**

Authorized an extension to June 30, 2026, on the existing five-year contract with Securitas to provide security guard services; and authorized an increase of $6 million in funding for the contract to a new not-to-exceed amount of $61 million. **(Agenda Item 8-3)**

Approved Option #1 in the confidential board letter and authorized an increase in the maximum amount payable under contract for legal services with Ryan and Associates in the amount of $100,000 for a total amount not to exceed $350,000 regarding Oswalt v. The Metropolitan Water District of Southern California, San Diego County Superior Court Case No. 37-2023-00009934-CU-PO-NC. **(Agenda Item 8-5)**

Approved Option #1 in the confidential board letter regarding Jones v. The Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 23STCV28217. **(Agenda Item 8-6)**

Approve the attached Tentative Agreement with the Supervisors' Association. **(Agenda Item 8-7)**

Appointed Shivaji Deshmukh as the incoming General Manager and authorized the Chair to execute the employment agreement as described in the Board letter, with an annual salary of $495,040. **(Agenda Item 10-1/10-2)**

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

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

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

The Metropolitan Water District of Southern California

Agenda

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

Special Joint Meeting of the Executive Committee and Board of Directors - Final

November 18, 2025

12:30 PM

Tuesday, November 18, 2025 Meeting Schedule
08:30 a.m. FAAME 10:30 a.m. OPE 12:00 p.m. BREAK 12:30 p.m. SP JT EXEC and BOD

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

The listen-only phone line is available at 1-877-853-5257; enter meeting ID: 873 4767 0235.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda teleconference and in-person. To provide public comment by teleconference dial 1-833-548-0276 and enter meeting ID: 876 9484 9772 or to join by computer click here.

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

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

1. CALL TO ORDER

a. Invocation: Director Gretchen Shepherd Romey, City of San Marino

b. Pledge of Allegiance: TBD

2. ROLL CALL

3. DETERMINATION OF A QUORUM

4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code §54954.3(a))

Boardroom

PUBLIC HEARING

a. Public hearing regarding the review of the applicability of Metropolitan Water District Act Section 124.5 ad valorem property tax limitation for fiscal years 2026/27 through 2035/36, consistent with the Ten-Year Financial Forecast **21-5209**

EXECUTIVE COMMITTEE ITEMS

A. Approval of the Minutes of the Executive Committee of October 28, 2025 **21-5146**

B. Approve draft committee and board meeting agendas and schedule for December 2025 **21-5147**

BOARD ITEMS

5. OTHER MATTERS AND REPORTS

A. Report on Directors' Events Attended at Metropolitan's Expense **21-5148**

Attachments: 11182025 SP JT EXEC_BOD 5A Report

B. Chair's Monthly Activity Report **21-5141**

C. General Manager's summary of activities **21-5142**

D. General Counsel's summary of activities **21-5143**

E. General Auditor's summary of activities **21-5144**

F. Ethics Officer's summary of activities **21-5145**

G. Presentation of Commendatory Resolution for Director S. Gail Goldberg representing San Diego County Water Authority **21-5149**

**** CONSENT CALENDAR ****

6. BOARD CONSENT ITEMS

A. Approval Minutes of the meeting of the Board of Directors for July 8, 2025, September 9, 2025 and October 14, 2025; and the Special Board of Directors meeting for August 11, 2025, August 12, 2025, and September 8, 2025; and the Joint Board of Directors and Executive Committee for August 26, 2025; and the Board of Directors Workshop on Finance, Affordability, Asset Management and Efficiency for September 23, 2025; and the Board of Directors Workshop on Engineering, Operations, and Technology for September 23, 2025 **21-5150**

Attachments: 11182025 SP JT EXEC & BOD 6A (09232025 FAAME WKSP) Minutes
11182025 SP JT EXEC & BOD 6A (09232025 EOT WKSP) Minutes

B. Approve Committee Assignments **21-5151**

7. BOARD LETTERS CONSENT

7-1 Authorize agreements with (1) HDR Engineering Inc. in an amount not to exceed $1.80 million for a comprehensive investigation of Metropolitan's 230 kV transmission system; and (2) Towill Inc. in an amount not to exceed $270,000 to perform an aerial survey of the 230 kV transmission system; the General Manager has determined that the proposed action is exempt or not subject to CEQA (EOT) **21-5180**

Attachments: 11182025 EOT 7-1 B-L

7-2 Approve and authorize the distribution of Appendix A for use in the issuance and remarketing of Metropolitan's Bonds; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME) **21-5185**

7-3 Authorize the General Manager to grant a permanent access easement to Pacific Gas and Electric for electrical transmission purposes on a portion of Metropolitan-owned real property in the Sacramento-San Joaquin Bay Delta known as Bouldin Island and also identified as Assessor Parcel Number 069-030-38; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. Agency negotiators: Steven Johnson, Kevin Webb, and Kieran Callanan; negotiating parties: Pacific Gas & Electric; under negotiation: a permanent easement for public utility purposes (FAAME) **21-5186**

7-4 Authorize the General Manager to execute a new license agreement with Eastmore Partners LLC for up to twenty years for access and supplemental parking purposes on Metropolitan fee-owned property in the city of Riverside, and identified as County of Riverside Assessor Parcel Number TBD; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME) **21-5187**

7-5 Authorize an increase in the maximum amount payable under contract with Best Best & Krieger LLP for legal advice on environmental review and permitting issues related to Pure Water Southern California by $100,000 to a maximum amount payable of $350,000; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA (LEGAL) **21-5192**

7-6 Approve the Metropolitan Water District of Southern California's salary schedules pursuant to CalPERS regulations; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-5216**

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

8. BOARD LETTERS (ACTION)

8-1 Award a $35,722,000 contract to Kiewit Infrastructure West Co.to replace utilities at the Eagle Mountain and Julian Hinds pumping plants; and authorize an increase of $320,000 to an agreement with AECOM Technical Services Inc. for a new not-to-exceed amount of $550,000; the General Manager has determined that the proposed action is exempt or not subject to CEQA (EOT) **21-5177**

Attachments: 11182025 EOT 8-1 B-L

8-2 Adopt the resolution finding that the ad valorem property tax rate limitation of Metropolitan Water District Act Section 124.5 is not applicable because it is essential to Metropolitans fiscal integrity to collect ad valorem property taxes in excess of the limitation for fiscal years 2026/27 through 2035/36, consistent with the Ten-Year Financial Forecast; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME) **21-5184**

8-3 Authorize an agreement with Securitas to provide security guard services for a maximum period of five years at a total cost not-to-exceed $84 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OPE) **21-5207**

8-4 Amend the Administrative Code to grant authority to the Ethics Officer to conduct ethics-related reviews of policies, procedures, and practices for the purpose of making recommendations that help foster an ethical culture and prevent ethics violations in support of SB 60; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (CWC) **21-5176**

Attachments: 11182025 CWC 8-4 B-L

8-5 Authorize the General Manager to enter into an agreement with Intersect Power, LLC for mitigation of impacts to the Colorado River Aqueduct Transmission System; the General Manager has determined that the proposed action is exempt or not subject to CEQA [conference with legal counsel regarding anticipated litigation based on existing facts and circumstances, including allegations of a breach of an agreement, there is significant exposure to litigation against Metropolitan: one or more potential cases; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)] (EOT) **21-5178**

9. BOARD ITEMS (INFORMATIONAL)

9-1 Report on Conservation Program **21-5198**

Attachments: 11182025 SP JT EXEC_BOD 9-1 Report

9-2 Legislative Priorities and Principles for 2026 (LEG) **21-5193**

9-3 Information on Los Angeles County Department of Public Works Potential Stormwater Pilot Program (Jt OWA - IW) **21-5199**

9-4 Update on proposed extension of the Yuba Accord Long-Term Water Transfer Program and amendment to the agreement with the California Department of Water Resources (Jt OWA - IW) **21-5200**

Attachments: 11182025 JT OWA_IW 9-4 Report

9-5 Compliance with Fund Requirements and Bond Indenture Provisions (FAAME) **21-5210**

10. OTHER MATTERS

NONE

11. FOLLOW-UP ITEMS

NONE

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

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

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