



San Diego County Water Authority Securities Laws Training

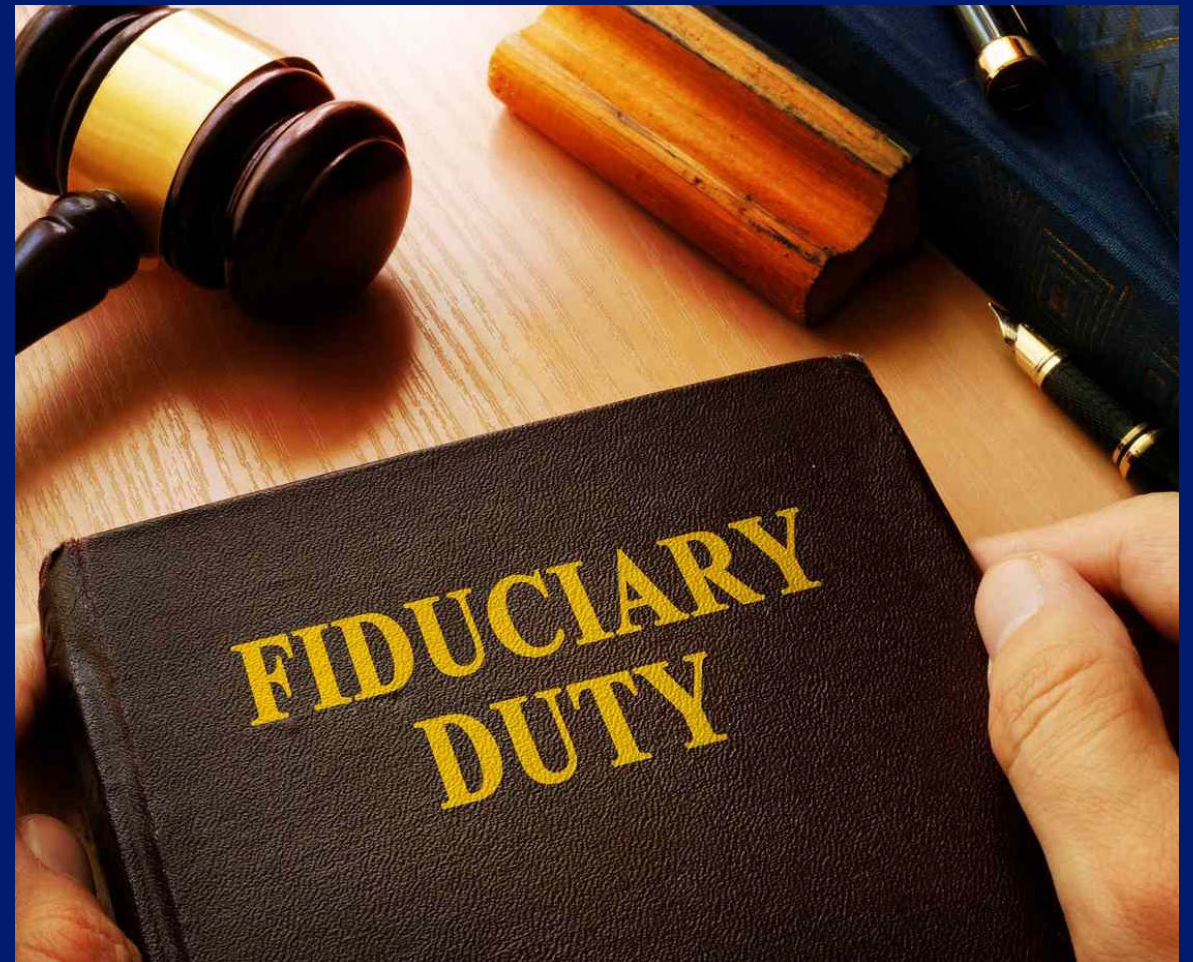
February 26, 2026

Welcome

- Introductions
- Background information
- Goals of training

Fiduciary Obligations of Board Members

- Duty of Care
 - One must exercise care in making decisions as a director in the best interest of the Authority.
- Duty of Loyalty
 - One must put the interests of the Authority over your own in making decisions for the Authority.
- Duty of Obedience
 - One must comply with legal, regulatory and reporting requirements.



Why is Disclosure Necessary?

- San Diego County Water Authority issues securities such as Revenue Bonds and Commercial Paper in the public capital markets
- Generally, Federal and state securities laws require debt issuers such as the Water Authority to provide investors with all material information regarding the securities issued in public capital markets



Federal Securities Law

- The Securities Act of 1933
 - Section 17(a) – The Anti-Fraud Rule
- The Securities Exchange Act of 1934
 - Rule 10b-5
 - Rule 15c2-12



Securities Law Generally

- It is unlawful to sell securities by means of any ***untrue statement*** of a ***material fact*** or any ***omission*** to state a material fact ***necessary*** in order to make the statements made, in light of the circumstances under which they were made, not ***misleading***, or to engage in any transaction, practice, or course of business which operates or would operate as a ***fraud or deceit upon the purchaser***.



What Does “Material” Mean?

- The Supreme Court has held that a fact is material if there is a substantial likelihood that a reasonable (not “any”) investor would (not “could”) consider it important (not “interesting”) in deciding whether to buy or sell securities
- Materiality is determined in context of all the facts and circumstances, but usually on a retroactive basis
 - Interpretation comes primarily from court decisions and SEC enforcement cases
 - SEC staff also issues guidance, and public statements on securities disclosure topics



When Do Anti-Fraud Rules Apply?

- New Offerings/Initial Disclosure
- Continuing Disclosure
- Investor Relations
- Public Statements that constitute “speaking to the market”
 - By Water Authority and Member Agency staff/directors
 - Press releases
- Characterization as “speaking to the market” will depend on the broader context, the official making the statement, the audience, and whether it is reasonable for an investor to rely on the information

Consequences for Violation of Antifraud Rules

- The SEC can bring enforcement actions for violations of the antifraud rules, as can private plaintiffs (under Rule 10b-5) where such individuals suffer damages as a result of misleading disclosure
- Violation of the requirements of Section 17(a) or Rule 10b-5 could result in, among other things:
 - Administrative, criminal and civil investigations by the SEC, U.S. Justice Department and others
 - Fines or penalties, civil suits and defense costs
 - Cease and desist orders
 - Rating downgrades
 - Reputational harm
 - Higher borrowing costs



Consequences for Violation of Antifraud Rules

- Consequences are not limited to the Water Authority as an entity
 - Board members and Department personnel may be held liable and subject to penalties, fines, injunctions or even incarceration
- Enforcement actions can occur even when there has been no default on the securities



SEC Municipal Enforcement

Examples of recent fact patterns that have attracted the SEC's attention and enforcement actions include:

- Misrepresentations regarding continuing disclosure compliance
- Undisclosed cash flow crises
- Investment losses
- Pending loss of a major tenant or other key revenue source
- Liabilities, including for pension and other post-employment benefits
- Failure to disclose risks inherent in development projects
- Use of incomplete, outdated and/or misleading financial statements
- The absence of disclosure training, written procedures and/or engaged Disclosure Counsel

Initial or Primary Market Disclosures

- The Preliminary Official Statement
 - Purposes
 - Contents
 - Preparation and Internal Controls
 - Board Approval
 - Harmonization with Investor “Roadshow”/Marketing Presentations
- The Official Statement

The Official Statement – Purposes

- Purpose of the Official Statement:
 - Describes the securities, the Water Authority, the projects to be financed or refinanced, the security and sources of repayment of the securities
 - Discloses risks and certain investment considerations associated with investment in the securities
 - Serves as a marketing tool for the underwriters of the securities
 - A well-prepared Official Statement may also function as the Water Authority's primary defense against claims that the Water Authority violated the antifraud rules in connection with offerings of its securities.

The Official Statement – Responsibility

- The Water Authority is responsible for the completeness and accuracy of its Official Statements
 - The Water Authority has internal procedures designed to ensure that information contained in each Official Statement has been reviewed and approved by the individuals most knowledgeable about various matters
 - Department officials reiterate this information in due diligence sessions with underwriters, and in certifications that are given in the bond documents
 - Extra vigilance to disclosure controls and procedures should be paid when the Water Authority is engaged in financing transactions

Preparing the Official Statement

- Begin with consideration of big picture issues and refine details
- The Water Authority will typically address questions like the following in connection with consideration of what information to include in an Official Statement:
 - Why are the securities being issued?
 - How will the proceeds be used?
 - What types of securities are being issued?
 - How will the securities be repaid?
 - Are there circumstances that might interfere with repayment of the securities?
 - What else could go wrong in the short, intermediate and long term?

Hot Topics

- Currently, market participants are paying particular attention to financial and operational impacts relating to climate change, cybersecurity, AI and federal policy changes
- Other key topics driving disclosure updates include ESG (environmental, social, and governance), and liabilities for pensions and other post-employment benefits
- What issues cross your desk that could be considered material to investors?

Preparing the Official Statement –Internal Controls

- Internal Controls:
 - “[Issuers] should consider whether their internal controls and systems produce financial reports and disclosure documents that are accurate and complete.”
“[Issuers] should provide training to their officials and employees regarding the applicable disclosure requirements of the federal securities laws and [Governmental Accounting Standards Board] financial reporting provisions.”
 - *December 2007, Director of the SEC’s Division of Enforcement keynote speech entitled “Lessons Learned from San Diego.”*

Annual Continuing Disclosure Reports

- Pursuant to Rule 15c2-12, the Water Authority has agreed to annually provide reports to investors which include the Water Authority's audited financial statements, certain financial and operating information and notices of certain events
- The antifraud rules discussed earlier apply to these reports and such information should be accurate and complete
- For preparation of its annual disclosure reports, the Water Authority follows a similar process to that described earlier for initial offerings of securities, paying special attention to developments since the end of the fiscal reporting year

Event Disclosure

Events that Require Notification if Material	Events that Always Require Notification
Non-payment related defaults	Principal and interest payment delinquencies
Unless described in the other column, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds	Unscheduled draws on debt service reserves reflecting financial difficulties
Modifications to rights of the owners of the Bonds	Unscheduled draws on credit enhancements reflecting financial difficulties
Bond calls	Substitution of credit or liquidity providers, or their failure to perform
Release, substitution or sale of property securing repayment of the Bonds	

Event Disclosure

Events that Require Notification if Material	Events that Always Require Notification
<p>The consummation of a merger, consolidation, or acquisition involving the Water Authority or the sale of all or substantially all of the assets of the Water Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms</p>	<p>Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) Tender offers; Defeasances; Rating changes</p>
<p>Appointment of a successor or additional trustee or the change of name of a trustee; or</p>	<p>Bankruptcy, insolvency, receivership or similar event of the Water Authority; or</p>

Event Disclosure

Events that Require Notification if Material	Events that Always Require Notification
<p>Incurrence of a “financial obligation” or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material</p>	<p>Default, event of acceleration, termination event, modification of terms or other similar events under a “financial obligation,” if such event reflects financial difficulties</p>

Procedures to Identify Financial Obligations

- Many agencies are accessing capital via private placements, bank loans, lines of credit
- Consider what contracts may be “financial obligations” and thus trigger continuing disclosure obligations
- Monitor continuing disclosure obligations year-round



Voluntary Disclosures

- Industry practices constantly are evolving
- Issuers are frequently disseminating voluntary disclosure statements regarding financing plans, and the impacts of events that are not technically required by continuing disclosure agreements
- For instance:
 - The SEC encouraged voluntary disclosures in light of the impacts of COVID-19, so that investors were not relying on stale information

Investor Inquiries

- From time to time, investors contact the Water Authority regarding questions concerning the Water Authority's finances or operations
- The Water Authority will identify a point person or persons to respond to such inquiries by providing information that is already publicly available
- If the Water Authority wishes to provide information that is not yet publicly available, the Water Authority makes such information available to the public simultaneously
- Department management may possess material non-public information which if disclosed could give an investor an unfair position in the market and create significant liability for the individual disclosing the information

Disclosure Culture

Obligated Persons and Issuers Should Promote a Culture of Disclosure, and Establish and Follow a Consistent Process

1. Establish a disclosure team
2. Each year review the requirements in each Continuing Disclosure Undertaking (CDU)
3. Gather the required information
4. Coordinate, review and approve
5. Consider whether to include information beyond what is specified in the CDU
6. Consider voluntary filings in appropriate circumstances
7. Finalize the information for filing with EMMA

Role of the Board in Complying with Securities Laws

- The Board of Directors is responsible to ensure that the Water Authority complies with applicable securities laws
- The Board should have a thorough understanding of a proposed securities issue prior to its approval and ensure that all material information is provided to potential bondholders
- The Board may reasonably rely on the advice of professionals, yet must exercise independent judgment in approving securities disclosure
 - The Water Authority and the Board are required to exercise independent judgment in approving securities disclosure
 - A defense based upon reliance on advice of professionals may not alleviate all potential claims
 - **The SEC has made it clear that the Water Authority and the Board are ultimately responsible for the content of the Water Authority's disclosure in connection with its Bonds**

Role of the Board in Complying with Securities Laws

The following questions should be considered by the Board when approving an Official Statement:

- How has the Water Authority allocated responsibilities for the preparation of the Official Statement?
- Has the Water Authority clearly defined the responsibilities of all participants in the transaction?
- What processes or procedures have been established to select qualified outside professionals, and how are they being compensated?
- What has the Water Authority done to establish the accuracy of financial and operating information and its disclosure in the Official Statement?
- Has anything happened since the date of the most recent audited financial statements that needs to be disclosed?

Role of the Board in Complying with Securities Laws

- What policies and procedures has the Water Authority developed to determine whether material conflicts of interest exist that need to be disclosed?
- What procedures has the Water Authority established to accurately describe the Bonds, the Water Authority, the projects to be financed, the security and sources of repayment of the Bonds, and the risks and material investment considerations associated with investment in the Bonds?
- What procedures has the Water Authority established for the investment and disbursement of the proceeds of the Bonds?
- Do the Water Authority's procedures permit the underwriters to carry out their "due diligence" and other responsibilities?
- Has the Water Authority fully considered any questions asked by the rating agencies?



Role of the Board in Complying with Securities Laws

- What continuing disclosure responsibilities has the Water Authority assumed and what procedures has the Water Authority established to meet them?
- Has the Water Authority designated a particular individual or individuals to speak to the market on its behalf?
- Has the Water Authority's procedures produced an Official Statement that the Board believes accurately presents the Water Authority's financial condition and discloses the information a reasonable investor needs to know?

Questions and Answers



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San Diego County
Water Authority



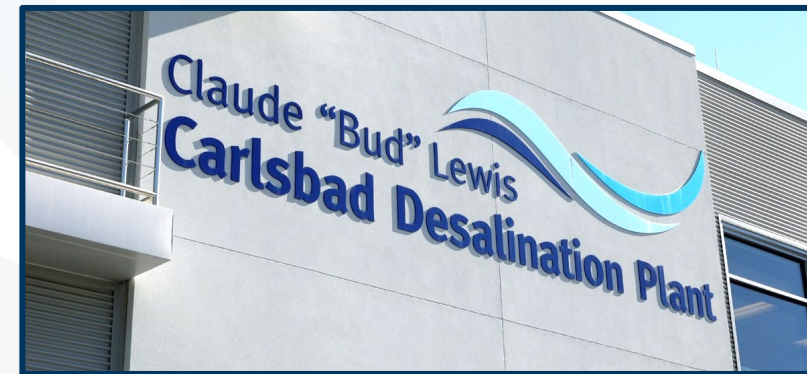
Memorandum of Understanding with U.S. Bureau of Reclamation and Basin Partners for Imported Water/Interstate Transfers and Exchanges

February 26, 2026
Imported Water Committee

Meena Westford
Imported Water Director

Background

- River conditions necessitate innovative solutions to address water scarcity
- San Diego region's investments place it in position to help
- QSA investments provide the region with 277,700 AF annually of highly reliable conserved river water
- Investments also include the nation's largest seawater desalination plant
- Capacity to deliver up to 56,000 AF annually



Background Continued

2025 Carlsbad Desalination Plant tours with interested partners



**Water Infrastructure
Finance Authority of Arizona**



Utah State Leadership



**U.S. Bureau of
Reclamation**



Mexico Delegation

Background Continued



- Stakeholders have expressed interest in exploring interstate transfers and exchanges
- Led to drafting an MOU with Reclamation and Basin partners



Purpose and Benefits of MOU

Key Points	Benefits to Water Authority
<ul style="list-style-type: none">• Establish collaborative process to explore transfers/exchanges	<ul style="list-style-type: none">• Opportunity to explore an early interstate water transfer
<ul style="list-style-type: none">• Explore frameworks to support transfers/exchanges	<ul style="list-style-type: none">• Assess how transfers could complement existing portfolio of take-or-pay contracts
<ul style="list-style-type: none">• Identify shared responsibilities between parties	<ul style="list-style-type: none">• Could lead to creation of tools that minimize future cost increases and provide operational flexibility
<ul style="list-style-type: none">• Create shared understanding of how pilot transfers could shape future programs	

Limitations

The MOU Does Not

- Commit the Water Authority to pursue a specific transfer
- Dedicate any specific water supplies
- Commit the Water Authority to pursue future transactions
- Have a fiscal impact to the Water Authority

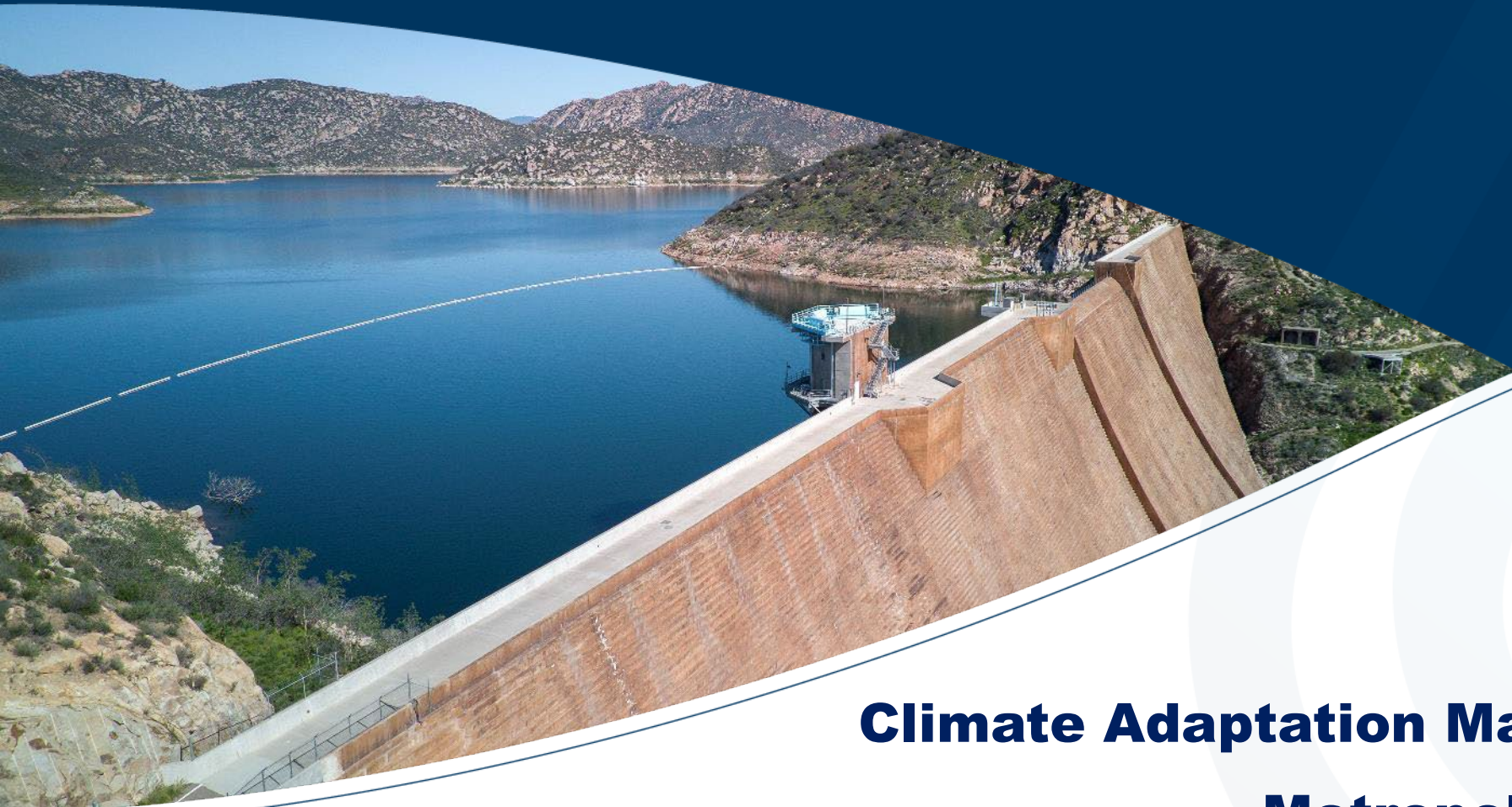
Separate Board approval needed for any potential water transactions.

Staff Recommendation

- Approve the MOU with the U.S. Bureau of Reclamation, Metropolitan Water District of Southern California, Southern Nevada Water Authority, Arizona Department of Water Resources, and Central Arizona Water Conservation District to explore the potential for interstate transfers and exchanges
- No fixed expiration date; designed to continue until terminated by all parties



San Diego County
Water Authority



Climate Adaptation Masterplan for Water Metropolitan Water District

February 26, 2026

Imported Water Committee

Alex Heide

Principal Water Resources Specialist

The Decision-Making Process

Climate Adaptation Master Plan for Water (CAMP4W)

- CAMP4W is MWD's decision making process
- Used to evaluate projects and programs
- Iterative and Adaptive
- Considers investments against evaluative criteria and time-bound targets
- Potential investments in 2026
- Information was originally derived from the IRP- Needs Assessment

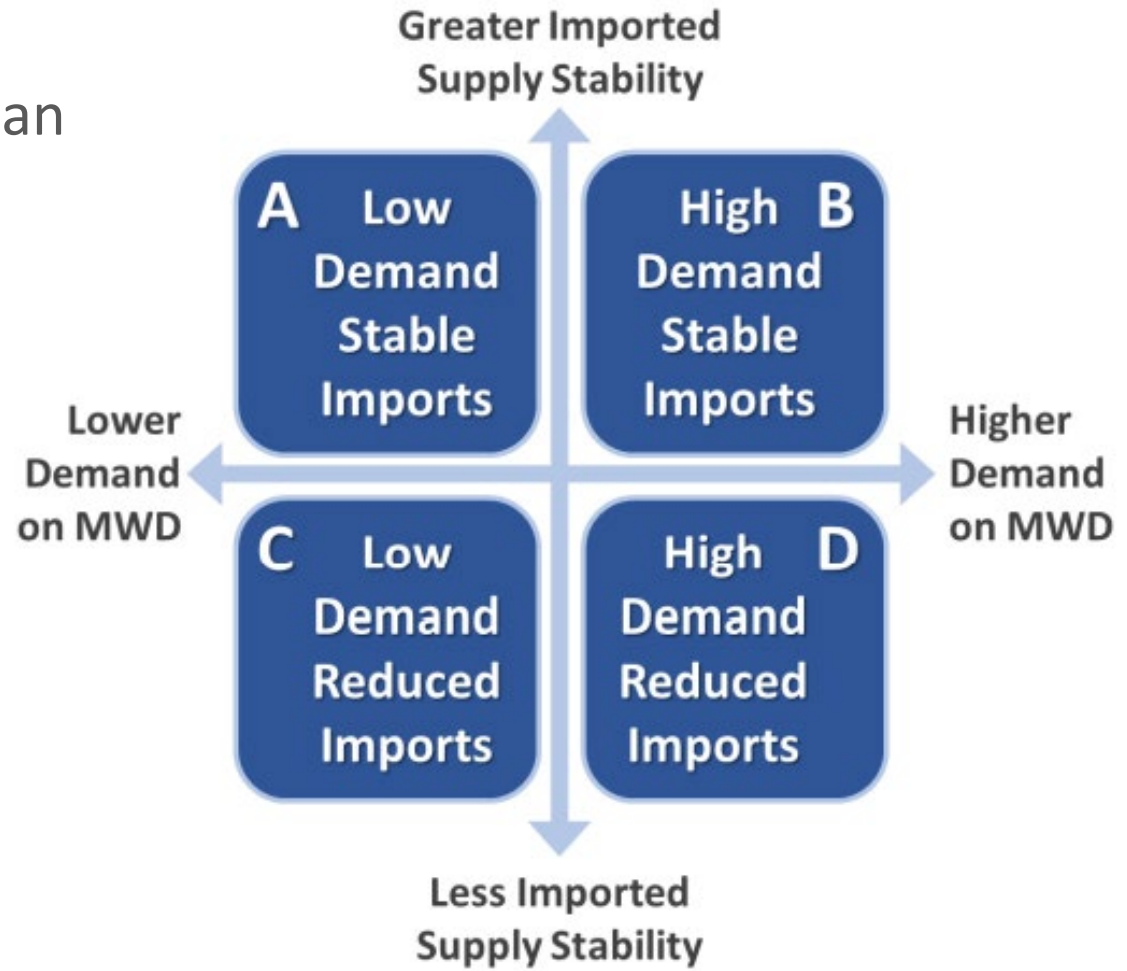
Evaluative Criteria



MWD's Four Scenarios

Four scenarios relying on different assumptions

- Scenarios were comprised of more than 15 “drivers” which impact MWD’s overall need for further investment
 - Demands
 - Climate Change
 - Population
 - Supplies
 - Economy



Representative Concentration Pathway 8.5 Policy

Scenarios are a limitation of assumptions

- MWD's scenarios include climate change projections based on levels of greenhouse gas emissions (GHGs)
- Three standardized GHG scenarios for climate change RCP 2.6, RCP 4.5, and RCP 8.5
- RCP 8.5 reflects a future with continually increasing GHGs
- **MWD adopted the use of RCP 8.5 in the CAMP4W process**

RCP 2.6 (very low future emissions)

Emissions peak early, then fall to net-negative with strong climate action.

RCP 4.5 (low to moderate future emissions)

Emissions level off mid-century, then decline under moderate climate policy.

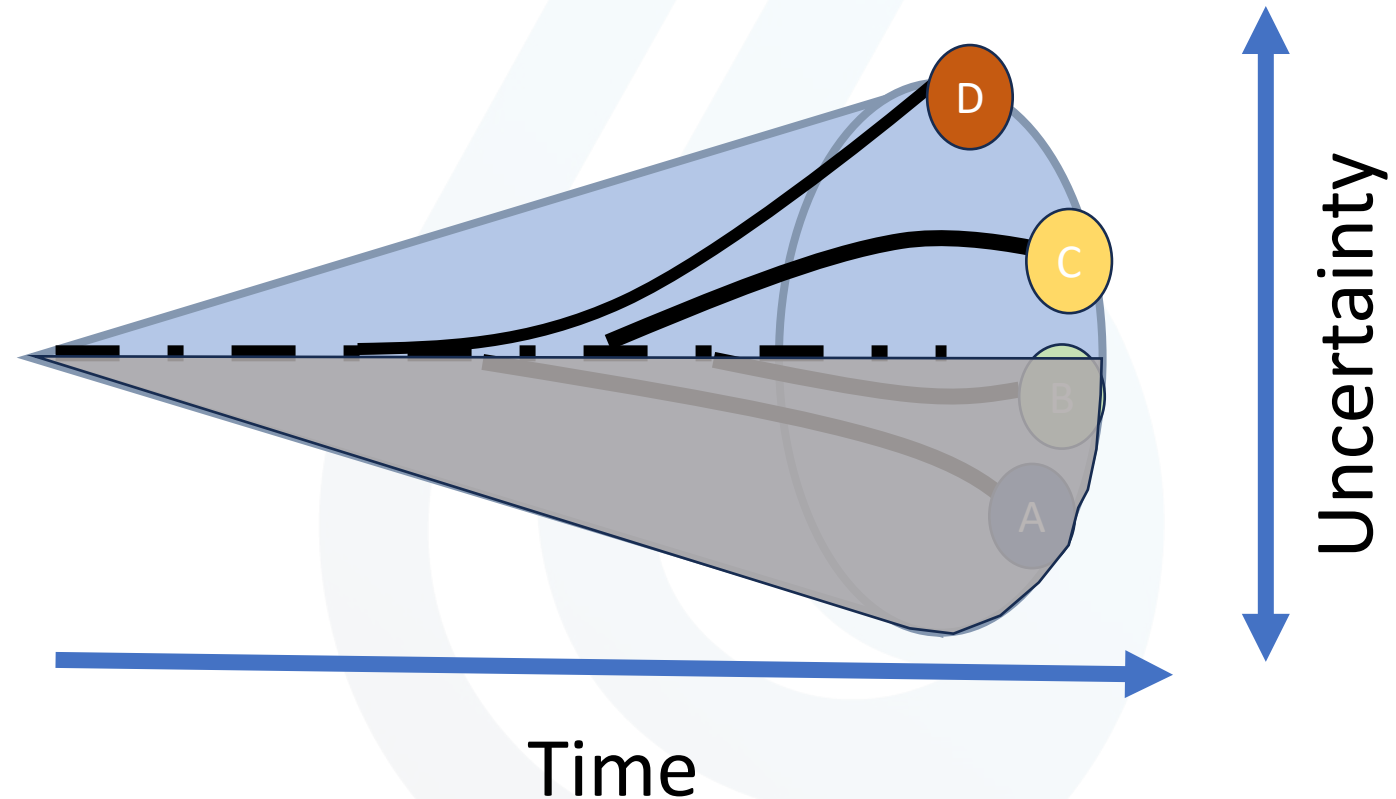
RCP 8.5 (very high future emissions)

Emissions keep rising all century with heavy fossil-fuel use and minimal policy, tripling by 2100.

Limited Scenario Planning

The effect of limiting scenarios to be consistent with MWD's policy

- All four scenarios were plausible
- Scenarios A & B used RCP 4.5
- Scenarios C & D used RCP 8.5
- To be consistent with Board policy C and D are used for CAMP4W
- Focusing on two scenarios reduces ability to evaluate risk
- MWD should continue to look at all scenarios



Near Term vs. Long Term Investments

A key component of the governor's Water Supply Strategy

- Shortage Frequency & Magnitude rise sharply post- 2040
- Project under review are multi-decade investments
- Project timelines may not align with MWD's decision making timelines
- Participation in early planning, design, and permitting maintains project viability
- Phased & Incremental approach manages near-term costs and long-term risk



MWD's Business Model

Significant investments under an uncertain future

- Business Model Refinements -2025
- MWD budget highly dependent on sales
- Member agencies have no long-term commitments
- Development of local supplies and conservation regulations represents both a risk and a benefit
- MWD should continue to evaluate opportunities to promote stability and predictability



\$1.7 billion



DELTA CONVEYANCE PROJECT
Permits & Regulatory Compliance

\$9.5 billion

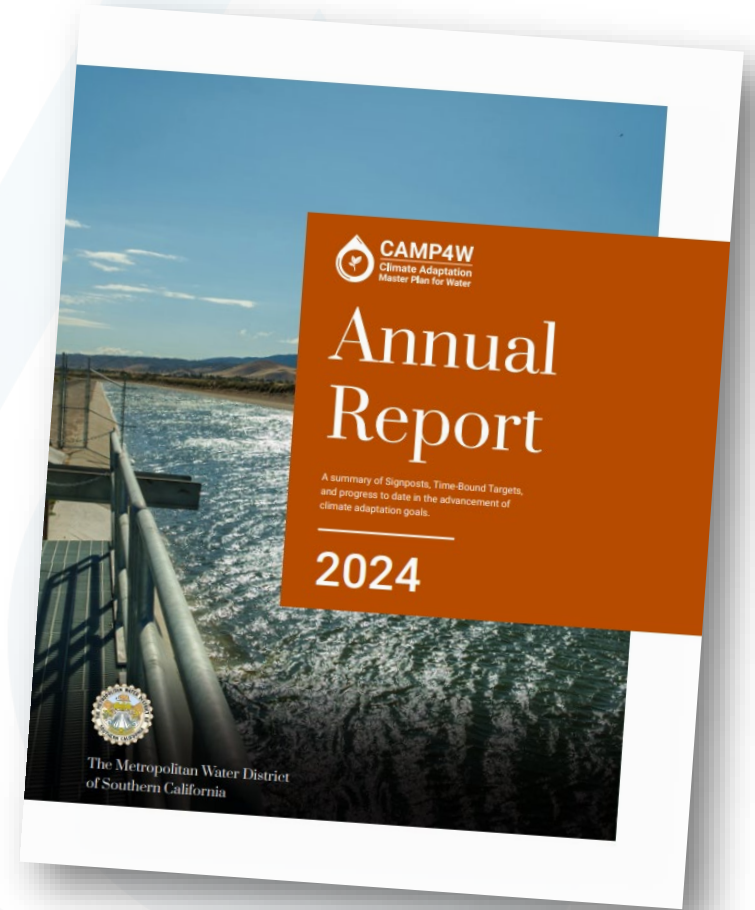


\$9.8 billion

Key Takeaways

Significant investments under an uncertain future

- Risk of over-investment remains a significant concern given the reliance on Scenario D.
- Some investment in near-term “low-regret” project development helps plan for long-term risk and uncertainty.
- MWD’s current business model does not align with investments under consideration.
- Affordability, stability, and reliability remain a high priority for the Water Authority.



Thank You!



@sdcwa



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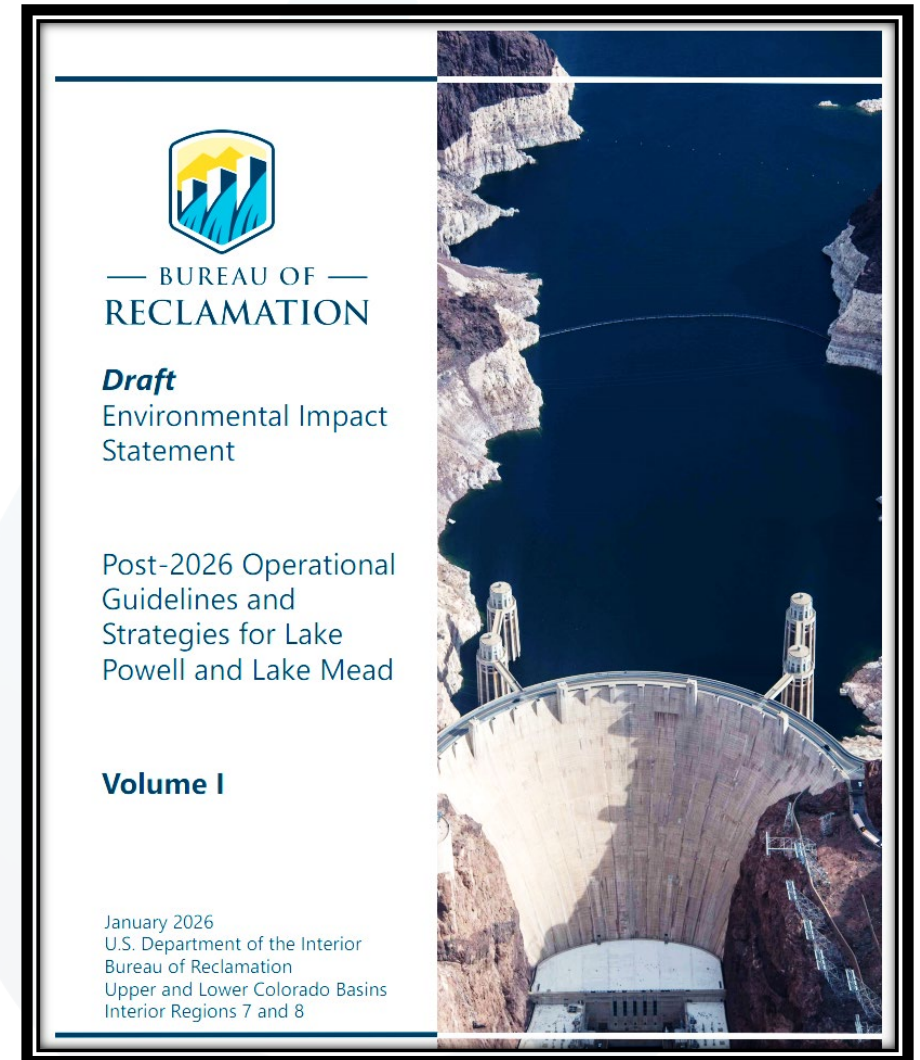
Colorado River Basin Post-2026 Operational Guidelines Update

Alexi Schnell, Colorado River Program Manager

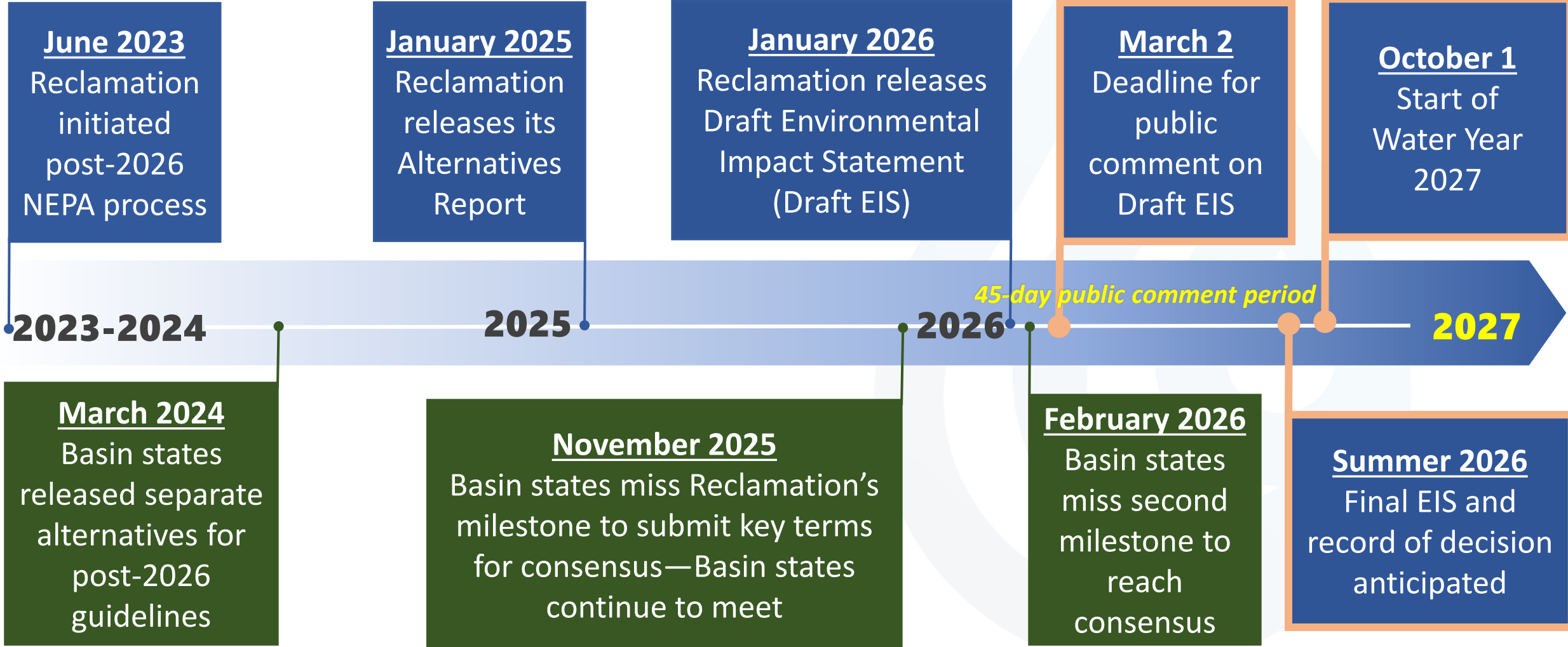
February 26, 2026
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Reclamation's NEPA Process

- Draft EIS for the Post-2026 operational guidelines - published January 16
- New guidelines will replace
 - 2007 Interim Guidelines
 - 2019 Drought Contingency Plan
- Binational agreements with Mexico expire in 2026
- Public comment period for Draft EIS closes March 2
- Guidelines needed by October 1 for start of Water Year 2027




Timeline of Post-2026 Guidelines Development



Basin Hydrology

As of 2/22/26	% Full	Million Acre-Feet	Elevation
Lake Powell	26%	6.0	3,532'
Lake Mead	34%	8.9	1,066'
Total System	37%	21.8	-
Last Year	41%	24.3	-

- WY 2026 Precipitation **91% of normal**
- WY 2026 Snowpack **69% of normal**
- WY 2026 Forecasted Inflow **52% of normal**



Bureau of Reclamation
News Release

For Release: Feb. 13, 2026
Contact: ucbpao@usbr.gov

Spring Runoff Projections for Colorado River Basin Worsen

WASHINGTON- The Bureau of Reclamation today released the [February 24-Month Study](#), which highlights the worsening hydrologic conditions across the Colorado River Basin. A lack of precipitation over the past month has pushed the most probable water year inflow forecast for Lake Powell down by 1.5 million-acre feet (maf) since January – now roughly 3.0 maf lower than projections made in November. That loss is equivalent to approximately 50 feet in elevation in Lake Powell.

"The basin's poor hydrologic outlook highlights the necessity for collaboration as the Basin Commission prepares for the next set of operating conditions," said Commissioner Scott Cameron. "Water conservation and operational adjustments will be essential this year to ensure reliable water delivery. As a result, the February 2026 forecasted inflow will decline (based on most probable projections) by:

- **3,490 ft** – minimum power pool in December 2026; below this level Glen Canyon Dam's ability to release water is reduced and it can no longer produce hydropower.
- **3,476 ft** – in March 2027; the lowest elevation on record since filling further constraining the ability to release of water from Glen Canyon Dam.

To help boost Lake Powell's elevation, Reclamation began adjusting monthly releases on Dec. 1, 2025, to temporarily retain more water in the reservoir. Additional operational tools remain available through 2026 and will likely need to be implemented if hydrologic conditions remain as projected or deteriorate further. Protecting reservoir elevations in 2026 is important to ensure the dams can continue reliable delivery of water and generation of power.

Spring Runoff Projections for Colorado River Basin Worsen

Operational Policy Addressed in Draft EIS

Upper Basin
operational elements to
be determined

- Contributions through conservation
- Releases from Upper Basin reservoirs to protect Lake Powell
- Lake Powell releases to Lake Mead

Lower Basin
operational elements to
be determined

- Shortage reductions
- Triggers for shortages
- System flexibility—water transactions and storage

Draft EIS Alternatives

- Five alternatives analyzed
 - No Action
 - Basic Coordination
 - Enhanced Coordination
 - Maximum Operational Flexibility
 - Supply Driven
-
- While not an alternative, Draft EIS includes analysis of operating under existing parameters



Comparison of Draft EIS Alternatives

Alternative	Release Volume to Mead (MAF)	Max Shortage to Lower Basin (MAF)	New Storage/Delivery Flexibility
No Action	8.23	0.6	N/A
Basic Coordination	7 to 9.5	1.48	N/A
Enhanced Operations	4.7 to 10.8	3	Interstate transactions within each basin
Maximum Operational Flexibility	5 to 11	4	Interstate and Inter-basin transactions
Supply Driven	4.7 to 12	2.1	Interstate transactions within each basin

Issues of Concern in Draft EIS

- Lower Basin proposal not fully considered
- Only one alternative (beyond No Action) can be implemented under existing federal authority
- Two alternatives violate California's senior rights
- No mandatory actions placed on Upper Basin; shortages focused on Lower Basin
- While Upper Basin storage releases considered, action is only to support Lake Powell protection



Status of Negotiations

- January 30 – Basin states governors met in Washington with Interior Secretary Burgum
 - No resolution but commit to ongoing discussions
 - February 14 – Basin states miss second Reclamation milestone for consensus
 - Talks ongoing
 - 7 Basin states
 - Lower Basin
 - California
-
- Sticking points
 - Shared reductions
 - Suspension of Compact compliance obligation



What's at Stake



Without Basin States Consensus

⚠️ **Federal Decision:** Reclamation will impose water management rules unilaterally

⚠️ **Lost Flexibility:** Limited interstate water transfers and exchanges

⚠️ **Litigation Risk:** Increased disputes over releases and shortages

No Alternative Selected

⚠️ **Revert to Supplemented LROC:** Loss of specific, objective operational guidelines coupled with recent operational restrictions imposed by Reclamation

Water Authority Perspective

- Support continued efforts to reach a fair, durable, basinwide consensus
- Support the Lower Basin proposal for an initial 1.5 MAF annual reduction as a meaningful first step
- Remain committed to collaborative solutions with all Basin partners
- Any selected alternative must:
 - Protect the region's investments in reliability
 - Preserve affordability for ratepayers
 - Expand flexibility through water transfers and exchanges
 - Maintain system stability for all users
 - Integrate environmental stewardship into system operations



Path Forward

- Formal comments on Draft EIS (due by March 2)
- Maintain active engagement in consensus discussions
- Coordinate across:
 - 7 Basin states
 - Lower Basin partners
 - California agencies
- Prepare for Final EIS and Record of Decision (ROD) (anticipated Summer 2026)





San Diego County
Water Authority



Environmental Mitigation Program Update

February 26, 2026

Water Planning and Environmental Committee

Summer Adleberg
Water Resources Manager

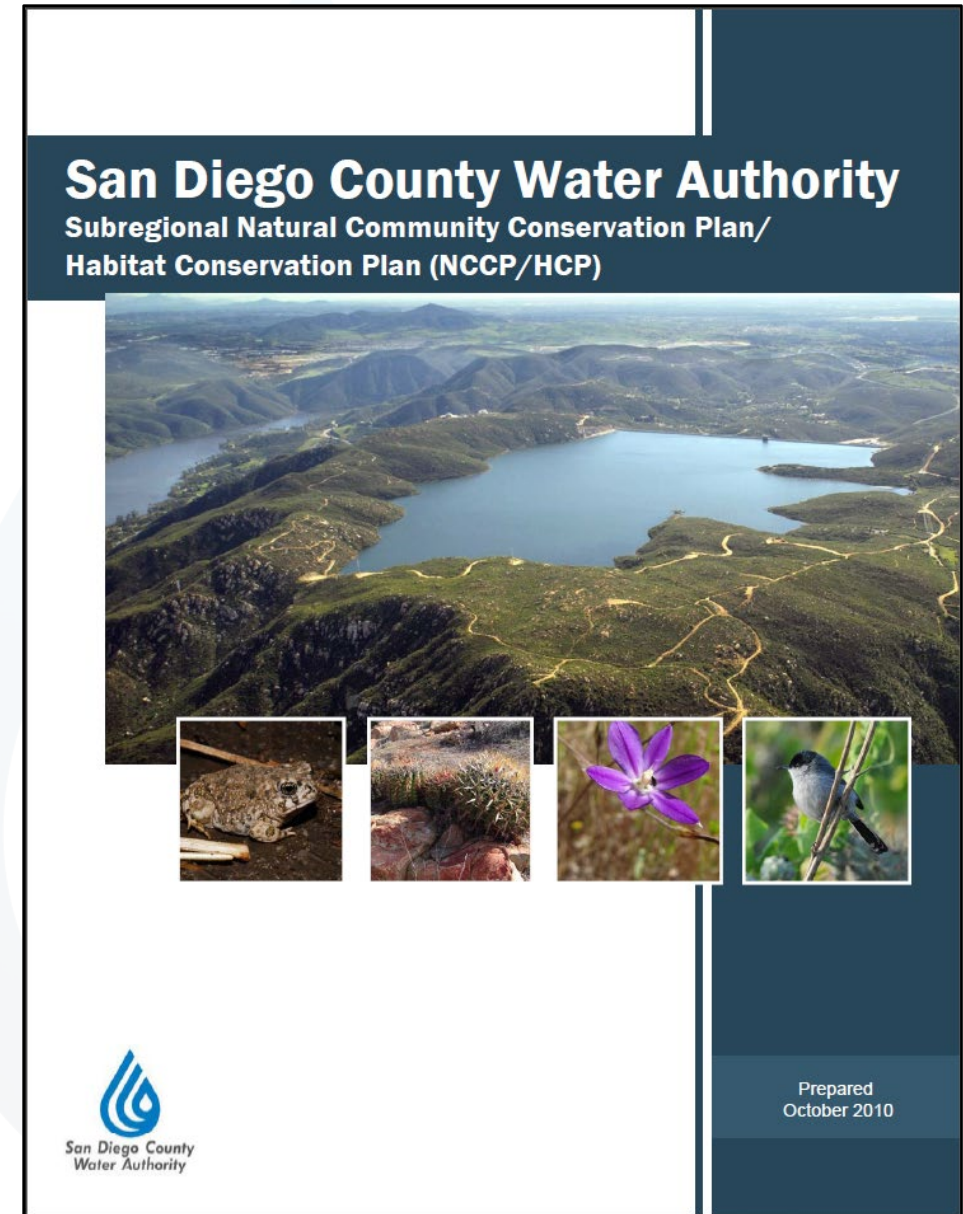
Mitigation Program Background

- Authorized by the Board in 1992
- Minimizes project costs and/or schedule delays
- Mitigates impacts from CIP projects and O&M activities
- Streamlines environmental permitting and regulatory compliance
- Administered by the Water Resources Department



NCCP/HCP Overview

- Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCCP) approved in 2010
- NCCP/HCP goals:
 - Comply with the state and federal Endangered Species Act
 - Regional conservation of species and their habitats
- Covers 63 sensitive plant and animal species



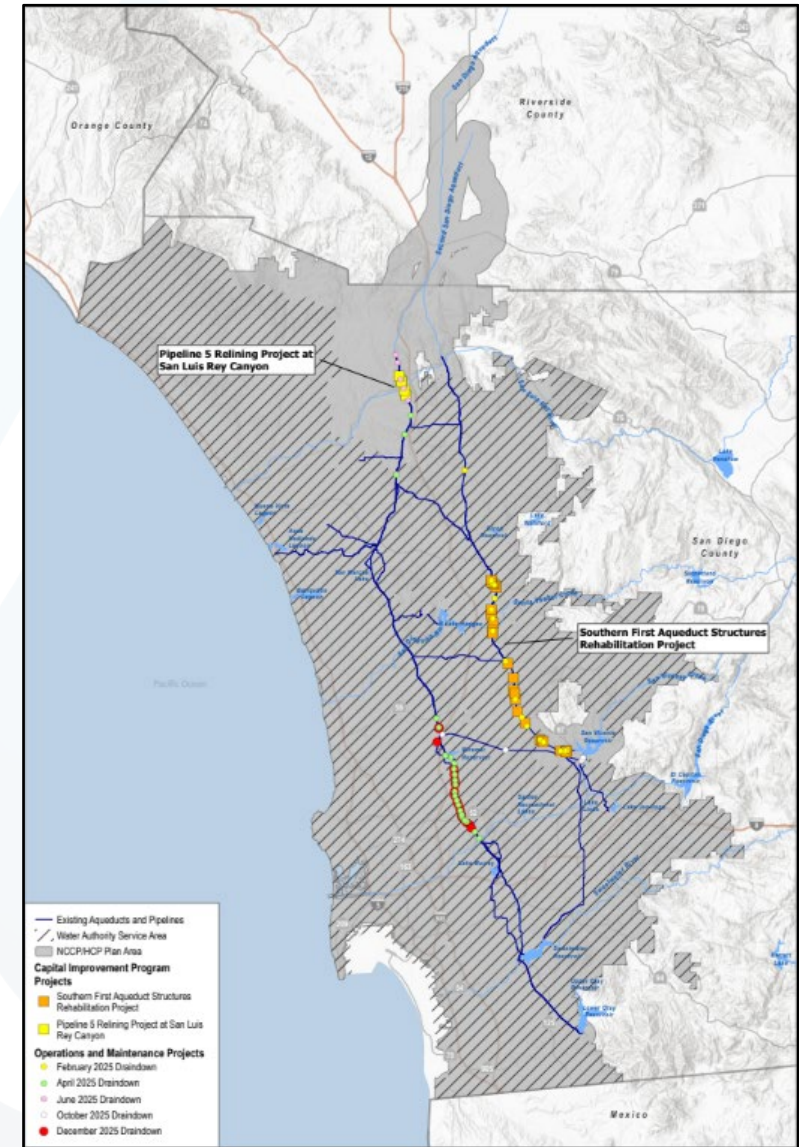
2025-26 NCCP/HCP Covered Projects

2025

- First Aqueduct Structures Rehabilitation – Hubbard Hill South
- Pipeline 5 Relining Project – San Luis Rey Canyon

2026

- First Aqueduct Treated Water Bifurcation Structure and Hubbard Hill Vents Rehabilitation
- Ramona Pipeline Improvements Phase I
- Pipeline 5 Relining Oceanside 5 Flow Control Facility to Huckleberry Lane



2025 NCCP/HCP Covered Project Locations

Post-construction Restoration Activities

- 3-5 years maintenance and monitoring
 - Weeding
 - Erosion control BMPs
 - Fencing
 - Seeding and planting of native vegetation
- May require creation of restoration plan



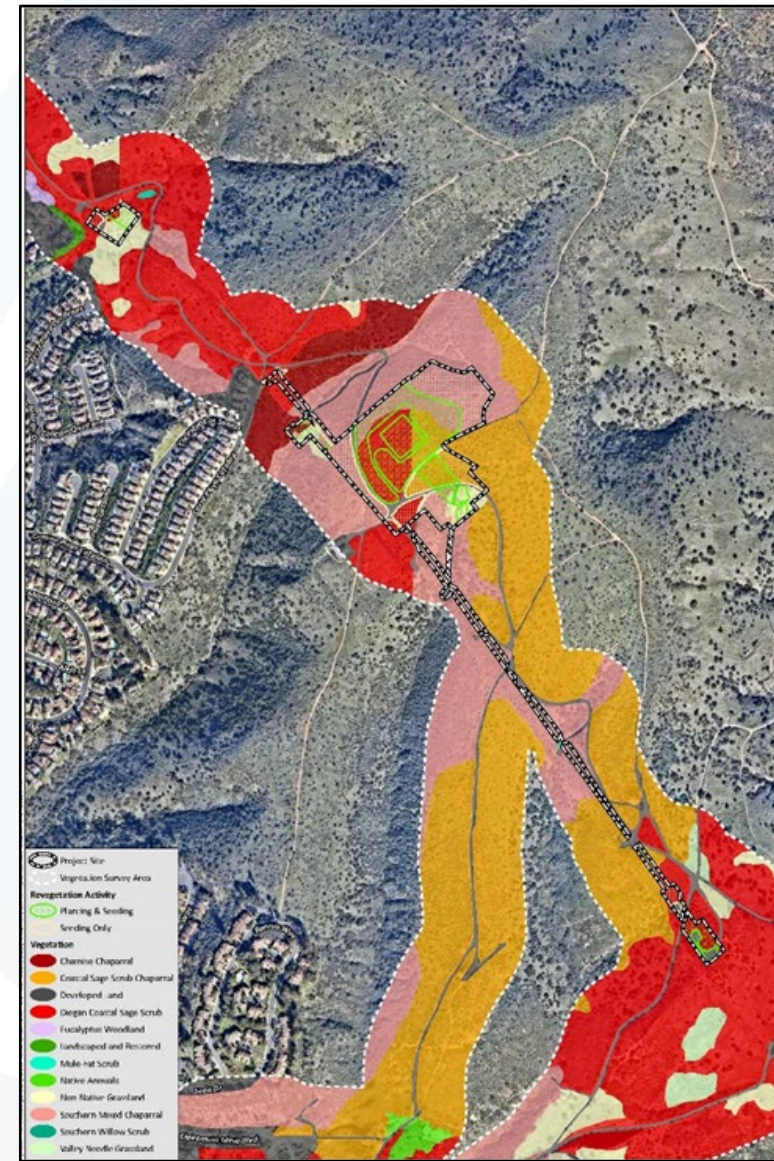
FRSII Site, After Construction



FRSII Site, Year 1



FRSII Site, Year 3



Restoration plan for FRSII

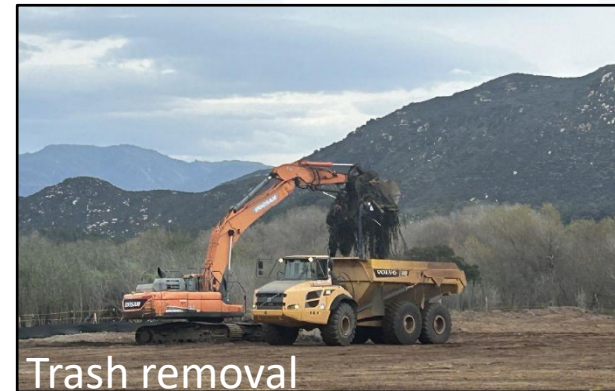
Habitat Management Area Background

- Agreements with U.S. Fish and Wildlife and California Department of Fish and Wildlife (Wildlife Agencies)
- Manage Habitat Management Areas (HMAs)
- Mitigation needs are evaluated annually based on anticipated CIP and O&M activities
- Water Authority reports on the status of the HMAs and Mitigation Program to the Wildlife Agencies annually



San Luis Rey HMA Construction

- Notice to Proceed – advanced 4.24 acres of credits available
- Completed to date – grading, trash removal, grubbing, and clearing
- Partially funded by a Bureau of Reclamation grant – \$3 Million
- Next steps – irrigation installation, weeding cycles, and installation of native plants and seed



San Miguel HMA



- Board authorized sale of 240 acres in September 2017
- To date, 31 acres have been sold for \$980,585
- Next steps: Obtain authorized coverage for Quino Checkerspot Butterfly





San Luis Rey Habitat Management Area Wetland Restoration Project

Thank you!



Project Overview

RESTORATION GOALS

- Restore riparian tier I and II habitat (20.3 acres)
- Restore upland tier I and II habitat (22.4 acres)
- Create suitable habitat for least Bell's vireo and coastal California gnatcatcher within designated critical habitat
- Create suitable habitat for arroyo toad and southwestern willow flycatcher

WHERE

- 45-acre agricultural site along the San Luis Rey River west of Interstate 15
- Purchased in 2005 during NCCP/HCP development

WHY

- NCCP/HCP and Army Corps Programmatic Master Plan Permit mitigation obligation
- Wetland mitigation credits for Water Authority CIP and O&M projects
- Grant funding provided by the United States Bureau of Reclamation

WHEN

- Grading and site prep: Winter 2025
- Grow-and-kill weed control: Summer 2026
- Planting and hydroseeding: Fall 2026
- Maintenance and Monitoring period: Through 2032



Target Vegetation Communities and Mitigation Credit Types

PROPOSED VEGETATION COMMUNITIES

CLOW Coast Live Oak Woodland (Tier I)	SCLORF Southern Coast Live Oak Riparian Forest (Tier I)	SSW Southern Sycamore Woodland (Tier I)
CSS Diegan Coastal Sage Scrub (Tier II)	SCWRF Southern Cottonwood Willow Riparian Forest (Tier I)	AS Arrowweed Scrub (Tier II)

RESTORATION FEATURES	MITIGATION CREDITS
<ol style="list-style-type: none"> Excavate into agricultural terrace for connection to San Luis Rey River Upland contouring for topographical interest and balance earthwork Plant/hydroseed to restore riparian and uplands habitat Enhance and preserve existing riparian habitat 	<p>ACOE/RWQCB/CDFW</p> <ul style="list-style-type: none"> Enhancement Re-Establishment - CDFW Restoration <p>CDFW Riparian</p> <ul style="list-style-type: none"> Enhancement Restoration Preservation Revegetation <p>Upland Buffer</p> <ul style="list-style-type: none"> Restoration <p>No Credit</p> <ul style="list-style-type: none"> Aqueduct Right-of-Way Restoration



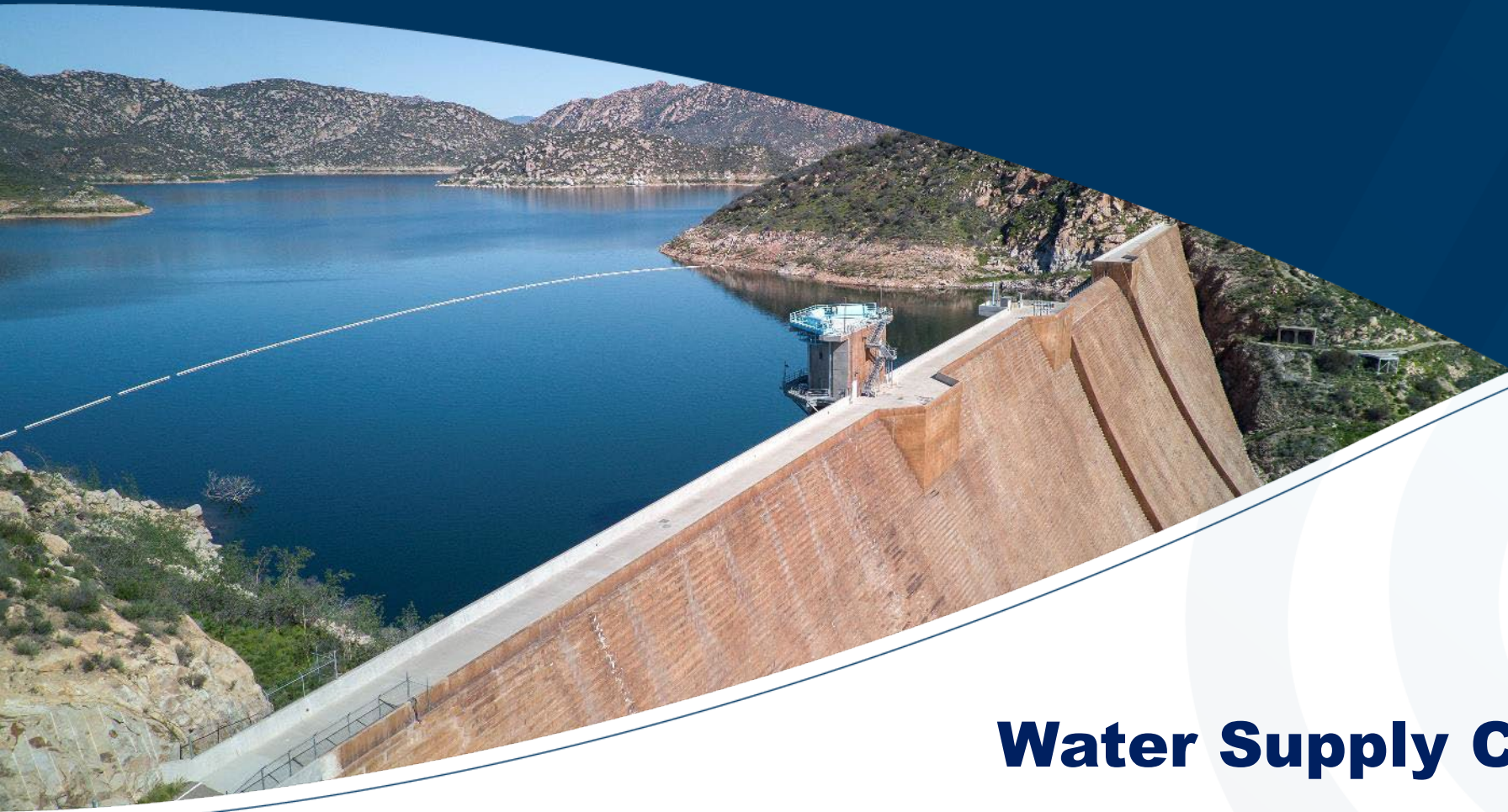
Project site looking north



Representative example of functioning mature southern cottonwood willow riparian forest from the San Diego River



San Diego County
Water Authority



Water Supply Conditions Update

February 26, 2026

Water Planning and Environmental Committee

Efren Lopez

Senior Water Resources Specialist

Second Snow Survey – Water Year 2026

January 30, 2026



Phillips Station

- 23 inches of snow depth
- 8 inches of snow water equivalent
- 46% of average

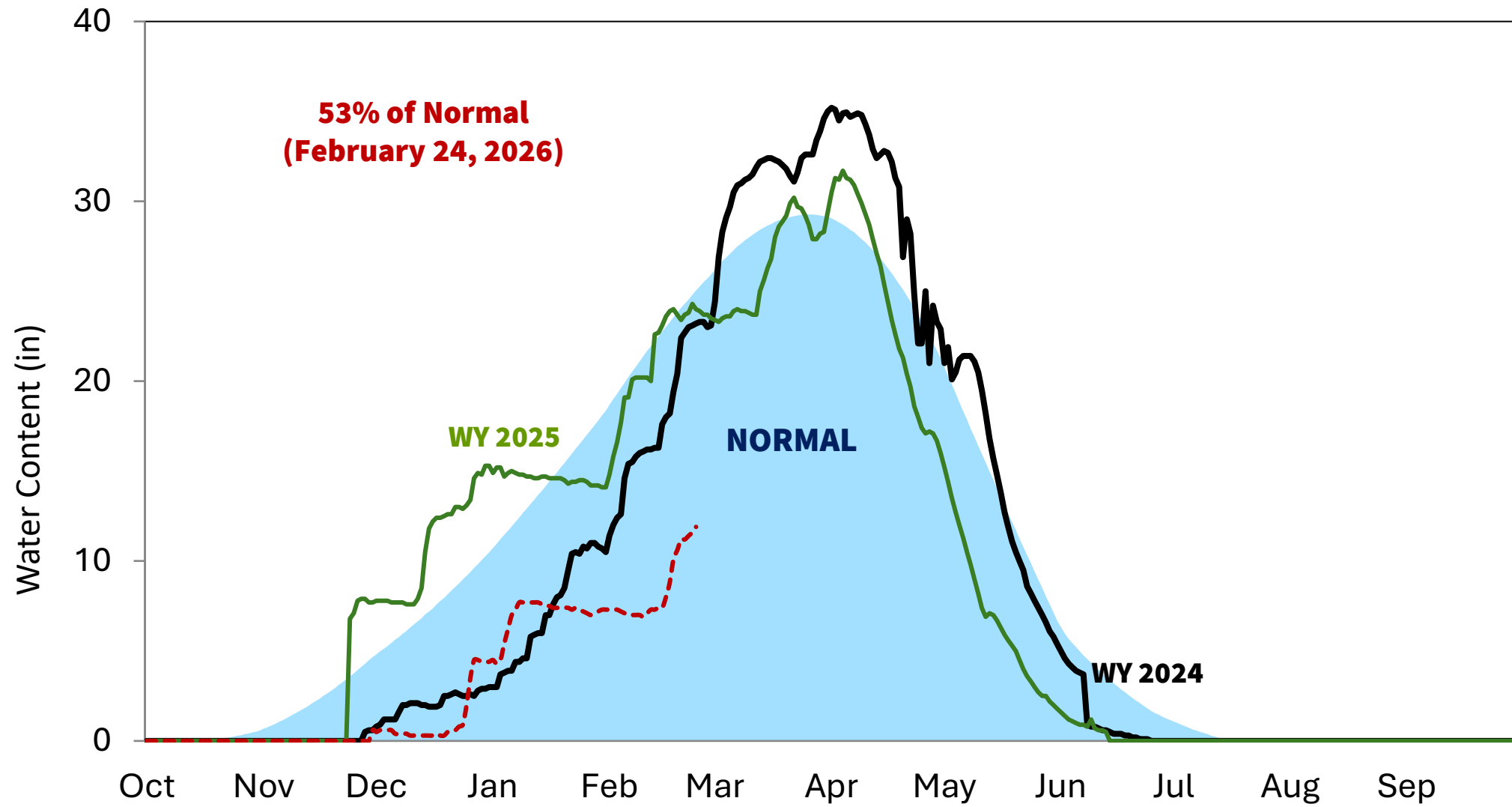


Statewide

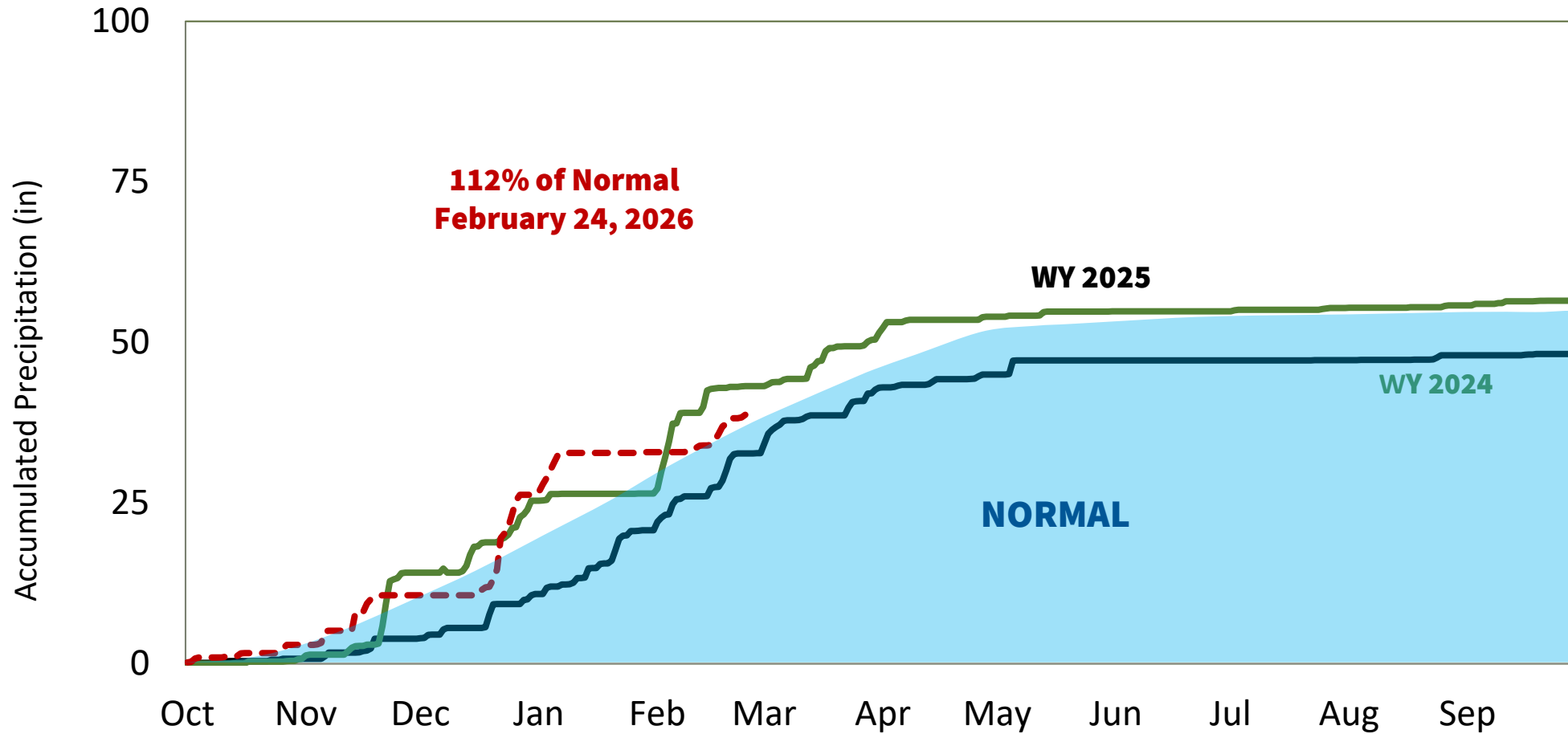
- 9.7 inches of snow water equivalent
- 59% of average

Source: DWR

Northern Sierra Snowpack WY 26



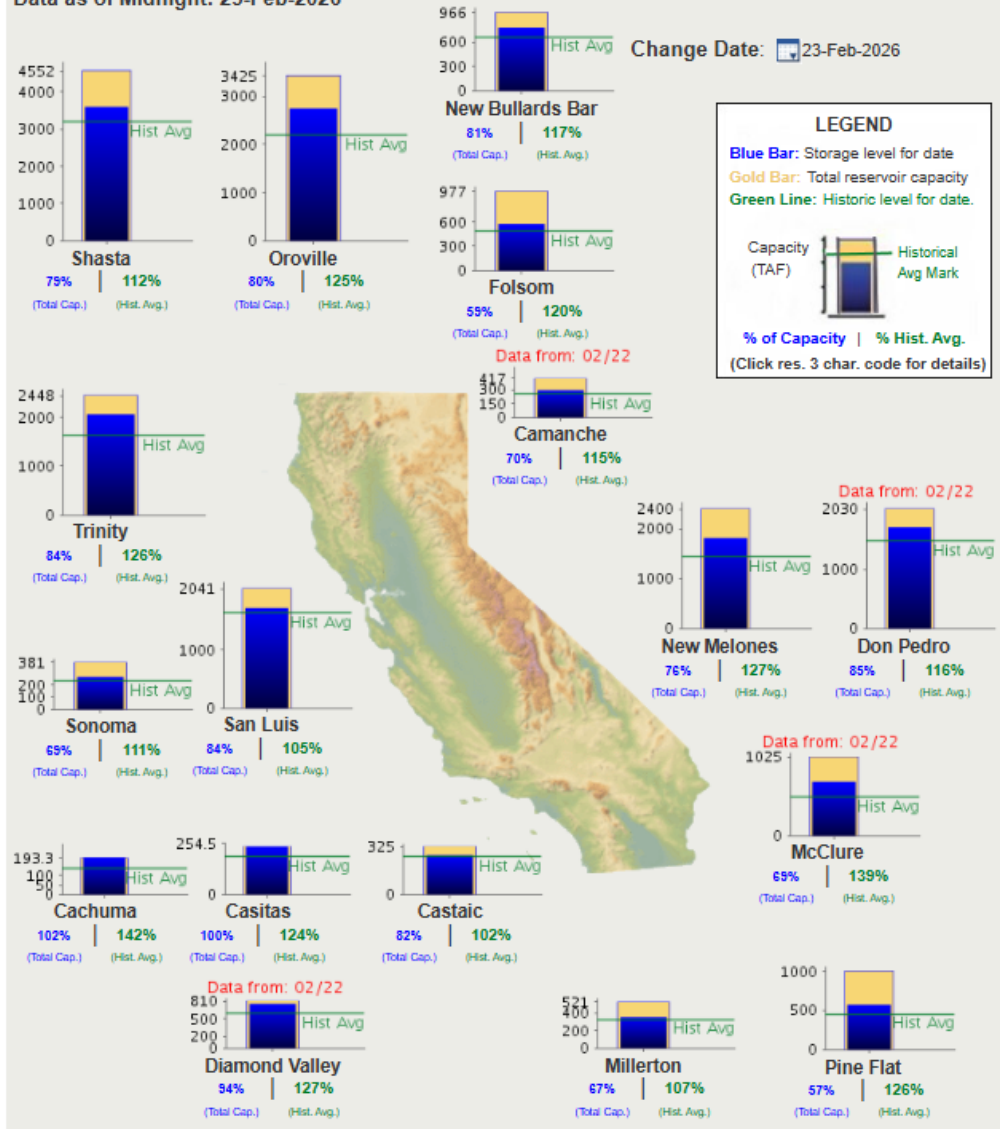
Northern Sierra 8-Station Precipitation Index—WY 26



California Reservoir Storage

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

Data as of Midnight: 23-Feb-2026

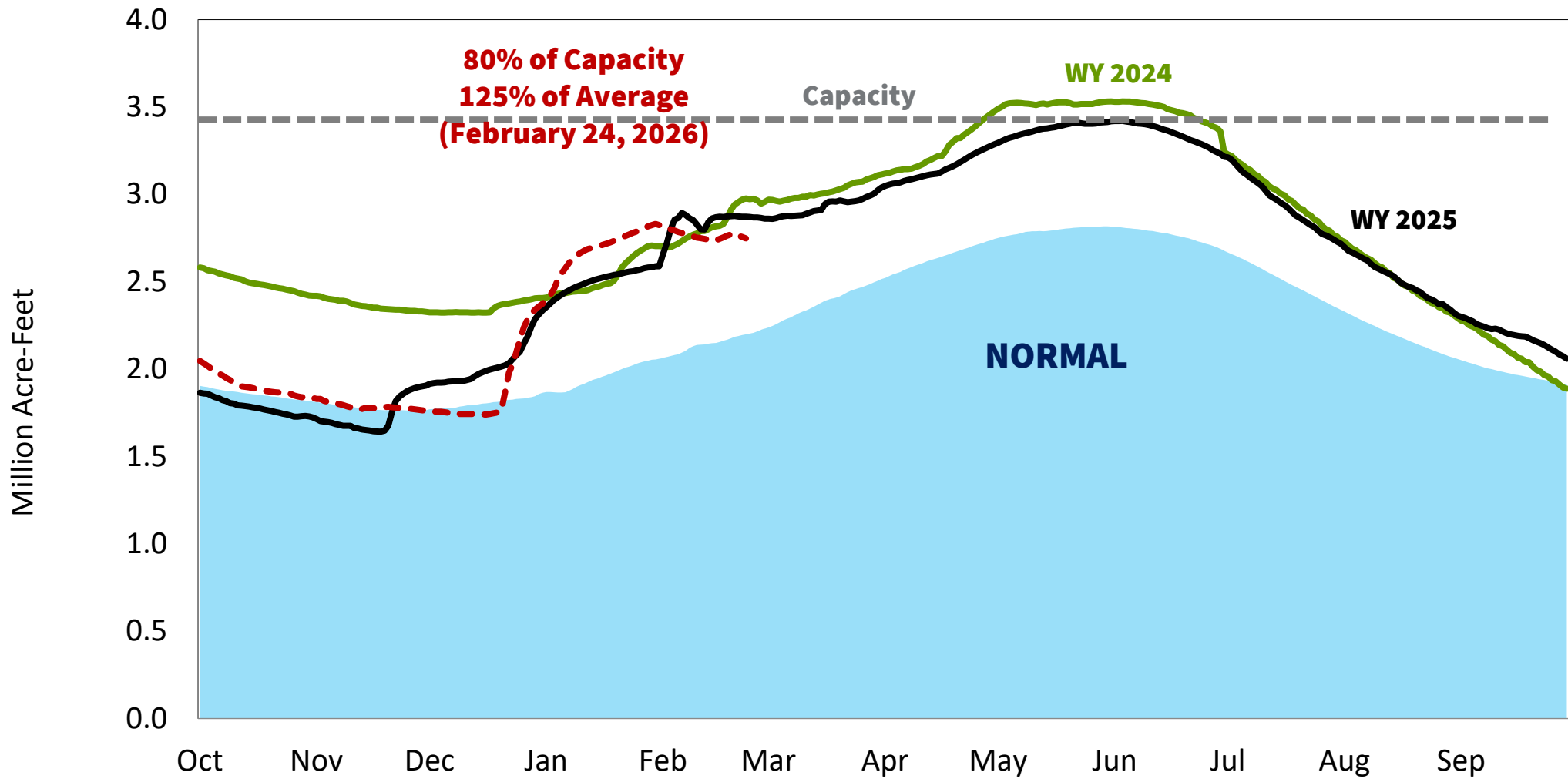


Lake Oroville



San Luis Reservoir

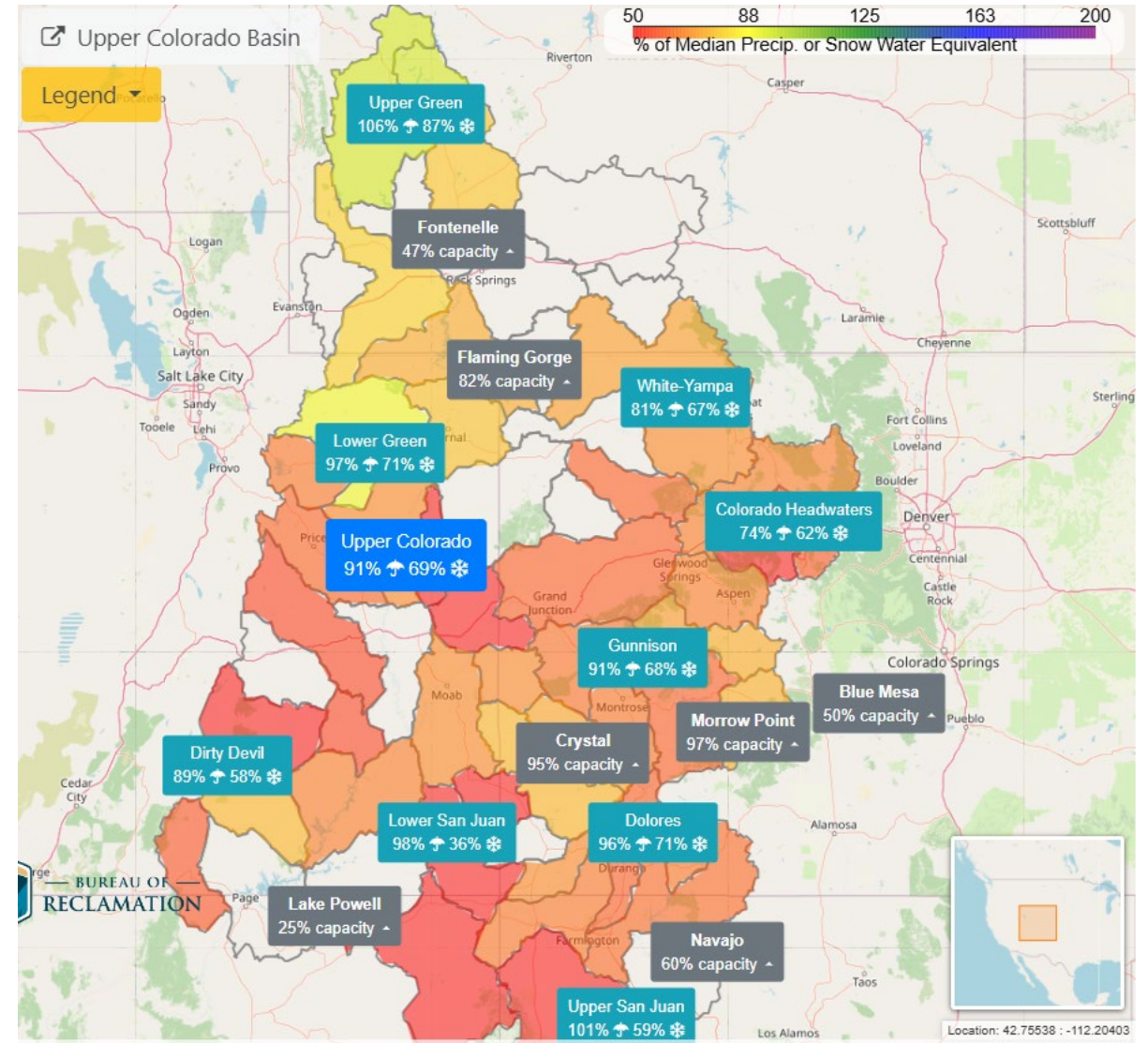
Lake Oroville Storage Volume WY 26



Colorado River Basin Conditions

As of February 24, 2026

- Precipitation 91% of normal
- Snowpack 69% of normal
- Lake Powell 26% full (5.9 MAF)
- Lake Mead 34% full (8.8 MAF)



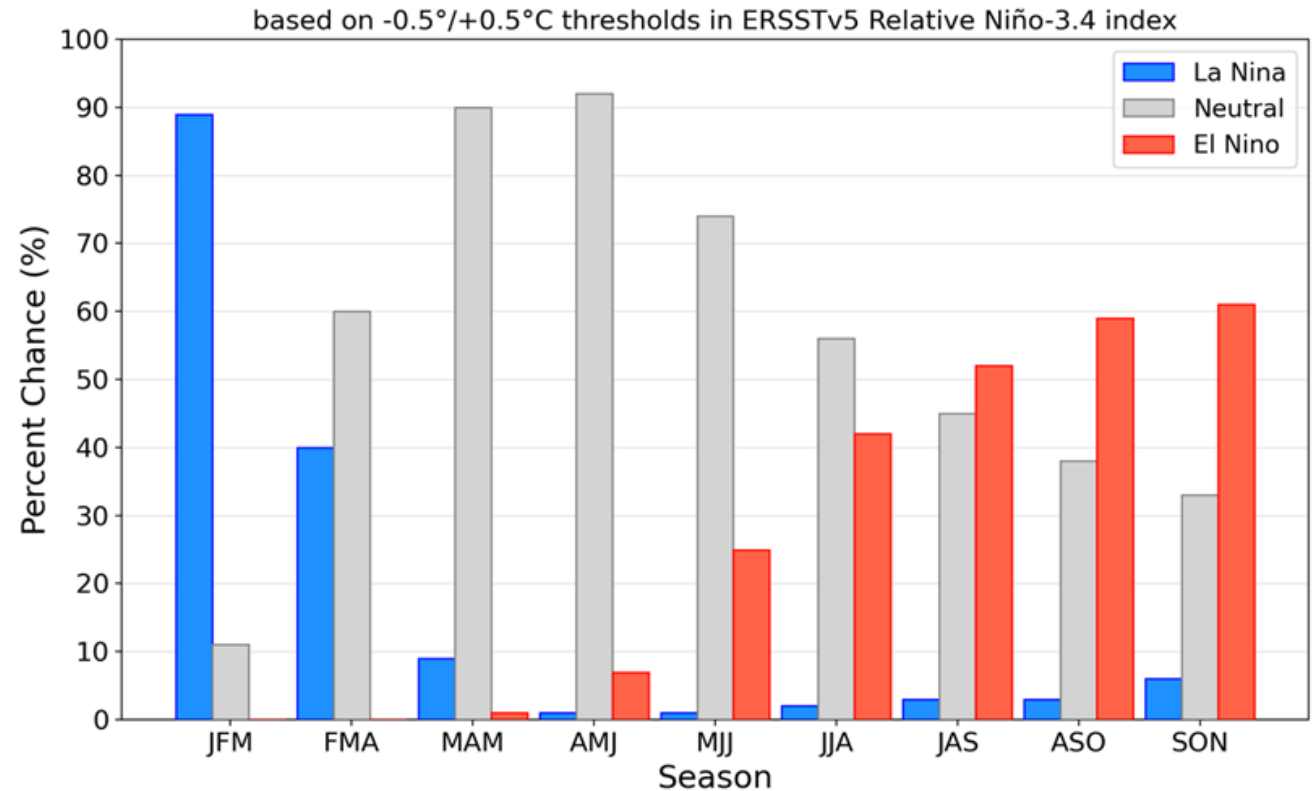
Local Precipitation

Water Year 2026				
	<u>Month To-Date</u> February 1-24, 2026		<u>Water Year To-Date</u> October 1, 2025 – February 24, 2026	
Station	Actual	% Normal	Actual	% Normal
Lindbergh Field	1.80 in.	100%	9.62 in.	142%
Ramona Airport	3.31 in.	112%	10.55 in.	107%

NOAA Outlook WY 26

- La Niña conditions are present
- Impacts of La Niña can result in drier-than-average winter in Southern California
- Transition to ENSO-neutral February – April 2026 (60% chance)

Official NOAA CPC ENSO Probabilities (issued February 2026)

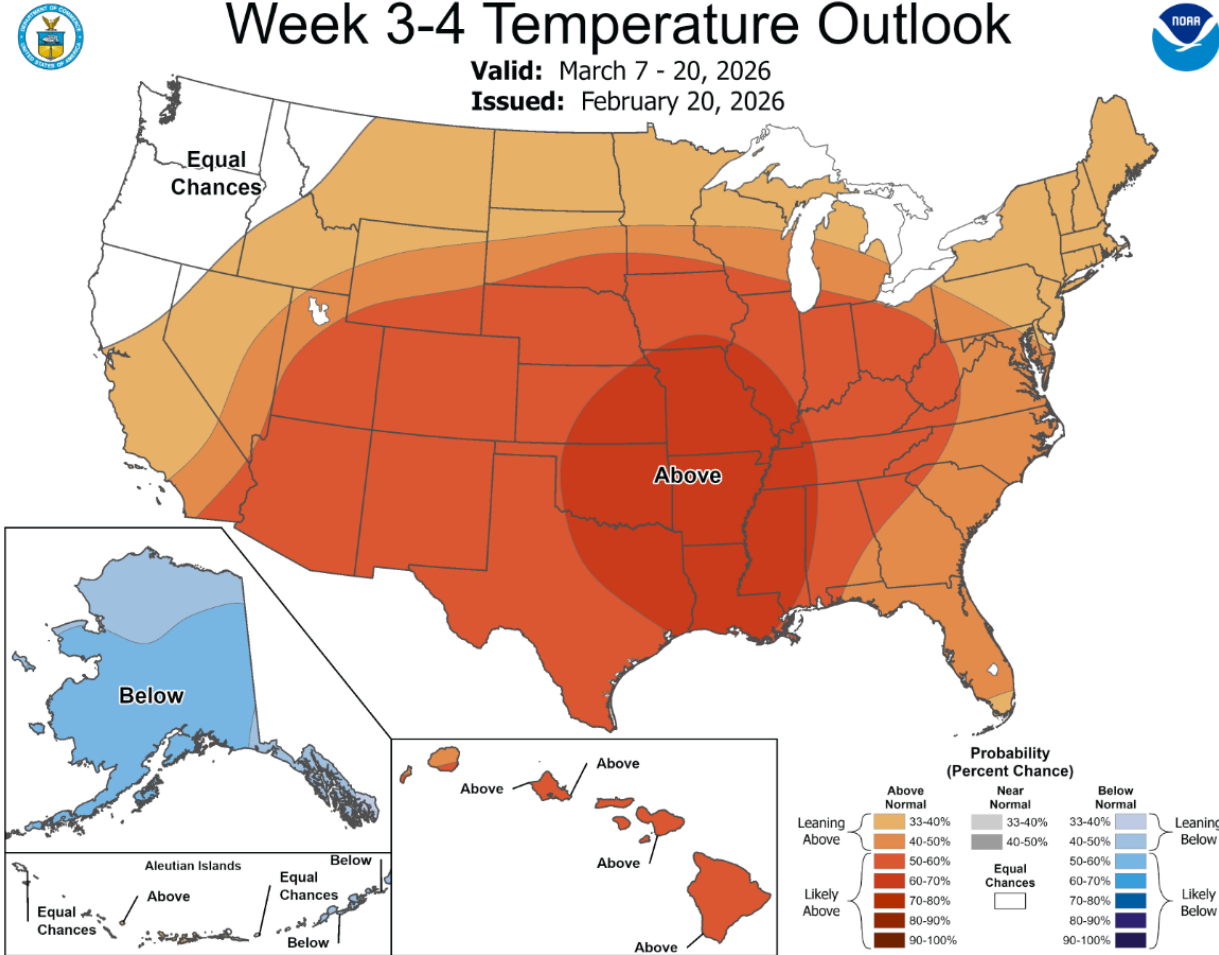


Source: NOAA Climate Prediction Center/NCEP

Outlook

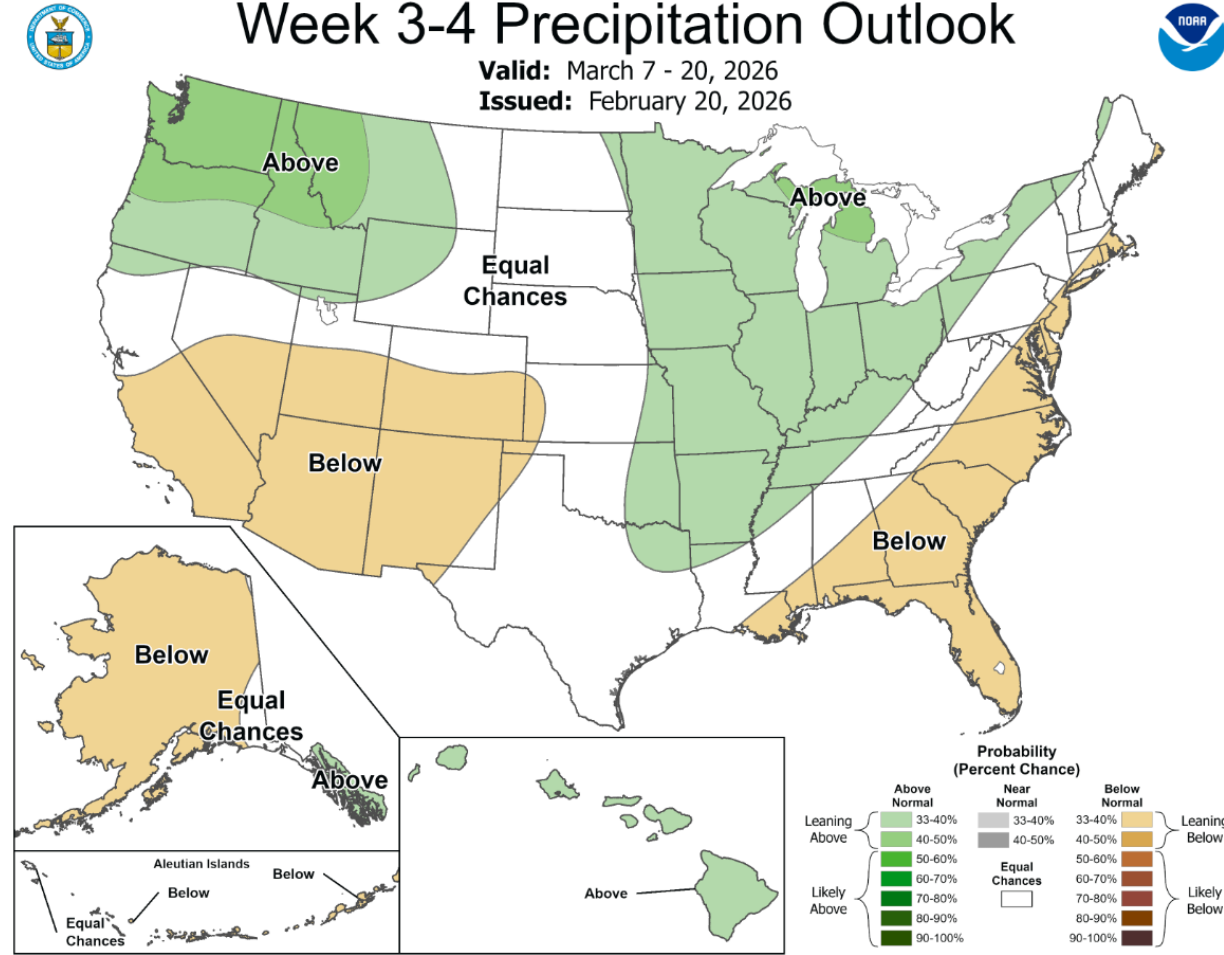
Week 3-4 Temperature Outlook

Valid: March 7 - 20, 2026
 Issued: February 20, 2026



Week 3-4 Precipitation Outlook

Valid: March 7 - 20, 2026
 Issued: February 20, 2026



Source: NOAA Climate Prediction Center/NCEP