



NOTICE TO THE PUBLIC
BOARD OF DIRECTORS' AND STANDING COMMITTEES'
REGULAR MEETING
9:00 A.M. FEBRUARY 26, 2026
BOARD ROOM
WATER AUTHORITY HEADQUARTERS BUILDING
4677 OVERLAND AVENUE, SAN DIEGO, CALIFORNIA

The meeting is open to the public and accessible electronically by going to the web link at SDCWA.org and then clicking the link listed below "LIVE STREAM" on the right hand side of the page.

1. **UNIFIED AGENDA:** This unified agenda provides a brief description of each item to be considered by the Board and its Administrative and Finance, Engineering and Operations, Imported Water, Legislation & Public Outreach, and Water Planning and Environmental Committees. For convenience, the agenda for each of the Committees and for the formal Board meeting are stated separately; however, all agendas shall be considered as a single agenda and any item listed on the agenda of any Committee may be acted upon by the Board. All items on the agenda of any Committee, including information items, may be deliberated and become subject to action by the Board.
2. **DOCUMENTS:** Staff reports, and any other public information provided to the Board or Committee before the meeting relating to items on the agenda are available for public review on the Water Authority website at <https://www.sdcwa.org/meetings-and-documents>. Additional documents may be distributed at the meeting electronically and will be made available. Copies of individual items are available through the Clerk of the Board at (858) 522-6614.
3. **MEETING TIMES:** The morning session of the Standing Committees will commence at 9:00 a.m., and any afternoon session of the Standing Committees may commence at the conclusion of the morning session and earlier than 12:00 p.m. Please see the meeting schedule. The meeting of the full Board may commence as early as 2:00 p.m. or as soon thereafter as the last Committee meeting is completed.
4. **ACTION AT COMMITTEE MEETINGS:** Committee meetings are also noticed as meetings of the Board because a quorum of the Board may be present. Members of the Board who are not members of the Committee may participate in the meeting, but only members of the Committee may make, second or vote on any motion or other action of the Committee unless the Board determines to convene for consideration of action on an item or items on the Committee agenda. Items receiving substantive review by a standing committee are generally included on the Consent Calendar for action at the meeting of full Board. Closed Sessions also occur at Committee meetings and may not be repeated at the formal Board meeting.
5. **CONSENT CALENDAR:** The agenda contains items listed on a consent calendar which is for matters considered routine or otherwise not requiring further deliberation. A Committee or the Board will take action as recommended by one motion. There will be no individual discussion on such items prior to the vote unless an item is removed for discussion.

6. **PUBLIC HEARINGS:** It is not necessary to notify the Chair if a member of the public wishes to speak on items listed on the agenda as public hearings. Public hearings will begin at the time stated in the notice, or as soon thereafter as the matter can be heard. When the Chair opens the hearing, upon invitation from the Chair, step to the podium and begin by giving your name and address for the record. Each speaker has three minutes to address the Board.
7. **PUBLIC COMMENTS:** Public comments may be provided before the meeting by submitting written comment to: publiccomments@sdewa.org. Written correspondence will be read as time allows and will be dispersed to the Board of Directors via email.

Speaker request forms will be available to the public attending in person.

The meeting can be monitored and public comments can also be made by joining via zoom here: [ZOOM LINK](#).

or joining by phone at 1-669-444-9171. Enter the meeting id 838 8344 4061# when prompted. Use the raise hand feature in Zoom to be recognized by the Clerk to speak. If joining by phone dial *9 to raise your hand.

Members of the public are given an opportunity to address each Standing Committee on any item listed on their respective agenda or under the jurisdiction of the Committee, during the Public Comment period as stated on the agenda.

Each speaker is allotted up to three minutes to provide their public comment. The Presiding Officer shall, however, exercise discretion to determine if time should be reduced or extended based upon such factors as length and substance of agenda, the number of public comment speakers, the need for the Board to conclude business as expeditiously as is practicable, and whether the Board is at risk of losing a quorum, among other factors.

During the Formal Board of Directors Meeting, at the Public Comment period stated on the agenda, members of the public are given an opportunity to address the Board on items of interest within the subject matter of the Board, or on any item on the Formal Board Agenda that was not previously addressed by a Standing Committee. No public comment will be taken on items previously considered by the Standing Committee unless the Board Chair determines that an item has changed substantially.

8. **INFORMATION ITEMS:** Items are listed on the agenda as information based on staff's judgment. Circumstances or the committee's or Board's judgments may require deliberation or, if necessary, action on these items. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.
9. **ASSISTANCE FOR THE DISABLED:** If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (858) 522-6614 for assistance at least three (3) working days prior to the meeting so the necessary arrangements can be made.
10. **RULES GOVERNING MEETINGS:** The Water Authority's Administrative Code Chapter 2.00 governs the conduct of meetings of the Board and the Committees. The Administrative Code is available online at www.sdewa.org.



MEETING SCHEDULE *

FEBRUARY 26, 2026

START TIME FOR COMMITTEES 9:00 AM

- **Administrative & Finance Committee**
- **Engineering & Operations Committee**
- **Imported Water Committee**

LUNCH BREAK (Estimated 11:30 AM to 12:30PM)

- **Legislation & Public Outreach Committee**
- **Water Planning & Environmental Committee**

FORMAL BOARD MEETING 2:00 PM

*** The Committees are listed above in the order in which they will proceed. The Committee meetings will begin at 9:00 am. The regular Board meeting will begin no earlier than 2:00 pm and will follow the conclusion of the last committee meeting.**

ADMINISTRATIVE AND FINANCE COMMITTEE

**AGENDA FOR
FEBRUARY 26, 2026**

Ismahan Abdullahi, Chair	Princess Norman
Gary Arant, Vice Chair	Rocky Qualin
Jennifer Kerschbaum, Vice Chair	Mark Robak
Teresa Acosta	Esther Sanchez
Tim Douglass	Nick Serrano
Frank Hilliker	Stephen Whitburn
Ron Morrison	Burt Williams

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on items contained within this agenda.
4. Chair’s Report.
4-A Directors’ comments.

I. CONSENT CALENDAR

- | | | |
|----|---|-------------------|
| 1. | <u>Monthly Treasurer’s Report on Investments and Cash Flow.</u>
<u>Staff recommendation:</u> Note and file the monthly Treasurer’s Report. (Action) | Lisa Marie Harris |
| 2. | <u>Resolution adopting the benefit summaries between the Water Authority and unrepresented Confidential, Senior Management and Executive employees covering calendar years 2022 through 2026 for California Public Employees Retirement System (CalPERS) compliance.</u>
<u>Staff recommendation:</u> Adopt Resolution No. 2026-02, a resolution of the Board of Directors of the San Diego County Water Authority, adopting the amended benefit summaries covering calendar years 2022, 2023, 2024, 2025 and 2026 with unrepresented employees (Confidential, Senior Management and Executive groups). (Action) | Catherine Love |

II. ACTION/DISCUSSION/PRESENTATION

- | | | |
|----|--|-------------------|
| 1. | Securities Law Municipal Disclosure Training. (Presentation) | Lisa Marie Harris |
|----|--|-------------------|

III. INFORMATION

- | | | |
|----|--|-------------------|
| 1. | Quarterly Budget Monitoring Report. | Lisa Marie Harris |
| 2. | Controller’s Report on Monthly Financial Activity. | Chris Woidzik |
| 3. | Board Calendar. | |



**San Diego County
Water Authority**

IV CLOSED SESSION

V. ADJOURNMENT

Kelly Cole-Walker
Clerk of the Board

NOTE: This meeting is called as an Administrative and Finance Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



February 18, 2026

Attention: Administrative and Finance Committee

Monthly Treasurer’s Report on Investments and Cash Flow

Purpose

The Treasurer’s Report provides monthly financial information to the Board of Directors.

Executive Summary

The Water Authority is well diversified with investment holdings in Agencies, Treasuries, Corporate notes, and other securities totaling approximately 40% of the Pooled portfolio, Mutual Funds totaling 18%, and liquidity vehicles such as LAIF and CAMP comprising about 42%. The overall portfolio of \$385.1 million maintained an average Market Yield of 3.68%*, exceeding the Intercontinental Exchange Bank of America (ICE BofA) benchmark.

Information as of 01/31/26	ICE BofA 1-3 Year US Treasury & Agency Index	SDCWA Consolidated Portfolio
Purchase Yield	n/a	3.36%*
Market Yield	3.54%	3.68%*
Book Value	n/a	\$403,968,997
Weighted Average Maturity	1.84	0.73*

**Estimated Values. Actual Values are available during 3rd week of the month.*

The Treasurer’s Report is attached for review by the Administrative and Finance Committee and the Board of Directors. The report provides documentation that the Water Authority has sufficient funds to meet its financial obligations for the next six months. A brief description of each report follows:

Portfolio Master Summary: A summary of the Water Authority’s cash and investments.

Portfolio Summary: A snapshot of the Water Authority’s holdings including its characteristics, account summary, top issuers, sector allocation, maturity distribution and credit quality. *This report is available during the 3rd week of the month and has been excluded this month due to timing.*

Portfolio Details: The Water Authority’s investments and cash details.

The Water Authority’s portfolio is diversified among investment types with a concentration toward short-term maturities to meet anticipated cash flow needs. Market value information provided by ICE BofA and reflects values as of the report date.

Bond yields rose in January as the US economy showed signs of solid growth. The Federal Reserve left short term interest rates unchanged at their January 28 meeting, as expected, with two dissents in favor of another quarter point cut. The Federal Open Market Committee (FOMC) pointed to a stable unemployment rate and somewhat elevated inflation in their statement. President Trump announced the nomination of Kevin Warsh to be the next Fed Chair, which was well-received by the market.

The December employment report was released in January, indicating slower job growth with 50,000 jobs added in the month, while the unemployment rate fell to 4.4%. Food service and drinking places, health care, and social assistance all saw gains. The Consumer Price Index (CPI) was stable at 2.7% year-over-year in December. A drop in used car prices kept inflation in check, while food prices continued to rise. The third and final revision to third quarter GDP improved to 4.4% on robust consumer spending.

All investments have been made in accordance with the Water Authority's Annual Statement of Investment Policy, which was last adopted by the Board on November 20, 2025. The reports are completed in accordance with California Government Code Section 53607.

Lisa Marie Harris, Director of Finance/Treasurer

PORTFOLIO MASTER SUMMARY
as of January 31, 2026

PORTFOLIO PERCENTAGES

Investment Type	Permitted By Board Policy	Portfolio Percentage	Book Value
Local Agency Investment Fund (LAIF)	\$75 Million	19.04%	\$ 73,591,989
Banker's Acceptances	40%	0.00%	-
Treasury Securities*	100%	28.16%	108,857,075
Agency Securities*	100%	1.63%	6,312,146
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations	20%	2.19%	8,473,984
Supranational Securities*	15%	1.28%	4,938,460
Repurchase Agreements	20%	0.00%	-
Reverse Repurchase Agreements	20%	0.00%	-
Certificates of Deposit (Placement, Negotiable & Time Deposits)	30%	0.00%	-
Commercial Paper	30%	0.50%	1,944,609
Medium Term Notes/Corporates*	30%	5.57%	21,544,413
Municipal Securities	30%	0.35%	1,342,125
JPA Pools (CAMP, CalFIT)	25%	23.02%	88,982,870
Mutual Funds and Money Market Mutual Funds*	20%	18.25%	70,557,406
		100.00%	\$ 386,545,077
Accrued Interest (unavailable for investing)			80,658
Checking/Petty Cash/Available Funds (unavailable for investing)			5,102,488
Subtotal for Pooled Funds:			<u>\$ 391,728,222</u>
<u>Debt Service Reserve (DSR) Funds Excluded from Portfolio Percentages:</u>			
Mass Mutual - Reserve (GIC) - Series 1998A COPs			12,240,775
Subtotal for Debt Service Reserve Funds (unavailable for CIP expenditures):			<u>\$ 12,240,775</u>
Total Cash and Investments			<u>\$ 403,968,997</u>

PORTFOLIO INFORMATION

	Pooled Funds **	Debt Service Reserve	Total
Portfolio Yield to Maturity - 365 Days	3.54%	5.55%	3.61%
Average Term	623	1	601
Average Days to Maturity	261	1	252

* Some investments in these categories are managed by Chandler Asset Management.

** Pooled Funds include Operating, Pay Go, RSF, Equipment and Stored Water funds.

**SDCWA - Fiscal Year 2026
Portfolio Management
Portfolio Summary
January 31, 2026**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
California Asset Management Program	48,853,411.09	48,853,411.09	48,853,411.09	14.25	1	1	3.797	3.850
Local Agency Investment Funds	73,591,989.27	73,591,989.27	73,591,989.27	21.46	1	1	3.856	3.910
Money Market	20,224,715.25	20,224,715.25	20,224,715.25	5.90	1	1	3.558	3.607
Held Money Market	12,240,775.00	12,240,775.00	12,240,775.00	3.57	1	1	5.474	5.550
California Fixed Income Trust	40,129,459.37	40,129,459.37	40,129,459.37	11.70	1	1	3.748	3.800
Medium Term Notes	21,700,000.00	21,720,788.00	21,554,212.50	6.29	1,489	707	3.930	3.985
Commercial Paper - Discount	2,000,000.00	1,986,586.61	1,944,609.17	0.57	239	64	4.273	4.333
Federal Agency - Coupon	6,200,000.00	6,283,870.00	6,312,146.00	1.84	1,387	742	3.785	3.838
Treasury Securities - Discount	18,900,000.00	18,756,915.00	18,683,763.07	5.45	115	77	3.663	3.714
Treasury Securities - Coupon	86,125,000.00	85,163,548.86	84,644,169.32	24.68	1,574	606	2.686	2.724
Supranationals	5,000,000.00	4,977,310.00	4,938,460.00	1.44	1,740	398	2.178	2.208
Municipal Bonds	1,500,000.00	1,425,075.00	1,342,125.00	0.39	2,312	973	3.576	3.626
Mortgage Backed Securities	8,820,000.00	8,606,158.35	8,473,984.38	2.47	2,044	1,195	3.896	3.950
	345,285,349.98	343,960,601.80	342,933,819.42	100.00%	601	252	3.557	3.607

Investments								
Cash, Pending Redemptions								
Passbook/Checking (not included in yield calculations)	55,435,177.91	55,435,177.91	55,435,177.91		1	1	3.555	3.605
Pending Redemptions	5,600,000.00	5,600,000.00	5,600,000.00					
Subtotal		61,035,177.91	61,035,177.91					
Total Cash, Pending Redemptions and Investments	406,320,527.89	404,995,779.71	403,968,997.33		601	252	3.557	3.607

Total Earnings	January 31 Month Ending	Fiscal Year To Date
Current Year	1,324,485.90	8,274,528.09
Average Daily Balance	403,610,596.57	379,242,952.05
Effective Rate of Return	3.86%	3.70%

Reporting period 01/01/2026-01/31/2026

Run Date: 02/05/2026 - 09:47

**SDCWA - Fiscal Year 2026
Portfolio Management
Portfolio Details - Investments
January 31, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
California Asset Management Program												
CASH35	1103	CAMP - OPERATING/POOLED			48,853,411.09	48,853,411.09	48,853,411.09	3.850	AAA	3.850	1	
CASH41	9001	CAMP - 2022A BONDS			0.00	0.00	0.00	4.420	AAA	4.420	1	
Subtotal and Average			57,709,116.78		48,853,411.09	48,853,411.09	48,853,411.09			3.850	1	
Local Agency Investment Funds												
CASH42	9002	LAIF - 2022A BONDS			0.00	0.00	0.00	4.280	AAA	4.280	1	
CASH13	1102	LAIF - OPERATING			73,591,989.27	73,591,989.27	73,591,989.27	3.910		3.910	1	
Subtotal and Average			73,804,520.26		73,591,989.27	73,591,989.27	73,591,989.27			3.910	1	
Money Market												
CASH21	2000	Bank of New York Mellon Corp			112,666.24	112,666.24	112,666.24	3.550	A	3.550	1	
CASH40	9100	Bank of New York Mellon Corp			0.00	0.00	0.00	4.210	A	4.210	1	
CASH15	1104	BlackRock Mischler Financial			1,644,087.49	1,644,087.49	1,644,087.49	3.522	AA-	3.522	1	
CASH15	1105	BlackRock Mischler Financial			1,646,091.22	1,646,091.22	1,646,091.22	3.562	AA-	3.562	1	
CASH11	1100	GOLDMAN - OPERATING/POOLED			16,821,870.30	16,821,870.30	16,821,870.30	3.620	AAA	3.620	1	
Subtotal and Average			76,073,292.21		20,224,715.25	20,224,715.25	20,224,715.25			3.607	1	
Held Money Market												
CASH17	1101	TRINITY PLUS - 1998A			12,240,775.00	12,240,775.00	12,240,775.00	5.550		5.550	1	
Subtotal and Average			12,240,775.00		12,240,775.00	12,240,775.00	12,240,775.00			5.550	1	
California Fixed Income Trust												
CASH36	1106	California Fixed Income Trust		12/12/2025	40,129,459.37	40,129,459.37	40,129,459.37	3.800	AAA	3.800	1	
Subtotal and Average			31,015,413.11		40,129,459.37	40,129,459.37	40,129,459.37			3.800	1	
Medium Term Notes												
06406RBA4	21102	Bank of New York Mellon Corp		01/26/2022	1,000,000.00	984,180.00	1,003,220.00	2.050	A	1.981	359	01/26/2027
06051GHM4	22528	Bank of New York Mellon Corp		02/06/2025	1,500,000.00	1,507,320.00	1,471,095.00	4.271	A-	4.882	1,268	07/23/2029
14913R3A3	20003	CATERPILLAR FIN SERV CRP		08/22/2022	2,000,000.00	1,998,200.00	1,999,360.00	3.600	A-1	3.607	557	08/12/2027
17275RBQ4	22532	Cisco Systems Inc		03/19/2025	1,450,000.00	1,466,008.00	1,463,050.00	4.800	AA-	4.290	390	02/26/2027
57636QAP9	22540	MASTERCARD INC		04/25/2025	1,500,000.00	1,464,660.00	1,429,125.00	3.350	A+	4.429	1,514	03/26/2030
30303MAB8	22615	Meta Platforms Inc		12/23/2025	500,000.00	502,511.67	504,241.67	4.200	AA-	4.138	1,748	11/15/2030
30303MAB8	22617	Meta Platforms Inc		01/02/2026	1,000,000.00	1,006,073.33	1,011,153.33	4.200	AA-	4.100	1,748	11/15/2030
63743HFM9	22412	National Rural Util Coop		02/12/2024	1,500,000.00	1,514,955.00	1,496,940.00	4.800	A-	4.874	369	02/05/2027
665859AW4	20006	NORTHERN TRUST CORP		08/22/2022	2,000,000.00	2,006,080.00	2,029,540.00	4.000	A+	3.650	463	05/10/2027

**SDCWA - Fiscal Year 2026
Portfolio Management
Portfolio Details - Investments
January 31, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Medium Term Notes												
64952WFB4	20026	NEW YORK LIFE GLOBAL		04/14/2023	2,000,000.00	2,003,100.00	2,010,760.00	4.700	AA+	4.504	60	04/02/2026
74456QBU9	22410	PUBLIC SERVICE ELECTRIC		02/02/2024	500,000.00	498,265.00	485,420.00	3.700	A	4.460	820	05/01/2028
713448FL7	20021	PepsiCo Inc		03/20/2023	1,000,000.00	998,040.00	965,880.00	3.600	A+	4.379	747	02/18/2028
857449AE2	22517	STATE STREET BANK		12/31/2024	750,000.00	771,405.00	748,417.50	4.782	AA-	4.830	1,391	11/23/2029
87612EBM7	21103	TARGET CORP		01/26/2022	1,000,000.00	984,270.00	1,003,350.00	1.950	A	1.950	348	01/15/2027
89115A3C4	22527	TORONTO DOMINION BANK		02/06/2025	1,500,000.00	1,536,555.00	1,488,750.00	4.783	A-	4.957	1,415	12/17/2029
89236TJK2	21097	Toyota Auto Receivables		09/24/2021	1,000,000.00	990,400.00	998,990.00	1.125	A+	1.147	137	06/18/2026
91324PEC2	22531	UnitedHealth Group Inc		03/19/2025	1,500,000.00	1,488,765.00	1,444,920.00	1.150	A+	4.444	103	05/15/2026
Subtotal and Average			21,521,594.65		21,700,000.00	21,720,788.00	21,554,212.50			3.985	707	
Commercial Paper - Discount												
62479MCW1	22604	MUFG Bank LTD/NY		08/28/2025	1,000,000.00	993,976.51	975,746.67	4.080	A-1	4.239	57	03/30/2026
89233HDD3	22603	TOYOTA MOTOR CREDIT CORP		07/22/2025	1,000,000.00	992,610.10	968,862.50	4.230	A-1	4.427	71	04/13/2026
Subtotal and Average			1,944,609.17		2,000,000.00	1,986,586.61	1,944,609.17			4.333	64	
Federal Agency - Coupon												
3130ATS57	20023	FEDERAL HOME LOAN BANK		04/14/2023	3,000,000.00	3,057,390.00	3,113,160.00	4.500	AA+	3.652	768	03/10/2028
3130B5K64	22533	FEDERAL HOME LOAN BANK		03/19/2025	1,000,000.00	1,005,030.00	998,590.00	4.000	AA+	4.075	402	03/10/2027
3130AWC24	22543	FEDERAL HOME LOAN BANK		05/19/2025	2,200,000.00	2,221,450.00	2,200,396.00	4.000	AA+	3.993	859	06/09/2028
Subtotal and Average			6,312,146.00		6,200,000.00	6,283,870.00	6,312,146.00			3.838	742	
Treasury Securities - Discount												
912797RU3	22605	UNITED STATES TREASURY		08/29/2025	1,000,000.00	997,580.00	980,441.94	3.890	A-1	4.079	25	02/26/2026
912797PV3	22610	UNITED STATES TREASURY		09/25/2025	1,000,000.00	995,460.00	981,945.83	3.714	A-1	3.888	46	03/19/2026
912797PV3	22611	UNITED STATES TREASURY		12/22/2025	5,000,000.00	4,977,300.00	4,957,746.53	3.497	A-1	3.667	46	03/19/2026
912797TD9	22614	UNITED STATES TREASURY		12/23/2025	5,000,000.00	4,933,150.00	4,914,204.17	3.490	A-1	3.650	137	06/18/2026
912797TT4	22619	UNITED STATES TREASURY		01/27/2026	2,300,000.00	2,274,194.00	2,272,816.27	3.576	A-1	3.720	114	05/26/2026
912797SD0	22620	UNITED STATES TREASURY		01/27/2026	2,300,000.00	2,286,384.00	2,285,145.51	3.577	A-1	3.701	60	04/02/2026
912797RV1	22621	UNITED STATES TREASURY		01/27/2026	2,300,000.00	2,292,847.00	2,291,462.82	3.612		3.726	32	03/05/2026
Subtotal and Average			13,544,396.73		18,900,000.00	18,756,915.00	18,683,763.07			3.714	77	
Treasury Securities - Coupon												
91282CBS9	20004	UNITED STATES TREASURY		08/19/2022	3,500,000.00	3,334,030.00	3,182,402.34	1.250	AA+	3.019	789	03/31/2028
91282CDL2	20005	UNITED STATES TREASURY		08/19/2022	3,500,000.00	3,304,490.00	3,201,542.97	1.500	AA+	2.999	1,033	11/30/2028
9128283F5	20007	UNITED STATES TREASURY		08/19/2022	3,500,000.00	3,422,895.00	3,371,621.09	2.250	AA+	3.012	652	11/15/2027
9128284N7	20008	UNITED STATES TREASURY		08/19/2022	3,500,000.00	3,448,060.00	3,474,843.75	2.875	AA+	3.012	834	05/15/2028

**SDCWA - Fiscal Year 2026
Portfolio Management
Portfolio Details - Investments
January 31, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Treasury Securities - Coupon												
91282CEM9	20009	UNITED STATES TREASURY		08/31/2022	2,000,000.00	1,953,820.00	1,952,343.75	2.875	AA+	3.275	1,184	04/30/2029
91282CBQ3	21089	UNITED STATES TREASURY		03/05/2021	3,000,000.00	2,993,010.00	2,968,125.00	0.500	AA+	0.717	27	02/28/2026
91282CBT7	21090	UNITED STATES TREASURY		06/21/2021	3,000,000.00	2,986,110.00	2,984,414.06	0.750	AA+	0.861	58	03/31/2026
91282CCF6	21091	UNITED STATES TREASURY		06/30/2021	2,500,000.00	2,476,300.00	2,484,472.66	0.750	AA+	0.879	119	05/31/2026
91282CCP4	21093	UNITED STATES TREASURY		08/10/2021	3,000,000.00	2,956,020.00	2,974,921.88	0.625	AA+	0.796	180	07/31/2026
91282CCW9	21094	UNITED STATES TREASURY		08/31/2021	3,750,000.00	3,688,875.00	3,731,835.94	0.750	AA+	0.849	211	08/31/2026
91282CBW0	21095	UNITED STATES TREASURY		09/24/2021	2,000,000.00	1,986,260.00	1,989,609.38	0.750	AA+	0.865	88	04/30/2026
91282CCZ2	21096	UNITED STATES TREASURY		11/02/2021	3,500,000.00	3,437,945.00	3,451,464.84	0.875	AA+	1.166	241	09/30/2026
91282CCJ8	21098	UNITED STATES TREASURY		09/24/2021	3,000,000.00	2,966,190.00	2,996,484.38	0.875	AA+	0.900	149	06/30/2026
91282CDG3	21101	UNITED STATES TREASURY		12/29/2021	2,500,000.00	2,454,375.00	2,484,179.69	1.125	AA+	1.260	272	10/31/2026
91282CDK4	21104	UNITED STATES TREASURY		01/25/2022	2,800,000.00	2,747,192.00	2,764,671.88	1.250	AA+	1.521	302	11/30/2026
9128284V9	21105	UNITED STATES TREASURY		05/18/2022	3,000,000.00	2,949,720.00	2,982,656.25	2.875	AA+	2.977	926	08/15/2028
9128283W8	21107	UNITED STATES TREASURY		08/08/2022	2,000,000.00	1,969,220.00	1,974,375.00	2.750	AA+	3.004	744	02/15/2028
91282CFM8	22409	UNITED STATES TREASURY		12/01/2023	2,500,000.00	2,523,825.00	2,475,292.97	4.125	AA+	4.407	606	09/30/2027
91282CFT3	22507	UNITED STATES TREASURY		11/21/2024	2,750,000.00	2,779,315.00	2,718,632.81	4.000	AA+	4.258	1,368	10/31/2029
91282CLC3	22508	UNITED STATES TREASURY		11/26/2024	2,000,000.00	2,022,180.00	1,984,921.88	4.000	AA+	4.178	1,276	07/31/2029
91282CFJ5	22509	UNITED STATES TREASURY		11/26/2024	2,000,000.00	1,963,520.00	1,908,593.75	3.125	AA+	4.193	1,307	08/31/2029
91282CBT7	22511	UNITED STATES TREASURY		12/30/2024	2,700,000.00	2,687,499.00	2,584,195.31	0.750	AA+	4.311	58	03/31/2026
91282CGL9	22525	UNITED STATES TREASURY		01/03/2025	2,400,000.00	2,400,168.00	2,393,906.25	4.000	AA+	4.232	14	02/15/2026
91282CGJ4	22526	UNITED STATES TREASURY		02/06/2025	2,000,000.00	1,984,540.00	1,932,265.63	3.500	AA+	4.261	1,460	01/31/2030
91282CLQ2	22536	UNITED STATES TREASURY		04/25/2025	3,000,000.00	3,016,890.00	3,004,570.31	3.875	AA+	3.809	621	10/15/2027
91282CMT5	22537	UNITED STATES TREASURY		04/25/2025	1,000,000.00	1,010,230.00	999,648.44	4.125	AA+	4.130	2,250	03/31/2032
91282CLM1	22538	UNITED STATES TREASURY		04/25/2025	1,000,000.00	986,880.00	972,968.75	3.625	AA+	4.107	2,067	09/30/2031
91282CGQ8	22544	UNITED STATES TREASURY		05/29/2025	1,000,000.00	1,010,430.00	997,578.13	4.000	AA+	4.055	1,488	02/28/2030
91282CEN7	22602	UNITED STATES TREASURY		07/21/2025	725,000.00	718,177.75	710,811.52	2.750	AA+	3.899	453	04/30/2027
91282CLP4	22612	UNITED STATES TREASURY		12/23/2025	5,000,000.00	5,036,934.62	5,037,650.25	3.500	AA+	3.568	241	09/30/2026
912828U24	22613	UNITED STATES TREASURY		12/23/2025	5,000,000.00	4,948,481.59	4,942,919.12	2.000	AA+	3.546	287	11/15/2026
91282CPD7	22616	UNITED STATES TREASURY		12/23/2025	2,000,000.00	1,997,014.64	2,003,114.64	3.625	AA+	3.709	1,733	10/31/2030
91282CPA3	22618	UNITED STATES TREASURY		01/02/2026	1,000,000.00	1,002,951.26	1,007,134.70	3.625	AA+	3.676	1,702	09/30/2030
Subtotal and Average			89,903,951.77		86,125,000.00	85,163,548.86	84,644,169.32			2.724	606	
Supranationals												
4581X0DV7	20090	Inter-American Devel. Bank		04/23/2021	3,000,000.00	2,982,210.00	2,998,260.00	0.875	AAA	0.887	78	04/20/2026
459058KT9	22411	Intl Bank Recon & Develop		02/12/2024	2,000,000.00	1,995,100.00	1,940,200.00	3.500	AAA	4.249	892	07/12/2028
Subtotal and Average			4,938,460.00		5,000,000.00	4,977,310.00	4,938,460.00			2.208	398	

**SDCWA - Fiscal Year 2026
Portfolio Management
Portfolio Details - Investments
January 31, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Municipal Bonds												
13063DL22	21106	California St Refunding Taxabl		06/03/2022	1,500,000.00	1,425,075.00	1,342,125.00	1.750	AA-	3.626	973	10/01/2028
Subtotal and Average			1,342,125.00		1,500,000.00	1,425,075.00	1,342,125.00			3.626	973	
Mortgage Backed Securities												
3137FNX54	20002	FHMS K097		08/23/2022	2,500,000.00	2,386,563.25	2,367,773.44	2.508	AAA	3.365	1,270	07/25/2029
3137FKZZ2	20025	FHMS K097		04/17/2023	3,000,000.00	2,984,108.70	2,953,828.13	3.690	AAA	3.977	1,089	01/25/2029
3137FLN91	22506	FHMS K097		10/29/2024	1,000,000.00	988,832.60	967,382.81	3.505	AAA	4.318	1,148	03/25/2029
3137H9D71	22510	FHMS K097		11/29/2024	1,000,000.00	971,111.80	938,476.56	3.000	AAA	4.531	1,332	09/25/2029
3137FNAE0	22539	FHMS K097		04/29/2025	1,320,000.00	1,275,542.00	1,246,523.44	2.785	AAA	4.273	1,240	06/25/2029
Subtotal and Average			8,473,984.38		8,820,000.00	8,606,158.35	8,473,984.38			3.950	1,195	
Total and Average			403,610,596.57		345,285,349.98	343,960,601.80	342,933,819.42			3.607	252	

**SDCWA - Fiscal Year 2026
Portfolio Management
Portfolio Details - Cash
January 31, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Passbook/Checking Accounts											
CASH01	1004	PETTY CASH		07/01/2025	2,500.00	2,500.00	2,500.00			0.000	1
CASH02	1000	WELLS FARGO - OPERATING/POOLED			4,997,500.00	4,997,500.00	4,997,500.00	4.030		4.030	1
CASH05	1003	WELLS FARGO - MED/FSA		07/01/2025	102,487.57	102,487.57	102,487.57			0.000	1
CASH03	1001	WELLS FARGO - PAYROLL ZBA		07/01/2025	0.00	0.00	0.00			0.000	1
CASH39	9000	WELLS FARGO - 2022A BOND		07/01/2025	0.00	0.00	0.00			0.000	1
Money Market											
CASH04	1002	WELLS FARGO - OPER/SWEEP			50,332,690.34	50,332,690.34	50,332,690.34	3.570		3.570	1
		Average Balance	0.00								1
Total Cash and Investments			403,610,596.57		400,720,527.89	399,395,779.71	398,368,997.33	Note 1		3.607	252

Note 1: Balance does not match Portfolio Summary due to \$5,600,000 in investments that matured 1/31/26. These investments are included in the summary as "Pending redemptions".



February 18, 2026

Attention: Administrative and Finance Committee

Resolution adopting the benefit summaries between the Water Authority and unrepresented Confidential, Senior Management and Executive employees covering calendar years 2022 through 2026 for California Public Employees Retirement System (CalPERS) compliance. (Action)

Staff recommendation

Adopt Resolution No. 2026-02, a resolution of the Board of Directors of the San Diego County Water Authority, adopting the amended benefit summaries covering calendar years 2022, 2023, 2024, 2025 and 2026 with unrepresented employees (Confidential, Senior Management and Executive groups).

Alternative

Do not adopt the recommended resolution.

Fiscal Impact:

There is no fiscal impact.

Executive Summary

- All items of special compensation reported to California Public Employees Retirement System (CalPERS) must be in compliance with California Code of Regulations Title 2, Section 571.
- Effective July 1, 2005, the Water Authority implemented and has reported the value of Employer Paid Member Contributions (EPMC) as special compensation for all CalPERS classic employees.
- The Water Authority was notified by CalPERS that it is not in compliance with 2 CCR 571 for unrepresented (Confidential, Senior Management and Executive) employees.
- Staff recommend adopting the amended benefit summaries for unrepresented groups to come into compliance with CalPERS regulation/law.

Background

Employer Paid Member Contributions (EPMC) is a negotiated benefit option under the California Public Employees Retirement System (CalPERS) where the employer pays all or a portion of the employee's required retirement contribution to CalPERS on the employee's behalf and the value of that contribution is reported as special compensation. It is only available to CalPERS classic members as it is generally prohibited for CalPERS members identified as PEPR (new members hired after January 1, 2013). EPMC was implemented at the Water Authority in 2005 through the 2003 negotiations for the MOU/compensation plan covering FY2004-2007. The Water Authority adopted resolution 2003-22 to implement and report EPMC as special compensation effective

July 1, 2005. Further, the Water Authority adopted resolution 2012-09 where we identified that the Water Authority would report EPMC at 7%.

On September 2, 2025, the Water Authority was notified by CalPERS that the Water Authority had incorrectly reported special compensation identified as EPMC, as there was no applicable labor agreement to substantiate the special compensation, and to cease EPMC immediately for all impacted members. Unlike represented employees that have a Memorandum of Understanding, unrepresented employees don't have a Board-approved comprehensive compensation plan or other written labor agreement that outlines the terms and conditions of EPMC. Impacted members include all unrepresented (Confidential, Senior Management and Executive) classic CalPERS members.

California Code of Regulations Title 2, Section 571(b)(1) stipulates that all items of special compensation reported to CalPERS must be contained in a written labor agreement provided that the document:

- (A) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- (B) Indicates the conditions for payment of the item of special compensation, including, but not limited to, eligibility for, and amount of, the special compensation;
- (C) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- (D) Indicates an effective date and date of any revision(s);
- (E) Is retained by the employer and available for public inspection for not less than five years; and
- (F) Does not reference another document in lieu of disclosing the item of special compensation;

Previous Board action: On June 26, 2003, the Board approved resolution 2003-22, approving the implementation of EPMC effective July 1, 2005. On July 26, 2012, the Board approved resolution 2012-09 identifying that the EPMC benefit would consist of paying 7% of normal contributions as EPMC and reporting the same amount as special compensation to CalPERS.

Discussion

The Water Authority maintains benefit summaries for each group of employees. CalPERS recommends amending and adopting the benefit summaries to include all required information under 2 CCR 571 to ensure compliance with reporting EPMC for Classic unrepresented employees.

Human Resources recommends amending and adopting the benefit summaries as proposed by CalPERS to resolve the compliance issue and ensure impacted employees are provided with the EPMC benefit they are entitled to under previously negotiated terms and resolutions.

Prepared by: Cristina Lever-Santos, Principal Human Resources Analyst
Reviewed by: Catherine Love, Director of Human Resources
Approved by: Jaymie Bradford, Assistant General Manager

Attachments:

Resolution 2026-02, a resolution of the Board of Directors of the San Diego County Water Authority, adopting the amended benefit summaries covering calendar years 2022, 2023, 2024, 2025 and 2026 with unrepresented employees (Confidential, Senior Management and Executive groups).

Attachment 1 - 2022-2026 Confidential Group Benefit Summary

Attachment 2 - 2022-2026 Senior Management Group Benefit Summary

Attachment 3 - 2022-2026 Executive Group Benefit Summary

RESOLUTION NO. 2026-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY ADOPTING THE AMENDED BENEFIT SUMMARIES COVERING CALENDAR YEARS 2022, 2023, 2024, 2025 AND 2026 WITH UNREPRESENTED EMPLOYEES (CONFIDENTIAL, SENIOR MANAGEMENT AND EXECUTIVE GROUPS).

WHEREAS, the Board of Directors previously adopted Resolution 2003-22 to implement its election to pay Employer Paid Member Contributions (EPMC) pursuant to California Code of Regulations (CCR) Title 2 Section 571; and

WHEREAS, the Board of Directors previously adopted Resolution 2012-09 to identify that the EPMC benefit consisted of paying 7% of normal employee contributions as EPMC and reporting the same designated amount of compensation earnable [excluding Government Code section 20636(c)(4)] as additional compensation; and

WHEREAS, the Water Authority was notified by the California Public Employees Retirement System of non-compliance with CCR Title 2 section 571 for unrepresented (Confidential, Senior Management and Executive) employees for reporting EPMC; and

WHEREAS, amending and adopting benefit summaries for unrepresented employees in accordance with CCR Title 2 Section 571 would bring this item into compliance.

NOW, THEREFORE, the Board of Directors of the San Diego County Water Authority resolves the following: Adopts the amended benefit summaries covering calendar years 2022-2026 with unrepresented employees.

PASSED, APPROVED, and ADOPTED this 26th day of February 2026 by the following vote:

AYES: Unless noted below all Directors voted aye.

NOES:

ABSTAIN:

ABSENT:

Nick Serrano, Chair

ATTEST:

Teresa Acosta, Secretary

I, Kelly Cole-Walker, Clerk of the Board of the San Diego County Water Authority, certify that the vote shown above is correct and this Resolution No. 2026-02 was duly adopted at the meeting of the Board of Directors on the date stated above.

Kelly Cole-Walker, Clerk of the Board

2022 Benefit Summary for Confidential Employees

Effective Date: 01/01/2022-12/31/2022

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium (which is paid 100% by the Water Authority). All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 6.75% of salary to CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit Review Schedule: Probationary employees (new hires and promotions) will be considered for a merit increase at their six-month review date. Regular employees will receive a performance evaluation and consideration for a merit increase at their one year anniversary date and annually thereafter.

401(a) Incentive Retirement Plan: Effective July 2017, the Water Authority contributes \$500 per year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon hire into a Confidential classification, employees must make a one-time, irrevocable election to this plan.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Meritorious Leave (Exempt Positions Only): 40 hours of vacation leave shall be credited to the employee's vacation balance effective July 1 of each new fiscal year. Up to five (5) additional discretionary days may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the employee's department director or designee for performance evaluations of above standard or outstanding.

Life Insurance: The Water Authority provides Basic Term Life and Personal Accident insurance coverage in the amount of \$100,000. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority's Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Working Out of Classification: "Working out of classification" is a management authorized temporary assignment of an employee to perform work which is inconsistent with the employee's normally assigned work and which includes a significant number of duties and responsibilities which are associated with a higher job classification. Compensation for an employee required to work out of classification will be at the lowest step in the salary range of the higher classification which will provide a five percent (5%) increase over the employee's regular salary for the entire period in which the out of classification assignment is in effect.

Provisional Management Assignment: “Provisional Management Assignment” is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee’s designated position. Provisional appointees to positions with a higher salary range than the employee’s designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (*Employee is responsible for the entire cost of the premium if they chose to elect coverage*):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$2,850 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority’s Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California’s Employment Development Department (EDD) for State Disability Insurance benefits.**

Long-Term Care Insurance – This voluntary insurance program is available to employees and covers the cost of extended health care for yourself, as well as your spouse or qualified domestic partner.

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and Personal Accident Insurance – Employees may purchase voluntary life and personal accident insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and/or personal accident insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority’s insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Division at (858) 522-6660.

2023 Benefit Summary for Confidential Employees

Effective Date: 01/01/2023-12/31/2023

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium (which is paid 100% by the Water Authority). All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 6.75% of salary to CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit Review Schedule: Probationary employees (new hires and promotions) will be considered for a merit increase at their six-month review date. Regular employees will receive a performance evaluation and consideration for a merit increase at their one year anniversary date and annually thereafter.

401(a) Incentive Retirement Plan: Effective July 2017, the Water Authority contributes \$500 per year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon hire into a Confidential classification, employees must make a one-time, irrevocable election to this plan.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Meritorious Leave (Exempt Positions Only): 40 hours of vacation leave shall be credited to the employee's vacation balance effective July 1 of each new fiscal year. Up to five (5) additional discretionary days may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the employee's department director or designee for performance evaluations of above standard or outstanding.

Life Insurance: The Water Authority provides Basic Term Life and Personal Accident insurance coverage in the amount of \$100,000. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority's Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Working Out of Classification: "Working out of classification" is a management authorized temporary assignment of an employee to perform work which is inconsistent with the employee's normally assigned work and which includes a significant number of duties and responsibilities which are associated with a higher job classification. Compensation for an employee required to work out of classification will be at the lowest step in the salary range of the higher classification which will provide a five percent (5%) increase over the employee's regular salary for the entire period in which the out of classification assignment is in effect.

Provisional Management Assignment: “Provisional Management Assignment” is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee’s designated position. Provisional appointees to positions with a higher salary range than the employee’s designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (Employee is responsible for the entire cost of the premium if they chose to elect coverage):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,050 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority’s Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California’s Employment Development Department (EDD) for State Disability Insurance benefits.**

Long-Term Care Insurance – This voluntary insurance program is available to employees and covers the cost of extended health care for yourself, as well as your spouse or qualified domestic partner.

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and Personal Accident Insurance – Employees may purchase voluntary life and personal accident insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and/or personal accident insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority’s insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Division at (858) 522-6660.

2024 Benefit Summary for Confidential Employees

Effective Date: 01/01/2024-12/31/2024

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium (which is paid 100% by the Water Authority). All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 6.75% of salary to CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit Review Schedule: Probationary employees (new hires and promotions) will be considered for a merit increase at their six-month review date. Regular employees will receive a performance evaluation and consideration for a merit increase at their one year anniversary date and annually thereafter.

401(a) Incentive Retirement Plan: Effective July 2017, the Water Authority contributes \$500 per year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon hire into a Confidential classification, employees must make a one-time, irrevocable election to this plan.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Meritorious Leave (Exempt Positions Only): 40 hours of vacation leave shall be credited to the employee's vacation balance effective July 1 of each new fiscal year. Up to five (5) additional discretionary days may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the employee's department director or designee for performance evaluations of above standard or outstanding.

Life Insurance: The Water Authority provides Basic Term Life and Personal Accident insurance coverage in the amount of \$100,000. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for 25% discount in tuition. Water Authority employees' spouse/partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority's Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Working Out of Classification: "Working out of classification" is a management authorized temporary assignment of an employee to perform work which is inconsistent with the employee's normally assigned work and which includes a significant number of duties and responsibilities which are associated with a higher job classification. Compensation for an employee required to work out of

classification will be at the lowest step in the salary range of the higher classification which will provide a five percent (5%) increase over the employee's regular salary for the entire period in which the out of classification assignment is in effect.

Provisional Management Assignment: "Provisional Management Assignment" is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee's designated position. Provisional appointees to positions with a higher salary range than the employee's designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (Employee is responsible for the entire cost of the premium if they chose to elect coverage):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,200 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority's Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California's Employment Development Department (EDD) for State Disability Insurance benefits.**

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and Personal Accident Insurance – Employees may purchase voluntary life and personal accident insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and/or personal accident insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority's insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Division at (858) 522-6660.

2025 Benefit Summary for Confidential Employees

Effective Date: 01/01/2025-12/31/2025

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan, and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. The Water Authority pays 100% of the monthly premiums for full-time employees and their dependents for the basic plan, inclusive of dental and vision. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium. All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account (Healthcare or Dependent Care) and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2% @ 62	7.75%	3 Years

***Membership Category** - CalPERS will identify each new employee as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 7.75% of salary to CalPERS for fiscal year 2025-2026. The employee contribution is subject to change each fiscal year depending on annual actuarial valuations provided by CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

2025 Benefit Summary for Confidential Employees

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit Review Schedule: Probationary employees (new hires and promotions) will be considered for a merit increase at their six-month review date. Regular employees will receive a performance evaluation and consideration for a merit increase at their one-year anniversary date and annually thereafter.

401(a) Incentive Retirement Plan: Effective July 2017, the Water Authority contributes \$500 per year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon hire into a Confidential classification, employees must make a one-time, irrevocable election to this plan.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff are available to perform needed work and must be selected from available options outlined in the attendance policy.

Hybrid Work Schedule Option: The Water Authority has embraced a hybrid work schedule to offer flexibility and work-life balance. Employees in eligible positions may have the option to telework several days per week, with the remainder of the workweek spent onsite, based on operational needs and management approval.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Meritorious Leave (Exempt Positions Only): 40 hours of vacation leave shall be credited to the employee's vacation balance effective July 1 of each new fiscal year. Up to 40 additional hours may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the employee's department director or designee for performance evaluations of above standard or outstanding. Employees appointed to a Confidential exempt position after July 1st of the fiscal year shall be eligible for a prorated amount of meritorious leave.

Life and Accidental Death & Dismemberment (AD&D) Insurance: The Water Authority provides Basic Term Life and AD&D insurance coverage in the amount of \$100,000. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

2025 Benefit Summary for Confidential Employees

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance ranging from \$45-\$125 per month.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for a 25% discount on tuition. Water Authority employees' spouse/ partner/dependents are also eligible for a 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority's Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Working Out of Classification: "Working out of classification" is a management authorized temporary assignment of an employee to perform work which is inconsistent with the employee's normally assigned work and which includes a significant number of duties and responsibilities which are associated with a higher job classification. Compensation for an employee required to work out of classification will be at the lowest step in the salary range of the higher classification which will provide a five percent (5%) increase over the employee's regular salary for the entire period in which the out of classification assignment is in effect.

Provisional Management Assignment: "Provisional Management Assignment" is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee's designated position. Provisional appointees to positions with a higher salary range than the employee's designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (*Employee is responsible for the entire cost of the premium if they chose to elect coverage*):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,300 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority's 457(b) Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California's Employment Development Department (EDD) for State Disability Insurance benefits.**

2025 Benefit Summary for Confidential Employees

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and AD&D Insurance – Employees may purchase voluntary life and AD&D insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and AD&D insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority's insurance contracts with individual insurance providers.

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2026 Benefit Summary for Confidential Employees

Effective Date: 01/01/2026-12/31/2026

Health Insurance: The Water Authority maintains four employee health plan options, inclusive of dental and vision. Currently, the “basic” plans are the Kaiser HMO plan and Aetna Value Network HMO, and the “premium” plans are the Aetna Full Network HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental for dental services, and Aetna EyeMed for vision services. The Water Authority pays 100% of the monthly premiums for full-time employees and their dependents for the basic plans, inclusive of dental and vision. Employees pay 50% of the cost that exceeds the “basic” medical plan Kaiser family coverage premium. All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account (Healthcare or Dependent Care) and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2% @ 62	7.75%	3 Years

***Membership Category** - CalPERS will identify each new employee as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six-month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 7.75% of salary to CalPERS for fiscal year 2025-2026 and fiscal year 2026-2027. The employee contribution is subject to change each fiscal year depending on annual actuarial valuations provided by CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).

2026 Benefit Summary for Confidential Employees

c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit Review Schedule: Probationary employees (new hires and promotions) will be considered for a merit increase at their six-month review date. Regular employees will receive a performance evaluation and consideration for a merit increase at their one-year anniversary date and annually thereafter.

401(a) Incentive Retirement Plan: Effective July 2017, the Water Authority contributes \$500 per year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon hire into a Confidential classification, employees must make a one-time, irrevocable election to this plan.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff are available to perform needed work and must be selected from available options outlined in the attendance policy.

Hybrid Work Schedule Option: The Water Authority has embraced a hybrid work schedule to offer flexibility and work-life balance. Employees in eligible positions may have the option to telework several days per week, with the remainder of the workweek spent onsite, based on operational needs and management approval.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Meritorious Leave (*Exempt Positions Only*): 40 hours of vacation leave shall be credited to the employee's vacation balance effective July 1 of each new fiscal year. Up to 40 additional hours may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the employee's department director or designee for performance evaluations of above standard or outstanding. Employees appointed to a Confidential exempt position after July 1st of the fiscal year shall be eligible for a prorated amount of meritorious leave.

2026 Benefit Summary for Confidential Employees

Life and Accidental Death & Dismemberment (AD&D) Insurance: The Water Authority provides Basic Term Life and AD&D insurance coverage in the amount of \$100,000. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for a 25% discount on tuition. Water Authority employees' spouse/ partner/dependents are also eligible for a 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority's Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Working Out of Classification: "Working out of classification" is a management authorized temporary assignment of an employee to perform work which is inconsistent with the employee's normally assigned work and which includes a significant number of duties and responsibilities which are associated with a higher job classification. Compensation for an employee required to work out of classification will be at the lowest step in the salary range of the higher classification which will provide a five percent (5%) increase over the employee's regular salary for the entire period in which the out of classification assignment is in effect.

Provisional Management Assignment: "Provisional Management Assignment" is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee's designated position. Provisional appointees to positions with a higher salary range than the employee's designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits *(Employee is responsible for the entire cost of the premium if they chose to elect coverage):*

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,400 maximum) and dependent care expenses (\$7,500 maximum, or \$3,750 if married and filing taxes separately).

Deferred Compensation Plan – The Water Authority's 457(b) Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

2026 Benefit Summary for Confidential Employees

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California’s Employment Development Department (EDD) for State Disability Insurance benefits.**

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and AD&D Insurance – Employees may purchase voluntary life and AD&D insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and AD&D insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority’s insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Department at (858) 522-6660.

EXHIBIT A

RESOLUTION NO. 2012-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

Whereas, the Board of Directors of the San Diego County Water Authority has the authority to implement California Government Code section 20636(c)(4) pursuant to California Government Code section 20691; and

Whereas, the Board of Directors has a written labor policy or agreement which specifically provides for a portion of the normal member contribution to be paid by the employer and reported as additional compensation; and

Whereas, one of the steps in the procedures to implement section 20691 is the adoption by the Board of Directors of a resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EMPC) pursuant to CCR title 2 section 571(a)(1); and

Whereas, the Board of Directors previously adopted Resolution 2005-22 to implement its election to pay EMPC;

Whereas, after adoption of Resolution No. 2005-22, pursuant to a written labor policy or agreement, the amount of the normal contribution increased from 7% to 8% with the EMPC remaining at 7% and the employees paying 1%; and

Whereas, with the intention of maintaining the EMPC benefit, the Board of Directors of the San Diego County Water Authority has identified the following conditions for the purpose of its election to pay EMPC:

1. This benefit shall apply to all employees of the San Diego County Water Authority.
2. This benefit shall consist of paying 7% of normal contributions as EMPC and reporting the same designated amount (value) of compensation earnable [excluding Government Code section 20636(c)(4)] as additional compensation.
3. The effective date of this resolution shall be July 1, 2006.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Diego County Water Authority from and after the effective day has elected to pay and report the value of EPMC as set forth above.

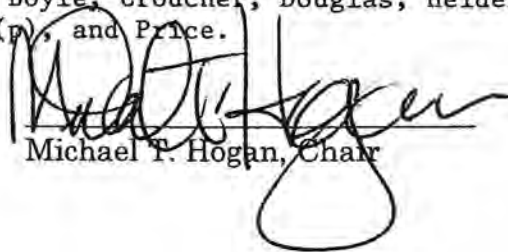
APPROVED AND ADOPTED, this 26th day of July, 2012.

AYES: Unless noted below, all Directors present voted aye.

NOES: Bailey and Williams

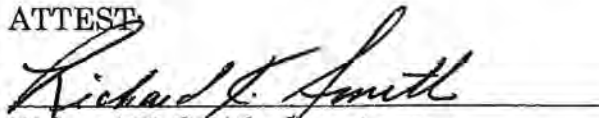
ABSTAIN: None

ABSENT: Barnum, Bond (p), Boyle, Croucher, Douglas, Heidel, Hilliker
Lewinger, Linden (p), and Price.



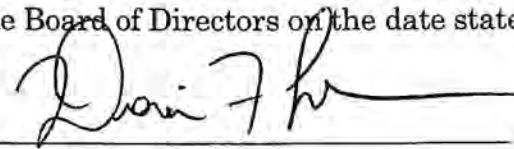
Michael F. Hogan, Chair

ATTEST



Richard K. Smith, Secretary

I, Doria F. Lore, Clerk of the Board of Directors of the San Diego County Water Authority, certify that vote shown above is correct and that this Resolution No. 2012-09 was duly adopted at the meeting of the Board of Directors on the date stated above.



Doria F. Lore
Clerk of the Board

2022 Benefit Summary for Senior Management Employees

Effective Date: 01/01/2022-12/31/2022

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium (which is paid 100% by the Water Authority). All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six-month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than 6 months. New members are enrolled in the 2% @ 62 benefit formula and contribute 6.75% of salary to CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases (“Pay for Performance Program”): The Senior Management Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Senior Management employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,400 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon hire into a Senior Management classification, employees must make a one-time, irrevocable election to this plan.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work a 4/10 schedule, with every Friday off. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee’s vacation balance upon the employee’s annual performance review at the recommendation of the employee’s department director or designee for performance evaluations of above standard or outstanding.

Life Insurance: The Water Authority provides Basic Term Life and Personal Accident insurance coverage in the amount of \$200,000. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance.

Car Allowance: Positions in this employee group are eligible for a monthly automobile allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for 25% discount in tuition. Water Authority employees’ spouse/partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority’s Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: “Provisional Management Assignment” is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee’s designated position. Provisional appointees to positions with a higher salary range than the employee’s designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (*Employee is responsible for the entire cost of the premium if they chose to elect coverage*):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$2,850 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority’s Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness or continuous disability). **The Water Authority does not contract with California’s Employment Development Department (EDD) for State Disability Insurance benefits.**

Long-Term Care Insurance – This voluntary insurance program is available to employees and covers the cost of extended health care for yourself, as well as your spouse or qualified domestic partner.

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and Personal Accident Insurance – Employees may purchase voluntary life and personal accident insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and/or personal accident insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority’s insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Division at (858) 522-6660.

2023 Benefit Summary for Senior Management Employees

Effective Date: 01/01/2023-12/31/2023

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium (which is paid 100% by the Water Authority). All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six-month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than 6 months. New members are enrolled in the 2% @ 62 benefit formula and contribute 6.75% of salary to CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases (“Pay for Performance Program”): The Senior Management Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Senior Management employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,400 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon hire into a Senior Management classification, employees must make a one-time, irrevocable election to this plan.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work a 4/10 schedule, with every Friday off. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee’s vacation balance upon the employee’s annual performance review at the recommendation of the employee’s department director or designee for performance evaluations of above standard or outstanding.

Life Insurance: The Water Authority provides Basic Term Life and Personal Accident insurance coverage in the amount of \$200,000. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance.

Car Allowance: Positions in this employee group are eligible for a monthly automobile allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for 25% discount in tuition. Water Authority employees’ spouse/partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority’s Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: “Provisional Management Assignment” is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee’s designated position. Provisional appointees to positions with a higher salary range than the employee’s designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (Employee is responsible for the entire cost of the premium if they chose to elect coverage):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,050 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority’s Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness or continuous disability). **The Water Authority does not contract with California’s Employment Development Department (EDD) for State Disability Insurance benefits.**

Long-Term Care Insurance – This voluntary insurance program is available to employees and covers the cost of extended health care for yourself, as well as your spouse or qualified domestic partner.

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and Personal Accident Insurance – Employees may purchase voluntary life and personal accident insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and/or personal accident insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority’s insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Division at (858) 522-6660.

2024 Benefit Summary for Senior Management Employees

Effective Date: 01/01/2024-12/31/2024

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium (which is paid 100% by the Water Authority). All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six-month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than 6 months. New members are enrolled in the 2% @ 62 benefit formula and contribute 6.75% of salary to CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).

c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases ("Pay for Performance Program"): The Senior Management Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Senior Management employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,400 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon hire into a Senior Management classification, employees must make a one-time, irrevocable election to this plan.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work a 4/10 schedule, with every Friday off. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the employee's department director or designee for performance evaluations of above standard or outstanding.

Life Insurance: The Water Authority provides Basic Term Life and Personal Accident insurance coverage in the amount of \$200,000. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance.

Car Allowance: Positions in this employee group are eligible for a monthly automobile allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for 25% discount in tuition. Water Authority employees' spouse/ partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority's Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: "Provisional Management Assignment" is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee's designated position. Provisional appointees to positions with a higher salary range than the employee's designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits *(Employee is responsible for the entire cost of the premium if they chose to elect coverage):*

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,200 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority's Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California's Employment Development Department (EDD) for State Disability Insurance benefits.**

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and Personal Accident Insurance – Employees may purchase voluntary life and personal accident insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and/or personal accident insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority's insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Division at (858) 522-6660.

2025 Benefit Summary for Senior Management Employees

Effective Date: 01/01/2025-12/31/2025.

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan, and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. The Water Authority pays 100% of the monthly premiums for full-time employees and their dependents for the basic plan, inclusive of dental and vision. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium. All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account (Healthcare or Dependent Care) and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	7.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six-month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than 6 months. New members are enrolled in the 2% @ 62 benefit formula and contribute 7.75% of salary to CalPERS for fiscal year 2025-2026. The employee contribution is subject to change each fiscal year depending on annual actuarial valuations provided by CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

2025 Benefit Summary for Senior Management Employees

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases ("Pay for Performance Program"): The Senior Management Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Senior Management employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,400 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon appointment into a Senior Management classification, employees must make a one-time, irrevocable election to this plan. Employees promoted to a Senior Management classification who already participate in the 401(a) will continue with their existing contribution amount.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work a 4/10 schedule, with every Friday off. Individual work schedules are developed on a departmental basis to assure that appropriate staff are available to perform needed work and must be selected from available options outlined in the attendance policy.

Hybrid Work Schedule Option: The Water Authority has embraced a hybrid work schedule to offer flexibility and work-life balance. Employees in eligible positions may have the option to telework several days per week, with the remainder of the workweek spent onsite, based on operational needs and management approval.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the General Manager, the employee's department director or designee for performance evaluations of above standard or outstanding.

Life Insurance and Accidental Death and Dismemberment (AD&D) : The Water Authority provides \$200,000 Basic Term Life and AD&D insurance coverage. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

2025 Benefit Summary for Senior Management Employees

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance of \$45 to \$125 per month depending upon need.

Car Allowance: Positions in this employee group are eligible for a monthly automobile allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for a 25% discount in tuition. Water Authority employees' spouse/ partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority's Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: "Provisional Management Assignment" is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee's designated position. Provisional appointees to positions with a higher salary range than the employee's designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits *(Employee is responsible for the entire cost of the premium if they chose to elect coverage):*

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,300 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority's 457(b) Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California's Employment Development Department (EDD) for State Disability Insurance benefits.**

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

2025 Benefit Summary for Senior Management Employees

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and AD&D Insurance – Employees may purchase voluntary life and AD&D insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and AD&D insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority's insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Department at (858) 522-6660.

2026 Benefit Summary for Senior Management Employees

Effective Date: 01/01/2026-12/31/2026.

Health Insurance: The Water Authority maintains four employee health plan options, inclusive of dental and vision. Currently, the “basic” plans are the Kaiser HMO plan and Aetna Value Network HMO, and the “premium” plans are the Aetna Full Network HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental for dental services, and Aetna EyeMed for vision services. The Water Authority pays 100% of the monthly premiums for full-time employees and their dependents for the basic plans, inclusive of dental and vision. Employees pay 50% of the cost that exceeds the “basic” medical plan Kaiser family coverage premium. All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account (Healthcare or Dependent Care) and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	7.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six-month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than 6 months. New members are enrolled in the 2% @ 62 benefit formula and contribute 7.75% of salary to CalPERS for fiscal year 2025-2026 and fiscal year 2026-2027. The employee contribution is subject to change each fiscal year depending on annual actuarial valuations provided by CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

2026 Benefit Summary for Senior Management Employees

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases (“Pay for Performance Program”): The Senior Management Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Senior Management employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,400 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Upon appointment into a Senior Management classification, employees must make a one-time, irrevocable election to this plan. Employees promoted to a Senior Management classification who already participate in the 401(a) will continue with their existing contribution amount.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work a 4/10 schedule, with every Friday off. Individual work schedules are developed on a departmental basis to assure that appropriate staff are available to perform needed work and must be selected from available options outlined in the attendance policy.

Hybrid Work Schedule Option: The Water Authority has embraced a hybrid work schedule to offer flexibility and work-life balance. Employees in eligible positions may have the option to telework several days per week, with the remainder of the workweek spent onsite, based on operational needs and management approval.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee’s vacation balance upon the employee’s annual performance review at the recommendation of the General Manager, the employee’s department director or designee for performance evaluations of above standard or outstanding.

Life Insurance and Accidental Death and Dismemberment (AD&D): The Water Authority provides \$200,000 Basic Term Life and AD&D insurance coverage. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Cell Phone: Employees meeting certain criteria may be eligible for a monthly cell phone / data plan allowance.

Car Allowance: Positions in this employee group are eligible for a monthly automobile allowance.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for a 25% discount in tuition. Water Authority employees’ spouse/partner/dependents are also eligible for 10% discount in tuition.

2026 Benefit Summary for Senior Management Employees

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in the Water Authority's Wellness Program by attending sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to no-cost confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: "Provisional Management Assignment" is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee's designated position. Provisional appointees to positions with a higher salary range than the employee's designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (*Employee is responsible for the entire cost of the premium if they chose to elect coverage*):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,400 maximum) and dependent care expenses (\$7,500 maximum, or \$3,750 if married and filing taxes separately).

Deferred Compensation Plan – The Water Authority's 457(b) Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California's Employment Development Department (EDD) for State Disability Insurance benefits.**

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Voluntary Life and AD&D Insurance – Employees may purchase voluntary life and AD&D insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and AD&D insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, annual holiday party, sporting events, movie tickets, and much more.

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EXHIBIT A

RESOLUTION NO. 2012-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

Whereas, the Board of Directors of the San Diego County Water Authority has the authority to implement California Government Code section 20636(c)(4) pursuant to California Government Code section 20691; and

Whereas, the Board of Directors has a written labor policy or agreement which specifically provides for a portion of the normal member contribution to be paid by the employer and reported as additional compensation; and

Whereas, one of the steps in the procedures to implement section 20691 is the adoption by the Board of Directors of a resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EMPC) pursuant to CCR title 2 section 571(a)(1); and

Whereas, the Board of Directors previously adopted Resolution 2005-22 to implement its election to pay EMPC;

Whereas, after adoption of Resolution No. 2005-22, pursuant to a written labor policy or agreement, the amount of the normal contribution increased from 7% to 8% with the EMPC remaining at 7% and the employees paying 1%; and

Whereas, with the intention of maintaining the EMPC benefit, the Board of Directors of the San Diego County Water Authority has identified the following conditions for the purpose of its election to pay EMPC:

1. This benefit shall apply to all employees of the San Diego County Water Authority.
2. This benefit shall consist of paying 7% of normal contributions as EMPC and reporting the same designated amount (value) of compensation earnable [excluding Government Code section 20636(c)(4)] as additional compensation.
3. The effective date of this resolution shall be July 1, 2006.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Diego County Water Authority from and after the effective day has elected to pay and report the value of EPMC as set forth above.

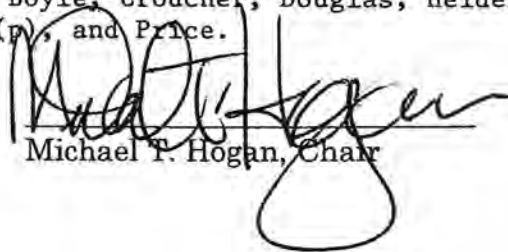
APPROVED AND ADOPTED, this 26th day of July, 2012.

AYES: Unless noted below, all Directors present voted aye.

NOES: Bailey and Williams

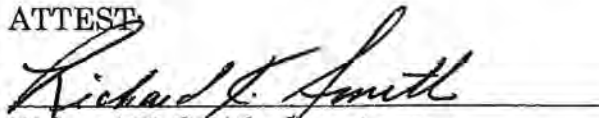
ABSTAIN: None

ABSENT: Barnum, Bond (p), Boyle, Croucher, Douglas, Heidel, Hilliker
Lewinger, Linden (p), and Price.



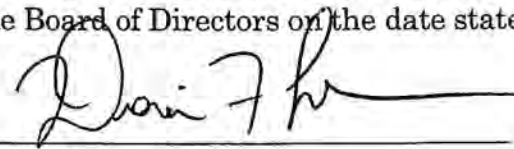
Michael F. Hogan, Chair

ATTEST



Richard K. Smith, Secretary

I, Doria F. Lore, Clerk of the Board of Directors of the San Diego County Water Authority, certify that vote shown above is correct and that this Resolution No. 2012-09 was duly adopted at the meeting of the Board of Directors on the date stated above.



Doria F. Lore
Clerk of the Board

Effective Date: 01/01/2022-12/31/2022.

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium (which is paid 100% by the Water Authority). All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 6.75% of salary to CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,500 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Eligible employees must make a one-time, irrevocable election to this plan at time of hire with the Water Authority. Employees promoted to an executive classification who already participate in the 401(a) will continue with their existing contribution amount.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Life Insurance: The Water Authority provides \$350,000 Basic Term Life and Personal Accident insurance coverage. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Car Allowance: Executive employees are eligible for a monthly automobile allowance of \$600 per month.

Cell Phone: Executive employees are eligible for a monthly cell phone/data plan allowance of \$90 to \$125 per month depending upon need.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for 25% discount in tuition. Water Authority employees' spouse/ partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in a Wellness Program by attending Water Authority sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: “Provisional Management Assignment” is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee’s designated position. Provisional appointees to positions with a higher salary range than the employee’s designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (Employee responsible for entire cost of premium if they chose to elect coverage):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$2,850 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority’s Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California’s Employment Development Department (EDD) for State Disability Insurance benefits.**

Long-Term Care Insurance – This insurance program is available to employees on a voluntary basis and covers the cost of extended health care for yourself, as well as your spouse or qualified domestic partner.

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and Personal Accident Insurance – Employees may purchase voluntary life and personal accident insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and/or personal accident insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and

limitations of the Water Authority's insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Division at (858) 522-6660.

Effective Date: 01/01/2023-12/31/2023.

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium (which is paid 100% by the Water Authority). All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new member as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 6.75% of salary to CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases (“Pay for Performance Program”): The Executive Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Executive employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,500 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Eligible employees must make a one-time, irrevocable election to this plan at time of hire with the Water Authority. Employees promoted to an executive classification who already participate in the 401(a) will continue with their existing contribution amount.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee’s vacation balance upon the employee’s annual performance review at the recommendation of the General Manager or designee for performance evaluations of above standard or outstanding.

Life Insurance: The Water Authority provides \$350,000 Basic Term Life and Personal Accident insurance coverage. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67% of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Car Allowance: Executive employees are eligible for a monthly automobile allowance of \$600 per month.

Cell Phone: Executive employees are eligible for a monthly cell phone/data plan allowance of \$90 to \$125 per month depending upon need.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for 25% discount in tuition. Water Authority employees’ spouse/partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in a Wellness Program by attending Water Authority sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: “Provisional Management Assignment” is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee’s designated position. Provisional appointees to positions with a higher salary range than the employee’s designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (*Employee responsible for entire cost of premium if they chose to elect coverage*):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,050 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority’s Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California’s Employment Development Department (EDD) for State Disability Insurance benefits.**

Long-Term Care Insurance – This insurance program is available to employees on a voluntary basis and covers the cost of extended health care for yourself, as well as your spouse or qualified domestic partner.

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

Voluntary Life and Personal Accident Insurance – Employees may purchase voluntary life and personal accident insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and/or personal accident insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority’s insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Division at (858) 522-6660.

2024 Benefit Summary for Executive Employees

Effective Date: 01/01/2024-12/31/2024.

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. The Water Authority pays 100% of the monthly premiums for full-time employees and their dependents for the basic plan, inclusive of dental and vision. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium. All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account (Healthcare or Dependent Care) and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	6.75%	3 Years

***Membership Category** - CalPERS will identify each new employee as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- Military Service Credit as Public Service.
- Annual Cost-of-Living Allowance (Maximum 3%).
- Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 7.75% of salary to CalPERS for fiscal year 2025-2026. The employee contribution is subject to change each fiscal year depending on annual actuarial valuations provided by CalPERS. CalPERS contract provisions for “New Members” include:

- Military Service Credit as Public Service.
- Annual Cost-of-Living Allowance (Maximum 3%).
- Pre-Retirement Optional Settlement 2W Death Benefit.

2024 Benefit Summary for Executive Employees

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases ("Pay for Performance Program"): The Executive Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Executive employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,500 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Eligible employees must make a one-time, irrevocable election to this plan at time of appointment with the Water Authority. Employees promoted to an executive classification who already participate in the 401(a) will continue with their existing contribution amount.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Hybrid Work Schedule Option: The Water Authority has embraced a hybrid work schedule to offer flexibility and work-life balance. Employees in eligible positions may have the option to telework several days per week, with the remainder of the workweek spent onsite, based on operational needs and management approval.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the General Manager or designee for performance evaluations of above standard or outstanding.

Life Insurance and Accidental Death and Dismemberment (AD&D): The Water Authority provides \$350,000 Basic Term Life and AD&D insurance coverage. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67%

2024 Benefit Summary for Executive Employees

of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Car Allowance: Executive employees are eligible for a monthly automobile allowance of \$600 per month.

Cell Phone: Executive employees are eligible for a monthly cell phone/data plan allowance of \$90 to \$125 per month depending upon need.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for a 25% discount in tuition. Water Authority employees' spouse/ partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in a Wellness Program by attending Water Authority sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: "Provisional Management Assignment" is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee's designated position. Provisional appointees to positions with a higher salary range than the employee's designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (*Employee responsible for entire cost of premium if they chose to elect coverage*):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,200 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority's 457(b) Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California's Employment Development Department (EDD) for State Disability Insurance benefits.**

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

2024 Benefit Summary for Executive Employees

Voluntary Life and AD&D Insurance – Employees may purchase voluntary life and AD&D insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and AD&D insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority's insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Department at (858) 522-6660.

2025 Benefit Summary for Executive Employees

Effective Date: 01/01/2025-12/31/2025.

Health Insurance: The Water Authority maintains three employee health plan options, inclusive of dental and vision. Currently, the “basic” plan is the Kaiser HMO plan and the “premium” plans are the Aetna HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental Premier for dental services, and Aetna EyeMed for vision services. The Water Authority pays 100% of the monthly premiums for full-time employees and their dependents for the basic plan, inclusive of dental and vision. Employees pay 50% of the cost that exceeds the “basic” medical plan family coverage premium. All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account (Healthcare or Dependent Care) and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	7.75%	3 Years

***Membership Category** - CalPERS will identify each new employee as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- Military Service Credit as Public Service.
- Annual Cost-of-Living Allowance (Maximum 3%).
- Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 7.75% of salary to CalPERS for fiscal year 2025-2026. The employee contribution is subject to change each fiscal year depending on annual actuarial valuations provided by CalPERS. CalPERS contract provisions for “New Members” include:

- Military Service Credit as Public Service.
- Annual Cost-of-Living Allowance (Maximum 3%).
- Pre-Retirement Optional Settlement 2W Death Benefit.

2025 Benefit Summary for Executive Employees

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases ("Pay for Performance Program"): The Executive Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Executive employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,500 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Eligible employees must make a one-time, irrevocable election to this plan at time of appointment with the Water Authority. Employees promoted to an executive classification who already participate in the 401(a) will continue with their existing contribution amount.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Hybrid Work Schedule Option: The Water Authority has embraced a hybrid work schedule to offer flexibility and work-life balance. Employees in eligible positions may have the option to telework several days per week, with the remainder of the workweek spent onsite, based on operational needs and management approval.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the General Manager or designee for performance evaluations of above standard or outstanding.

Life Insurance and Accidental Death and Dismemberment (AD&D): The Water Authority provides \$350,000 Basic Term Life and AD&D insurance coverage. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67%

2025 Benefit Summary for Executive Employees

of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Car Allowance: Executive employees are eligible for a monthly automobile allowance of \$600 per month.

Cell Phone: Executive employees are eligible for a monthly cell phone/data plan allowance of \$90 to \$125 per month depending upon need.

Tuition Reimbursement: The Water Authority may reimburse the actual cost paid for tuition up to a maximum of \$3,000 per fiscal year. Tuition costs of \$3,001 - \$4,500 may be reimbursed at 50% per fiscal year.

National University: Water Authority employees are eligible for a 25% discount in tuition. Water Authority employees' spouse/ partner/dependents are also eligible for 10% discount in tuition.

Wellness Center: Employees have access to an on-site fitness facility at no cost. Employees also have the opportunity to participate in a Wellness Program by attending Water Authority sponsored, on-site wellness training and screening sessions.

Employee Assistance Program: Employees have access to confidential, third-party personal counseling, financial and legal advice, and more. This benefit is available to employees and members of their household.

Provisional Management Assignment: "Provisional Management Assignment" is a temporary appointment to a senior management, or executive level position where the core duties of the provisional position are inconsistent with or materially different from the employee's designated position. Provisional appointees to positions with a higher salary range than the employee's designated position shall receive a salary increase of five percent (5%) or shall be placed at the minimum rate of the provisional position, whichever is greater. The General Manager may consider exceptions to this pay provision.

Additional Voluntary Benefits (*Employee responsible for entire cost of premium if they chose to elect coverage*):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,300 maximum) and dependent care expenses (\$5,000 maximum).

Deferred Compensation Plan – The Water Authority's 457(b) Deferred Compensation Plan is provided by TIAA-CREF and allows for pre- and post-tax deferrals.

Short-Term Disability – This voluntary insurance plan pays a benefit up to 60% of your weekly covered earnings – to a maximum of \$1,728 per week. Before collecting benefits, employees must satisfy the elimination period following the date of disability (0 days for accident, 3 days for sickness of continuous disability). **The Water Authority does not contract with California's Employment Development Department (EDD) for State Disability Insurance benefits.**

Group Legal Insurance – This voluntary insurance plan offers a variety of legal services including revocable and irrevocable trusts, estate planning, family law, consumer protection, and traffic ticket defense. It is designed to help employees plan for, prevent, and resolve a wide range of legal issues – saving time and potentially thousands of dollars in legal fees.

Critical Illness Insurance – This voluntary insurance plan pays a lump sum upon initial occurrence of a heart attack, stroke, cancer, or other serious illness. The payment can be used to cover related expenses, medical or otherwise.

2025 Benefit Summary for Executive Employees

Voluntary Life and AD&D Insurance – Employees may purchase voluntary life and AD&D insurance up to 5 times annual salary (maximum of \$500,000). You may also purchase additional life and AD&D insurance for spouse/domestic partner and/or children.

Employees' Association – Employees have the option to join the Employees' Association. Events and reduced ticket prices offered to employees through this association include the annual picnic, holiday party, sporting events, movie tickets, and much more.

This benefit summary is intended to provide an easy way for current and prospective employees to access fringe benefit information, including voluntary options. All insurance benefits described in the summary are subject to the terms and limitations of the Water Authority's insurance contracts with individual insurance providers.

Should you have any questions pertaining to information in this summary, please contact the Human Resources Department at (858) 522-6660.

Effective Date: 01/01/2026-12/31/2026.

Health Insurance: The Water Authority maintains four employee health plan options, inclusive of dental and vision. Currently, the “basic” plans are the Kaiser HMO plan and Aetna Value Network HMO, and the “premium” plans are the Aetna Full Network HMO and PPO Healthcare plans. All medical plans feature a chiropractic benefit. Employees and eligible dependents are covered through Delta Dental for dental services, and Aetna EyeMed for vision services. The Water Authority pays 100% of the monthly premiums for full-time employees and their dependents for the basic plans, inclusive of dental and vision. Employees pay 50% of the cost that exceeds the “basic” medical plan Kaiser family coverage premium. All health benefits are effective on the first of the month following date of hire. Employees who waive Water Authority medical, dental, and vision benefits receive \$41.66 per month, deposited into a Flexible Spending Account (Healthcare or Dependent Care) and \$42.33 per month deposited into the deferred compensation plan.

Retirement: All regular Water Authority employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas based on date of hire. Additional benefits are provided in accordance with the Water Authority’s CalPERS contract.

Membership Category*	Hire Date	Retirement Formula	Employee Contribution	Final Compensation Formula
Classic	Hired on or before December 31, 2012	2.5% @ 55	8.0%	1 Year
New Members	Hired on or after January 1, 2013	2.0% @ 62	7.75%	3 Years

***Membership Category** - CalPERS will identify each new employee as either a "Classic" or a "New" member of the system based on the prior work history of the individual.

Classic Member: New employees who are current members of CalPERS or an agency with CalPERS’ reciprocity, or who have less than a six month break in service between employment in a CalPERS (or reciprocal) agency and employment with the Water Authority will be enrolled in the 2.5% @ 55 benefit formula and contribute 8% of salary to CalPERS. CalPERS contract provisions for “Classic” members include:

- a. Employer-Paid Member Contribution (EPMC): The Water Authority pays 7% of the employee’s share of retirement contributions to CalPERS and the value of the 7% member contribution is reported to CalPERS as additional compensation (Exhibit A).
- b. Military Service Credit as Public Service.
- c. Annual Cost-of-Living Allowance (Maximum 3%).
- d. Pre-Retirement Optional Settlement 2W Death Benefit.

New Members: As defined by the California Public Employees’ Pension Reform Act of 2013 (PEPRA), “New Members” have never been a member of any California public retirement system, were hired by a CalPERS agency after January 1, 2013, moved between public retirement systems lacking reciprocity, or moved between employers in the same public retirement system with a break in service of more than six months. New members are enrolled in the 2% @ 62 benefit formula and contribute 7.75% of salary to CalPERS for fiscal year 2025-2026 and fiscal year 2026-2027. The employee contribution is subject to change each fiscal year depending on annual actuarial valuations provided by CalPERS. CalPERS contract provisions for “New Members” include:

- a. Military Service Credit as Public Service.
- b. Annual Cost-of-Living Allowance (Maximum 3%).
- c. Pre-Retirement Optional Settlement 2W Death Benefit.

2026 Benefit Summary for Executive Employees

The Public Employees' Pension Reform Act of 2013 has set compensation limits for "Classic members" and "New members" for retirement calculations. These limitations have been placed on the reportable annual earnings each calendar year and are adjusted on an annual basis.

Social Security / Medicare / CA-SDI: Employees are covered under the provisions of Federal Social Security (OASDI) and Medicare Hospital Insurance (HI). The total employee contribution is 7.65% of salary. Employees of the Water Authority do not pay into State Disability Insurance.

Merit-Based Salary Increases ("Pay for Performance Program"): The Executive Pay for Performance Program is authorized by the General Manager in recognition of performance standards, organizational values, and goals and objectives during the review period, which is the fiscal year July 1 through June 30. Executive employees who are hired or promoted on or before January 1 of the fiscal year for which Pay for Performance is being considered will be eligible for a discretionary base pay salary adjustment.

401(a) Incentive Retirement Plan: The Water Authority contributes \$1,500 per calendar year to a 401(a) incentive retirement plan. 401(a) participants are required to make a mandatory contribution to the plan in the following amounts: 3%, 5%, 10%, 15%, or 20%. Eligible employees must make a one-time, irrevocable election to this plan at time of appointment with the Water Authority. Employees promoted to an executive classification who already participate in the 401(a) will continue with their existing contribution amount.

Alternative Work Week: Employees assigned to work at the Kearny Mesa location will work a 9/80 schedule, where the entire facility is closed every other Friday. Employees assigned to the Escondido location will work either a 4/10 schedule, with every Friday off, or 9/80 schedule, depending on the position. Individual work schedules are developed on a departmental basis to assure that appropriate staff is available to perform needed work and must be selected from available options outlined in the attendance policy.

Hybrid Work Schedule Option: The Water Authority has embraced a hybrid work schedule to offer flexibility and work-life balance. Employees in eligible positions may have the option to telework several days per week, with the remainder of the workweek spent onsite, based on operational needs and management approval.

Vacation: Water Authority employees accrue 96 hours of paid vacation leave per year. Accruals increase based on time in service with the Water Authority.

Sick Leave: Water Authority employees accrue 96 hours of paid sick leave per year.

Holidays: The Water Authority observes 13 paid holidays each year, including two (2) eight-hour floating holidays. Employees hired after July 1, but before September 9, will receive full holiday credit for both floating holidays. Employees hired on or after September 10, but prior to February 12, will receive full credit for one (1) floating holiday. Employees hired after February 13, and prior to June 30, will not receive credit for either floating holiday in the fiscal year.

Discretionary Meritorious Leave: Up to five (5) additional discretionary days may be credited to the employee's vacation balance upon the employee's annual performance review at the recommendation of the General Manager or designee for performance evaluations of above standard or outstanding.

Life Insurance and Accidental Death and Dismemberment (AD&D): The Water Authority provides \$350,000 Basic Term Life and AD&D insurance coverage. The Water Authority also provides dependent spouse coverage in the amount of \$5,000, and dependent child coverage in the amount of \$2,000.

Long Term Disability Insurance: The Water Authority provides a long-term disability insurance benefit of up to 66.67%

2026 Benefit Summary for Executive Employees

of monthly covered earnings to a maximum of \$7,400 per month. Benefits begin on the 61st day of absence due to illness or injury.

Car Allowance: Executive employees are eligible for a monthly automobile allowance of \$600 per month.

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Additional Voluntary Benefits (*Employee responsible for entire cost of premium if they chose to elect coverage*):

Flexible Spending Account – Employees may contribute pre-tax earnings into a flexible spending account for health (\$3,400 maximum) and dependent care expenses (\$7,500 maximum, or \$3,750 if married and filing taxes separately).

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Should you have any questions pertaining to information in this summary, please contact the Human Resources Department at (858) 522-6660.

EXHIBIT A

RESOLUTION NO. 2012-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

Whereas, the Board of Directors of the San Diego County Water Authority has the authority to implement California Government Code section 20636(c)(4) pursuant to California Government Code section 20691; and

Whereas, the Board of Directors has a written labor policy or agreement which specifically provides for a portion of the normal member contribution to be paid by the employer and reported as additional compensation; and

Whereas, one of the steps in the procedures to implement section 20691 is the adoption by the Board of Directors of a resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EMPC) pursuant to CCR title 2 section 571(a)(1); and

Whereas, the Board of Directors previously adopted Resolution 2005-22 to implement its election to pay EMPC;

Whereas, after adoption of Resolution No. 2005-22, pursuant to a written labor policy or agreement, the amount of the normal contribution increased from 7% to 8% with the EMPC remaining at 7% and the employees paying 1%; and

Whereas, with the intention of maintaining the EMPC benefit, the Board of Directors of the San Diego County Water Authority has identified the following conditions for the purpose of its election to pay EMPC:

1. This benefit shall apply to all employees of the San Diego County Water Authority.
2. This benefit shall consist of paying 7% of normal contributions as EMPC and reporting the same designated amount (value) of compensation earnable [excluding Government Code section 20636(c)(4)] as additional compensation.
3. The effective date of this resolution shall be July 1, 2006.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Diego County Water Authority from and after the effective day has elected to pay and report the value of EPMC as set forth above.

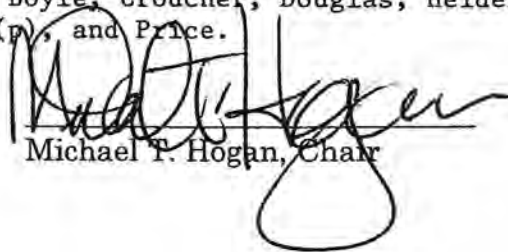
APPROVED AND ADOPTED, this 26th day of July, 2012.

AYES: Unless noted below, all Directors present voted aye.

NOES: Bailey and Williams

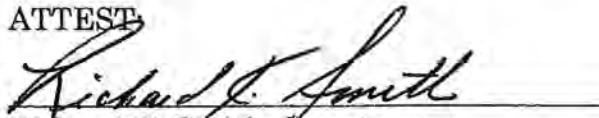
ABSTAIN: None

ABSENT: Barnum, Bond (p), Boyle, Croucher, Douglas, Heidel, Hilliker
Lewinger, Linden (p), and Price.



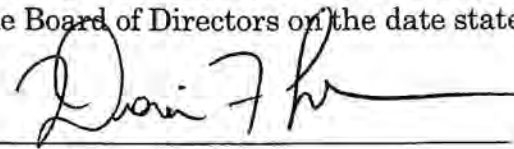
Michael F. Hogan, Chair

ATTEST



Richard K. Smith, Secretary

I, Doria F. Lore, Clerk of the Board of Directors of the San Diego County Water Authority, certify that vote shown above is correct and that this Resolution No. 2012-09 was duly adopted at the meeting of the Board of Directors on the date stated above.



Doria F. Lore
Clerk of the Board



February 18, 2026

Attention: Administrative and Finance Committee

Securities Law Municipal Disclosure Training. (Presentation)

Purpose

Provide Securities Law Municipal Disclosure training.

Background

With just under \$2 billion in long-term and short-term debt, the Water Authority continues to emphasize debt management as a critical component of its financial management. In its publication entitled Best Practice Debt Management Policy, the Government Finance Officers Association (GFOA) identifies adopting comprehensive written debt management policies as a best management practice and to provide training on a necessary basis to the governing body and staff on critical issues on securities law and municipal disclosure. The Water Authority maintains a robust culture of compliance and this training will reinforce the Water Authority's commitment to transparency and best practices in financial management.

Discussion

Securities law issues are relevant not only when the Water Authority is accessing capital markets, but on a year-round basis as financing and operating information is disseminated to the public and the capital markets through various channels. The enforcement division of the U.S. Securities and Exchange Commission have devoted increased attention to the municipal markets in recent years. As such, the Water Authority's municipal disclosure counsel, Sheppard Mullin, Richter & Hampton LLP, will provide an overview of Securities Law Training and responsibilities required of the Board members and the Water Authority staff under federal securities law.

Prepared by: Jessica Parks, Financial Resources Analyst
Reviewed by: Pierce Rossum, Financial Planning Manager
Lisa Marie Harris, Director of Finance/Treasurer
Approved by: Tish Berge, Deputy General Manager/Chief Operating Officer



February 18, 2026

Attention: Administrative and Finance Committee

Quarterly Budget Monitoring Report. (Information)

Purpose

To review updated financial performances pertaining to the second quarter of Fiscal Year (FY) 2026, water sales, and forecasted FY 2026 financials.

Executive Summary

- The Board directed staff in June 2025 to provide quarterly updates on the budget and water sales.
- Projecting a \$17.2 million, or 1 percent, overall budget variance from the adopted Fiscal Years 2026 and 2027 Budget
- CY25 water sales ended 0.2 percent below Cost-of-Service projections.
- Any changes identified will be recommended for adoption at midterm.

Discussion

During the Fiscal Years (FYs) 2026 and 2027 budget presentation and adoption in June 2025, the Board directed staff return with quarterly updates on the budget, water sales performance, and any material changes regarding the adopted budget and rates and charges. Staff provided the Board with an update in July with no recommended changes. In March, staff will provide a presentation and an overview of CY 2027 rates and charges and water sales.

Forecasted Fiscal Years 2026 & 2027 Budget Financials

On June 26, 2025, the Board formally adopted the FYs 2026 and 2027 Budget. The adopted two-year budget is \$1.897 billion. As part of the adopted budget, the Board directed staff to provide quarterly budget monitoring reports. Overall, the Water Authority is currently forecasting a \$17.2 million, or 1 percent variance over the adopted budget. Table 1 provides the breakdown of the adopted and forecasted sources and uses of funds for FYs 2026 and 2027.

Water sales remain the largest source of revenue for the Water Authority. For FYs 2026 and 2027, the Water Authority budgeted \$1.626 billion, with the current projection reflecting a variance of less than 1 percent. The projection incorporates the Water Authority's Calendar Year 2026 rates and charges, as well as the adopted Metropolitan Water District (MWD) rates for Calendar Year 2026.

The largest expenditure category for the Water Authority are Water Purchases and Treatment. For FYs 2026 and 2027, the Water Authority budgeted \$1.203 billion for the purchase and treatment of water. Current projections are \$2.7 million below budget, resulting in a variance of less than 1 percent. The projection reflects impacts from MWD settlement affecting the Quantification Settlement Agreement delivery schedule and inventory usage.

Debt Service for FYs 2026 and 2027 was budgeted at \$340.9 million and is projecting a variance of 4 percent. Per Board direction, the Water Authority paid down \$17.0 million to the CP program this month, increasing the forecasted Debt Service. A total of \$5.0 million was paid toward the CP Series 9 and \$12.0 million was paid toward the CP Series 11 based on performance. The increase in Debt Service is partially offset by savings from reduced CP interest costs and associated fees. The Water Authority continually reviews the debt portfolio for additional opportunities to defease debt. Staff will recommend modifications to the Debt Service budget at midterm.

The Capital Improvement Program (CIP) budget for FYs 2026 and 2027 totals \$181.8 million. Current projections estimate expenditures of \$180.6 million, resulting in a 1 percent variance.

The Operating Departments budget for FYs 2026 and 2027 is \$145.4 million. Departments are projecting a \$1.0 million, or 1 percent variance due to increased labor and benefits costs. During budget development, the Water Authority factored in a 3 percent vacancy factor, reducing the Operating Departments labor and benefits budget by \$3.4 million. The Operating Departments forecast reflects full labor and benefits costs, which is partially offset by savings from actual vacancies. Table 2 provides the adopted budget and forecasts by Operating Department for FYs 2026 and 2027.

Grants revenue for FYs 2026 and 2027 was budgeted at \$18.7 million and is now projected to receive an additional \$5.1 million in revenue, resulting in a 27 percent variance. Corresponding Grants expenditures were budgeted at \$17.9 million with a projection of additional expenditures of \$4.6 million, or a 26 percent variance. These variances are primarily attributable to the Integrated Regional Water Management program project delays, schedule extensions, and scope adjustments. Additionally, during the reporting period, the California Department of Water Resources approved Proposition 1, Round 1 grant agreement amendment, revising several project scopes and schedules, resulting in higher forecasted FY 2027 expenditures and reimbursements compared to the adopted FYs 2026 and 2027 budget.

Staff will return to the Board in May and June for updates mentioned above on the midterm budget for FYs 2026 and 2027.

Table 1
Sources and Uses of Funds

*In Millions	FYs 26&27 Amended	FYs 26&27 Projections	Variance Budget to Projections	
Revenues and Other Income				
Water sales	\$1,625,916	\$1,625,047	(\$869)	(<1%)
Infrastructure access charges	100,392	100,392	0	0%
Property taxes and in-lieu charges	41,053	41,053	0	0%
Investment income	20,870	20,870	0	0%
Hydroelectric revenue	0	0	0	0%
Grant Reimbursement	18,741	23,803	5,062	27%
Build America Bond Subsidy (BABS)	21,121	21,121	0	0%
Other income	1,773	2,763	990	56%
Capital Contributions:				
Capacity charges	22,669	22,669	0	0%
Water standby availability charges	21,169	21,169	0	0%
Contributions in aid of CIP	0	0	0	0%
Total Revenues and Other Income	\$1,873,704	\$1,878,887	\$5,183	(<1%)
Net Fund Withdraws	\$23,649	\$35,664	\$12,015	51%
TOTAL SOURCES OF FUNDS	\$1,897,353	\$1,914,551	\$17,198	1%
Expenditures				
Water purchases & treatment	1,203,319	1,200,595	(\$2,724)	(<1%)
Stored water purchases	0	0	0	0%
CIP Expenditures	181,774	180,631	(1,143)	(1%)
Debt service	340,874	355,893	15,020	4%
QSA mitigation ¹	469	469	0	0%
Operating departments	145,416	146,419	1,003	1%
Equipment replacement	5,656	5,632	(24)	(<1%)
Grant expenditures	17,921	22,539	4,618	26%
Other expenditures	1,923	2,372	449	23%
TOTAL USES OF FUNDS	\$1,897,353	\$1,914,551	\$17,198	1%

¹QSA Mitigation includes payments to the QSA JPA and the Lower Colorado River Multi-Species Conservation Program.

Table 2
Operating Departments

*In Thousands	FYs 26&27 Amended	FYs 26&27 Projections	Variance Budget to Projections	
Administrative Services	\$18,995	\$19,548	\$553	3%
Engineering	10,043	10,156	113	1%
Finance	11,194	11,861	667	6%
General Counsel	5,424	5,455	31	1%
General Manager	9,429	8,889	(539)	(6%)
Human Resources	2,846	2,894	48	2%
Imported Water	8,245	7,961	(284)	(3%)
Operations & Maintenance	58,613	58,972	359	1%
Public Affairs	6,827	6,970	143	2%
Water Resources	13,801	13,713	(89)	(1%)
TOTAL OPERATING	\$145,416	\$146,419	\$1,003	1%

CY 2025 Water Sales & CY 2026 Projections

As of the end of CY 2025, water sales were 315,642 acre-feet (AF) which included the prepayment of 3,449AF from Olivenhain Municipal Water District. This is approximately 0.2 percent lower than the forecast of 316,557 AF used in the development of the CY 2025 rates and charges. The forecast was developed based on a survey completed in April 2024 with the member agencies of their forecasted demands for fiscal years 2024 and 2025, also providing their revised projections for CY 2024.

CY 2026 demands are forecasted at roughly 327,000 AF. With a wet January and a forecasted dry February, staff will continue to monitor water demands. As we get further into the water year and kick off the annual rate setting process in March, staff will continue to communicate potential rate impacts.

Moody’s Credit Analysis

On January 27, 2026, Moody’s Ratings published a credit opinion on the Water Authority, affirming its Aa2 rating with a stable outlook (Attachment A). Key observations from the report include the following:

- The Water Authority has taken steps to restrain spending growth and rate increases.
- By policy, the Authority targets a debt service coverage level of 1.5x for senior lien obligations after deposits or withdrawals to the rate stabilization fund. While in most years the authority exceeds this level, coverage inclusive of deposits to the rate stabilization fund are typically less than the debt service coverage median for Aa2 water utilities nationally that exceeds 2.0x.

- SDCWA typically exceeds projections, however greater utilization of the rate stabilization fund or total available cash at under 100 days would materially pressure credit quality.

The rating methodology and scorecard factors provided by Moody's align with staff's consistent position that the Days of Cash (150-day target) and maintenance of coverage above 1.5 times are critical to maintain our ratings as they comprise thirty percent of the overall scoring weight (shown in Exhibit 6 of the attached).

Moody's identified the following factors that could lead to a credit upgrade:

- Increase in days' cash to closer to 250 days
- Annual deposits to rate stabilization fund with sustained balances above minimum targets
- Evidence that additional capital improvements are not required for contracted deliveries from the Channelside desalination plant

Moody's also identified factors that could result in a credit downgrade:

- Failure to maintain rate stabilization fund reserves at minimum policy level
- Lower debt service coverage than the targeted coverage of 1.5 times
- Capital needs of the Channelside desalination plant that impede delivery of contracted amounts or require additional borrowing

Next Steps

Staff are currently preparing for the next scheduled debt issuance, including the potential restructuring of the commercial paper program. An action item authorizing the bond transactions will be brought to the Board in March. In advance of the issuance, staff will also engage Standard & Poor's, Moody's, and Fitch Ratings to affirm the Water Authority's credit ratings.

In May, staff will provide the Board with draft CY 2027 rates and charges and a draft FYs 2026 and 2027 midterm budget for discussion with consideration for adoption in June.

Prepared by: Toni-Marie Kahre, Senior Management Analyst
Jessica Parks, Financial Resources Analyst
Reviewed by: Pierce Rossum, Financial Planning Manager
Liana Whyte, Budget and Treasury Manager
Lisa Marie Harris, Director of Finance/Treasurer
Approved by: Tish Berge, Deputy General Manager/Chief Operating Officer

Attachment:

Attachment A –Moody's Ratings Credit Opinion, January 27, 2026

CREDIT OPINION

27 January 2026


Contacts

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 helen.cregger@moodys.com

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 michael.wertz@moodys.com

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San Diego County Water Authority, CA

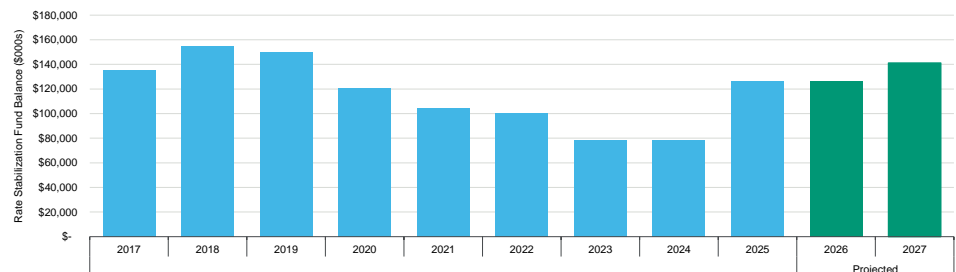
Update to credit analysis

Summary

[San Diego County Water Authority](#) (Aa2 stable) will continue to benefit from its position as the primary wholesale water provider for a very large service area that incorporates 22 participating member agencies. Credit quality is also supported by SDCWA's consistent rate increases to maintain adopted financial policies and support operations and capital spending in an environment of variable precipitation and demand.

Results for fiscal 2025 reflect 1.7 times coverage and total debt service coverage of just over 2 times prior to a \$47.6 million deposit to the rates stabilization fund. Results are expected to remain stable in fiscal 2026, with a modest addition to the rate stabilization fund. Consistent results are supported by the availability of the rate stabilization fund and sound rate setting practices, with a 8.3% rate increase adopted for calendar 2026.

Credit quality is also supported by SDCWA's robust planning around variable water supplies and consumption. These efforts include the development of diverse water sources; a water exchange agreement that reduced purchased water costs in fiscal 2025; implementation of fixed charges to reduce revenue volatility, and adopted reserve and debt policies. While the detachment of two member agencies, among other factors, contributed to a rate increase in calendar 2025 that exceeded earlier projections, state legislation insulates the authority from future member departures. The Authority's credit quality also factors in elevated leverage and risks associated with the [Channelside Water Resources LP](#) (Baa3 positive) desalination plant, a P-3 venture for which the authority is the sole user and financial obligor.

Exhibit 1
Rate stabilization fund balance rebounded in fiscal 2025 and is projected to remain stable


Source: San Diego County Water Authority audited financial statements and projections

Credit strengths

- » Position as the primary water wholesale provider to a very large and economically diverse service area
- » Demonstrated willingness to increase rates as needed to comply with adopted policies and proceed with capital investments
- » Satisfactory unrestricted cash position with rate stabilization fund that has served to support stable debt service coverage

Credit challenges

- » Pricing pressure as exemplified by two member agency detachments
- » Greater than anticipated reliance on rate stabilization fund to maintain debt service coverage during two-year wet period
- » Essentially flat projected demand driven by conservation practices and the acquisition of alternate water sources by member agencies
- » Increasing water purchase and production costs that will continue to drive additional rate increases exceeding inflation rates

Rating outlook

The stable outlook reflects the expectation that the Authority's satisfactory operating performance will remain stable, supported by strong management practices despite challenges associated with variable precipitation and demand levels, rising costs, and required capital investments. The outlook also incorporates the likelihood that the Authority will continue its practice of raising rates as necessary to meet debt service coverage and adopted reserve targets. The stable outlook reflects the expectation that state legislation will be effective in insulating the Authority from additional member departures.

Factors that could lead to an upgrade

- » Increase in days' cash to closer to 250 days
- » Annual deposits to rate stabilization fund with sustained balances above minimum target levels
- » Evidence that additional capital improvements are not required for contracted deliveries from the Channelside desalination plant

Factors that could lead to a downgrade

- » Failure to maintain rate stabilization fund reserves at minimum policy level
- » Lower debt service coverage than the targeted coverage of 1.5 times
- » Capital needs of the Channelside desalination plant that impede delivery of contracted amounts or require additional borrowing

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Key indicators

Exhibit 2

San Diego County Water Authority

Column1					
System Characteristics					
Asset Condition (Net Fixed Assets / Annual Depreciation)	50 years				
System Size - O&M (in \$000s)	\$579,863.96				
Service Area Wealth: MFI % of US median	121.86				
Legal Provisions					
Rate Covenant (x)	1.20				
Debt Service Reserve Requirement	No DSR (Baa)				
Management					
Rate Management	Aa				
Regulatory Compliance and Capital Planning	Aa				
Financial Strength					
	2021	2022	2023	2024	2025
Operating Revenue (\$000)	\$619,966	\$673,406	\$625,791	\$599,178	\$708,903
System Size - O&M (\$000)	\$568,394	\$619,333	\$585,206	\$532,330	\$579,864
Net Revenues (\$000)	\$190,743	\$197,695	\$150,874	\$201,571	\$260,868
Net Funded Debt (\$000)	\$1,722,637	\$1,857,948	\$1,805,014	\$1,745,780	\$1,837,131
Annual Debt Service (\$000)	\$123,461	\$108,677	\$134,736	\$133,273	\$150,219
Annual Debt Service Coverage (x)	1.5x	1.8x	1.1x	1.5x	1.7x
Cash on Hand	68.58	99.77	95.49	91.70	115.31
Debt to Operating Revenues (x)	2.78	2.76	2.88	2.91	2.59

Annual debt service is inclusive of senior and subordinate lien obligations. Coverage does not account for deposits or withdrawals from the rate stabilization fund.

Source: US Census Bureau, San Diego County Water Authority Audited Statements and Moody's Ratings

Profile

As a wholesale water provider, the Authority provides approximately 80% of total water consumption to 22 member agencies across 1,340 square miles in western San Diego County including its coastal areas, serving a growing population of over 3.3 million people. Member agencies include six cities, 15 special districts and a federal military installation. The Authority's service area accounts for roughly 97% of San Diego County's population, and the City of San Diego's water enterprise is its largest member with a population of approximately 1.4 million representing close to half the Authority's total customers. Otay and Helix Water Districts represent the Authority's 2nd and 3rd most populous member agencies, respectively.

Detailed credit considerations

Service area and system characteristics: above average incomes support rate increases; diversified water sources insulate the Authority from variable precipitation

SDCWA's service area, encompassing California's second most populous county, will remain sound with a stable population and a healthy, diverse economy. Moreover, residential income levels (median family income is 120% of the US) will facilitate anticipated rate increases and fixed charges supporting stable operations despite variable demand and lower per-capita consumption.

Over the past decade, increases in treated water rates have averaged around 4.5% annually, although future rate increases are projected to exceed this level driven by lower demand, higher water supply costs and required capital spending. The board adopted a 8.3% rate increase for calendar 2026, with a 5.8% rate increases projected for calendar 2027.

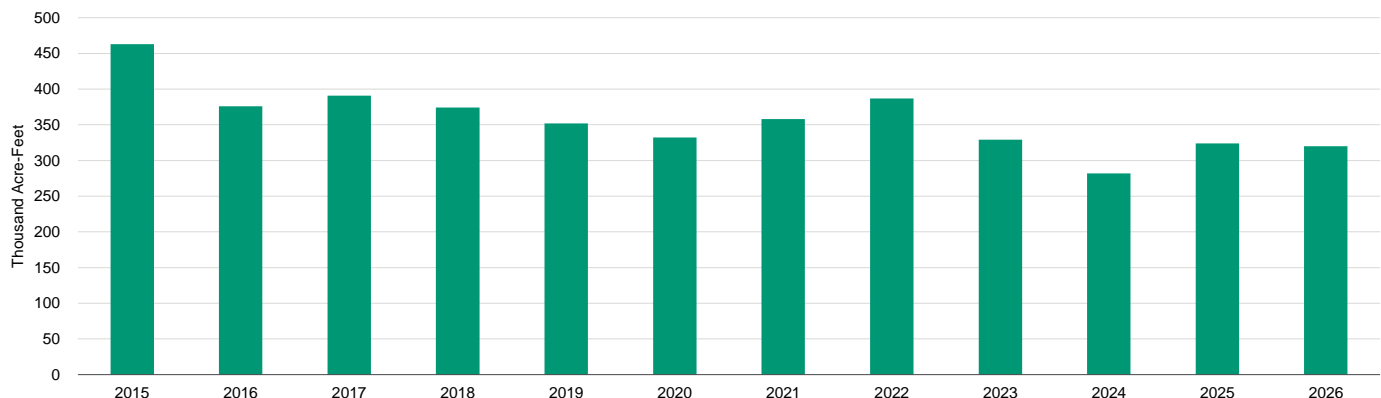
Higher water rates were a factor in two member agencies' departure from the Authority. Fallbrook Public Utilities District detached from the Authority at the beginning of 2024, and Rainbow Municipal Water District's separation became effective in 2025. While the two districts represented a relatively small portion of SDCWA's total sales, officials report that the members' exit fees did not fully compensate for future lost revenues. Going forward, California Assembly Bill 2023 would require a majority vote of residents within SDCWA's service area to approve any future detachments, limiting the authority's exposure to future departures and serving to protect credit strength.

The Authority has taken steps to restrain spending growth and rate increases. The rate increase in calendar 2026 came after rate mitigation efforts that officials estimate lowered the required rate increase by 8.73%. These included a \$7 million deferral of capital spending, which lowered the required rate increase by 1%, 5% across-the-board budget cuts, and the receipt of a \$19.4 million Bureau of Reclamation grant, which mitigated the rate increase by 2.73%. Positively, the rate increase is expected to increase fixed cost recovery to 29% from 24%, and a workgroup is also exploring the possibility of multi-year rate increases or property taxes to ensure future stability.

Variable precipitation and lower demand levels are partly responsible for driving larger than anticipated rate increases. Following a multi-year drought period, annual rainfall was over 140% of normal in fiscal 2023 and 2024. This reduced per capita water use over this period by 10%, to a total of 295,070 acre-feet (AF). Fiscal 2025 deliveries rebounded to 323,781 AF, in line with budgeted figures, and fiscal 2026 water sales are conservatively budgeted at 320,410 AF (Exhibit 3). Per capita water use within SDCWA's service area has fallen by 50% compared with 1990 levels in large part driven by water conservation efforts, and the Authority will have to continue to budget sales conservatively to avoid revenue shortfalls.

Exhibit 3

Following two wet years of depressed water deliveries to member agencies, water sales strengthened in fiscal 2025 and are projected to remain stable in fiscal 2026



2026 water deliveries is estimated
Source: San Diego County Water Authority

In addition to conservation efforts, the Authority has diversified its water sources, which consist of imported supplies and local sources, including desalinated water and groundwater. Conserved Colorado River water from the Quantification Settlement Agreement (QSA) accounts for just over 50% of supplies. While Colorado River supplies remain under severe long-term stress that has previously resulted in supply cuts in Arizona and Nevada, the Authority benefits from a senior water right position given its Imperial Irrigation District transfers, which are senior to even Metropolitan Water District (MWD) of Southern California rights.

Historically MWD provided almost all of the Authority's water, however MWD now supplies roughly 14% of total supply. This figure is projected to decline further to 8% by 2045, with QSA water remaining the main supply at 44% of total sources.

The Authority added desalinated water from the Carlsbad Desalination Plant to its supplies in 2015 with the ultimate goal of consistently deriving 10% of total supply from this source. The plant has experienced operational challenges, but positively has now completed a new intake system that was put into place in September 2024. Desalinated water will remain the Authority's most expensive source of treated water at \$3,500/AF.

In fiscal 2025, desalinated deliveries were reduced to 25,377 AF. This reduction resulted from the plant's closure from July - September to support the construction of new intake screens. In addition, following back-to-back wet years in fiscal 2023 and 2024, the Authority reduced its water orders from the desalination plant to prioritize the use of accumulated regional storage. In total, the Authority paid \$34.5 million for the 15,133 AF in demand shortfall. Fiscal 2026 deliveries are expected to total the plant's contracted minimum amount of 46,500 AF.

Debt service coverage and liquidity: coverage and liquidity will remain satisfactory inclusive of anticipated deposits to the rate stabilization fund

Debt service coverage and liquidity, while demonstrating declines resulting from lower water sales in fiscal 2023 and 2024, are expected to moderately strengthen inclusive of additions to the rate stabilization fund in fiscal years 2025 - 2027. Debt service coverage of all obligations equaled 1.7 times in fiscal 2025, inclusive of a \$47.6 million transfer to the rate stabilization fund. Projections through fiscal 2027 reflect annual debt service coverage remaining stable inclusive of annual deposits to the rate stabilization fund averaging close to \$12 million.

SDCWA estimates that available balances in the rate stabilization fund have provided around \$79 million in rate relief since 2020 and withdrawals have supported stable coverage levels during wet years of reduced consumption. Robust reserves that meet the authority's targets remain a key component supporting strong credit quality.

By policy, the Authority targets a debt service coverage level of 1.5x for senior lien obligations after deposits or withdrawals to the rate stabilization fund. While in most years the authority exceeds this level, coverage inclusive of deposits to the rate stabilization fund are typically less than the debt service coverage median for Aa2 water utilities nationally that exceeds 2.0x.

Liquidity

Readily available, unrestricted reserves have shown improvement, approaching \$270 million (170 days) at the end of fiscal 2025. Unrestricted cash and investments include balances in the rate stabilization, operating, equipment replacement and canal maintenance funds. While strong, the Authority's liquidity is roughly one-half of a median figure of over 500 days for Aa-rated water utilities nationally, but falls more in-line with water wholesalers.

Of these funds, the rate stabilization fund, with an ending balance of \$126.1 million in fiscal 2025 is most significant. While planned additions to the rate stabilization fund were delayed over a two year period by lower water sales, it will remain at or above the minimum policy level, an important credit consideration. SDCWA typically exceeds projections, however greater utilization of the rate stabilization fund or total available cash below 100 days would materially pressure credit quality.

The Authority's operating fund approaching \$142.2 million equals around 100 days of average daily operating expenditures. Cash and investment balances are projected to increase again in fiscal 2026.

Debt and legal covenants: higher debt ratios reflect diversification of water purchase supplies and completion of major capital projects

Debt ratios are expected to remain elevated but stable, with additional debt of roughly \$285 million anticipated in fiscal 2026. Now that the Authority has completed major projects, over the next ten years approximately \$1 billion in capital spending will largely address the rehabilitation and replacement of existing assets within the aqueduct system.

The Authority's debt portfolio includes approximately \$1.4 billion in senior lien obligations and \$391.5 million in subordinate lien debt, of which \$245 million consists of the Authority's commercial paper program. At 54.3% at the end of fiscal 2025, the Authority's debt ratio exceeds that of similarly rated credits both within California and nationwide, and at 2.6 times, debt to operating revenues also exceeds medians but remains stable. Amortization of the Authority's long-term obligations is slightly below average, with an approximate 10-year amortization rate of just under 50% of principal.

In addition to debt obligations, the Authority has \$340 million in purchase obligations under its Water Purchase Agreement (WPA) that include the amount of the debt service associated with the construction of the Carlsbad desalination plant. Debt service on the Series 2012 Plant Bonds is paid from O&M charges in accordance with the Water Purchase Agreement. Debt service associated with the 2019 Pipeline bonds is paid from installment payments received by the Water Authority Financing Agency and paid by the Water Authority

on a subordinate basis to the Authority's outstanding subordinate lien obligations. At their peak in 2046, fixed costs associated with the plant and pipeline bonds are projected to approach \$66 million, or roughly 8% of fiscal 2025 gross revenues.

Legal security

Senior lien bonds are secured by a senior lien pledge of net revenues of the water system and a rate covenant of 1.2x. The senior lien bonds do not have a debt service reserve fund, however Moody's does not view this as a significant credit weakness given the Authority's targeted reserve levels for liquidity purposes.

Subordinate lien bonds have subordinate lien on net revenues of the water system. Subordinate lien bonds have a rate covenant of 1.0x.

Debt structure

SDCWA's debt service is generally level with out-year declines that provide capacity for future borrowing. Aside from the Authority's commercial paper program, the rest of its obligations consist of fixed rate debt. While outstanding senior lien bonds are not strictly identical legal structures given differing reserve requirements, these distinctions are not significant enough in themselves to merit rating distinctions.

Debt-related derivatives

The Authority has not entered into any derivative agreements. Conservatively, the Authority's recently adopted debt policy does not allow for the use of swap or derivative instruments.

Pensions and OPEB

SDCWA contributes to the California Public Employees' Retirement System (CalPERS). Positively, the Authority has been proactive in its CalPERS pension management, and is making substantial additional discretionary payments to minimize future expense increases. The board also adopted a pension policy in October 2018, which provides a policy framework designed to achieve a targeted pension funded ratio.

As of fiscal 2025, Moody's adjusted net pension liability approached \$167.7 million, a figure that has declined since fiscal 2022 due to rising interest rates and strong market returns. The water system's contributions to the retirement system in fiscal 2025 equaled close to \$12 million or a minimal 1.6% of operating revenues.

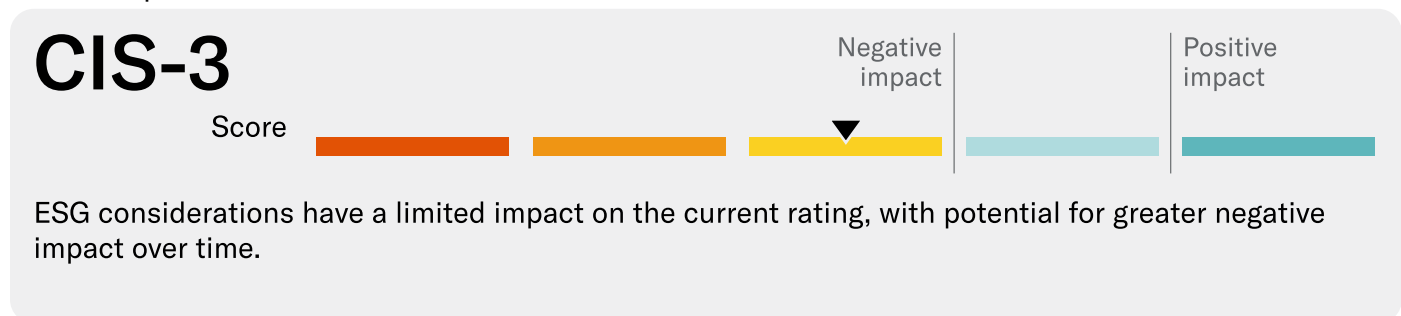
The Authority has also established a single-employer defined benefit retiree health care plan. Positively, the plan remains over funded, in large part reflecting a \$4.6 million contribution made from proceeds of a legal settlement. Due to the volatile nature of GASB accrual-based expenses for pension and OPEB liabilities, which can heavily reflect recognition of actuarial experience as opposed to actual financial performance, we calculate key financial performance measures such as debt service coverage using cash contributions for pensions and OPEB.

ESG considerations

San Diego County Water Authority, CA's ESG credit impact score is CIS-3

Exhibit 4

ESG credit impact score

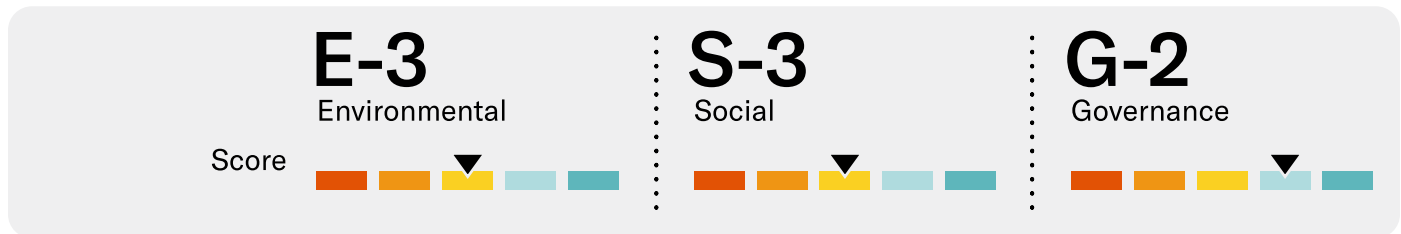


Source: Moody's Ratings

San Diego County Water Authority's **CIS-3** indicates that ESG considerations have a moderately negative impact on its credit rating. Despite having made significant historical investments, the service area –in the southwestern US - is subject to increasingly onerous drought conditions as is the Colorado River, which serves as the Authority's primary, ultimate water source. The Authority's water supplies also include California's State Water Project (delivered via the Metropolitan Water District of Southern California) and desalinated water.

Exhibit 5

ESG issuer profile scores



Source: Moody's Ratings

Environmental

San Diego County Water Authority's **E-3** indicates that its exposure to physical climate risks, especially water stress, will remain elevated. Recurring periods of drought throughout the southwest will increase the likelihood of future restrictions or allocation reductions from its primary sources. The Authority has encouraged conservation (50% reduction in gallons-per-capita water use since 1990), diversified purchased water supplies (senior priority rights on the Colorado River), invested in other means of water security like desalination (largest seawater desalination plant in the US), increased storage capacity to minimize the potential impact of these challenges, and achieved Gold Status from The Climate Registry (TCR) for reporting its greenhouse gas emissions inventory.

Social

San Diego County Water Authority's **S-3** reflects exposure to unavoidable water quality risks and demographic and societal trends including outward resident migration and the recent loss of two retail customers. Like all other water enterprises, the Authority is exposed to risks associated with water quality or health violations resulting from catastrophic events, changes in water source quality, failures in treatment or transmission or revised regulations. The population in San Diego County, after rising 7.4% during the last decade (2010-2020), has recently declined slightly. Long-term forecasts provided by the San Diego Association of Governments shows an increasing population through 2045 in its latest Regional Growth Forecast. The authority has relatively low exposure to health and safety, human capital, and customer relations considerations.

Governance

San Diego County Water Authority's **G-2** reflects solid compliance and reporting, sound financial strategy, and strong management credibility, with multi-year capital planning, operational planning and contingency planning. In addition to diversifying its sources of purchased water and undertaking water exchange agreements, the Authority continues to plan for unavoidable increases in water prices and non-discretionary costs such as pension contributions. The Authority has implemented a rate structure that utilizes a combination of fixed and variable charges. Both Water Standby Availability and Treatment and System Capacity Charges are specifically directed toward cash and debt financing of capital projects. Exposure to risks associated with board structure are modest given broad representation from each of its member agencies.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

Exhibit 6

San Diego County Water Authority (600017985)

Rating Factors	Input	Weight	Score
System Characteristics (30%)			
Asset Condition (Years of Annual Depreciation)	50 years	10%	Aa
System Size (O&M in Thousands of Dollars)	\$579,864	7.5%	Aaa
Service Area Wealth (Median Family Income as % of US)	122%	12.5%	Aa
Financial Strength (40%)			
Annual Debt Service Coverage (x)	1.74x	15%	Aa
Days Cash on Hand	115 days	15%	A
Debt to Operating Revenue (x)	2.59x	10%	Aa
Management (20%)			
Rate Management	Aa	10%	Aa
Regulatory Compliance and Capital Planning	Aa	10%	Aa
Legal Provisions (10%)			
Rate Covenant (x)	1.2	5%	A
Debt Service Reserve Requirement	Baa and Below	5%	Baa
Notching Factors			Up/Down
Additional service area economic strength or diversity			Up
Resource vulnerability			Down
Additional Available Cash in Rate Stabilization Fund			Up
Scorecard-Indicated Outcome			Aa2
Assigned Rating			Aa2

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

Source: Moody's Ratings

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REPORT NUMBER 1465031

Moody's Ratings

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454



February 18, 2026

Attention: Administrative and Finance Committee

Controller’s Report on Monthly Financial Activity. (Information)

<p>Water Sales Volume (in acre-feet) for the month of January 2026</p>		<p>This chart (left) shows water sales in acre-feet for the month of January 2026, while other sections of the Controller's Report pertain to the 6-month period ending December 31, 2025. The chart shows the most current water sales volume information available as of the date this report was prepared.</p>
Budget	20,786	
Actual	18,453	

Purpose

To provide a summary of key financial information to the Board of Directors.

Financial Information

Attached are the following graphs and financial reports comprising the Controller’s Report:

1. Water Sales Volumes Budget and Actual and YOY Comparisons
2. Water Sales Revenues Budget and Actual Comparison
3. Water Purchases and Treatment Costs Budget and Actual Comparison
4. Budget Status Report
5. Schedule of Cash and Investments

The Budget Status Report compares actual revenues and expenses on a budgetary basis to the period-to-date adopted budget. Below is a summary of the financial activities for the period July 1, 2025 through December 31, 2025, in millions:

	FY 2026	For the 6 months ended December 31, 2025		\$ Variance Positive/ (Negative)	% Budget Above/ (Below)
	Adopted Budget	Budget	Actual		
Water Sales	\$ 782.3	\$ 399.9	\$ 404.8	\$ 4.9	1%
Water Purchases & Treatment	595.0	311.2	314.2	(3.0)	1%
Net Water Sales Revenue	187.3	88.7	90.6	1.9	2%
Revenues & Other Income	122.0	54.3	60.4	6.1	11%
Total Revenues	309.3	143.0	151.0	8.0	6%
Total Expenses	243.7	85.8	79.3	6.5	-8%
Net Revenues Before CIP	65.6	57.2	71.7	14.5	25%
CIP Expenses	80.4	41.4	23.4	18.0	-43%
Net Fund Withdraws	<u>\$ (14.8)</u>	<u>\$ 15.8</u>	<u>\$ 48.3</u>	<u>\$ 32.5</u>	<u>206%</u>

Summary

For the six months ending December 31, 2025, the Water Authority’s actual net revenues after CIP was a positive \$48.3 million; therefore, a draw from fund balance (reserves) based on results from the first six months of the year has not been required. This is primarily due to higher than

budget net water sales revenue (\$1.9 million), capacity charges (\$6.1 million), and grant reimbursements (\$1.3 million) coupled with lower than budget CIP (\$18.0 million) and operating department expenses (\$4.4 million). The timing of revenues and expenses also contributed to the overall positive fund balance. For example, contractors completing work on CIP projects submit invoices one to two months after completing their work, which must then go through internal review by Water Authority staff before payment. The CIP expenses will catch up to budgeted amounts as the year progresses, similar to operating department expenses. Budget expectations for the remainder of the year remain in place.

Net Water Sales Revenue

Net water sales revenue is the difference between the receipts from the sale of water and the cost of that water, providing the Water Authority's principal source of revenue. Sales include revenues from three variable and five fixed charge components:

Variable Commodity Charges for supply, treatment, and transportation

Fixed Charges for customer service, storage, supply reliability, transportation, and infrastructure access

For the six-month period ended December 31, 2025, total acre-feet (AF) of water sold was budgeted at 174,803 AF, which was 5,542 AF or 3 percent lower than actual sales volumes of 180,345 AF (Attachment 1). Water sales were higher than the budget by \$4.9 million, while water purchases and treatment costs were higher by \$3.0 million (Attachments 2 and 3), resulting in overall net water sales revenues of \$90.6 million or \$1.9 million higher than the budgeted amount of \$88.7 million (Attachment 4). On a year over year basis, FY 2026 actual water sales volumes through December 2025 were 8,141 AF or 4.3 percent lower compared to December 2024 water sales volumes of 188,486 AF (Attachment 1).

Inclusive of the cost of water added to inventory, \$27.0 million was paid to MWD for 5,709 AF of treated and untreated water plus treatment costs for 18,347 AF of IID Transfer water; \$97.2 million for 119,025 AF of IID Transfer water; and \$86.3 million for 23,740 AF of treated desalinated water from Channelside. 38,850 AF of Canal Lining water was also received but no costs have been paid yet (Canal Lining water costs represent operations and maintenance costs for maintaining the All-American and Coachella canals as the Water Authority previously incurred significant costs to line the canals with cement panels and now has ongoing maintenance responsibilities). The Water Authority also incurred an additional cost of \$98.2 million for exchange and wheeling costs on 157,875 AF paid to MWD (comprised of IID Transfer and Canal Lining water).

Revenues and Other Income

Total revenues and other income were budgeted at \$54.3 million for the six-month period ended December 31, 2025. Actual revenues were \$60.4 million or \$6.1 million higher than the budget (Attachment 4). Revenue categories materially higher than the budget include the following:

- Capacity Charges: \$6.1 million more than the budget due to larger payments received from the cities of San Diego and Oceanside, as well as a one-time revenue accrual adjustment into FY 2026 as a result of higher capacity charges being received than estimated in the prior year

- **Grant Reimbursements:** \$1.3 million higher than the budget due to timing of project work completion by Local Project Sponsors (LPS) and includes revenues from the Integrated Regional Water Management Urban and Multibenefit Drought Relief Grant (\$1.6 million) and Proposition 1 Rounds 1 and 2 grants (\$2.4 million); corresponding Grant Expenses are lower due to timing and will match back once the DWR pays the Water Authority and then the Water Authority reimburses the LPS's in the next 30-60 days
- **Investment Income:** \$1.2 million lower than budget due to budget assumptions tied to timing of maturities on investments and market value adjustments; it is anticipated that the income will balance out in the coming months and is still on track to meet the two-year budget amount

Expenses

Total expenses were budgeted at \$85.8 million for the six-month period ended December 31, 2025. Actual expenses were \$79.3 million or \$6.5 million lower than the budget (Attachment 4). Expense categories materially lower than the budget include the following:

- **Operating Departments:** \$4.4 million lower in expenses due to the periodic nature of incurring such general expenses. The variance will be absorbed in future months. See individual Operating Department results on Attachment 4.

CIP Expenses

Capital Improvement Program expenses were budgeted at \$41.4 million for the six-month period ended December 31, 2025, and actual expenses amounted to \$23.4 million or \$18.0 million lower than the budget (Attachment 4). It's important to note that contractors submit invoices according to their schedules while the period-to-date budget amount is tied to performance, not actual payment of expenses, and so there will always be a time lag but the variance is expected to be absorbed by the end of the fiscal year. The Pay-As-You-Go (PayGo) fund now assumes full responsibility for CIP expenditures until the next debt issuance.

Cash and Investments

As of December 31, 2025, cash and investments totaled \$404.2 million. Approximately 94 percent is pooled funds available to meet Water Authority needs and Board set reserve requirements, and the remaining 6 percent represents amounts restricted for debt service (Attachment 5). The Water Authority Treasurer pools the cash of the PayGo fund with total unrestricted funds to maximize investment returns. Cash balances were high in December in the PayGo fund, but they were drawn down with a \$17.0 million payment in February 2026 in accordance with board direction. Specifically, \$5 million was paid down on the short-term commercial paper Series 9 and \$12 million of the Series 11 based on interest rates and timing. The PayGo Fund will continue to pay for the CIP until bond proceeds are available later in the fiscal year. Additionally, the Water Authority's pooled cash and investments balance is in excess of the 150-day target balance, but this is subject to change based on future financial conditions. Certain of this excess is being evaluated for potential defeasance opportunities during the anticipated 2026 debt issuance.

Prepared by: Andrea Halshaw, CPA, Senior Accountant

Reviewed by: Geena Xiaoqing Balistrieri, CPA, Accounting Supervisor

Approved by: Christopher Woidzik, CPA, Controller

Attachments:

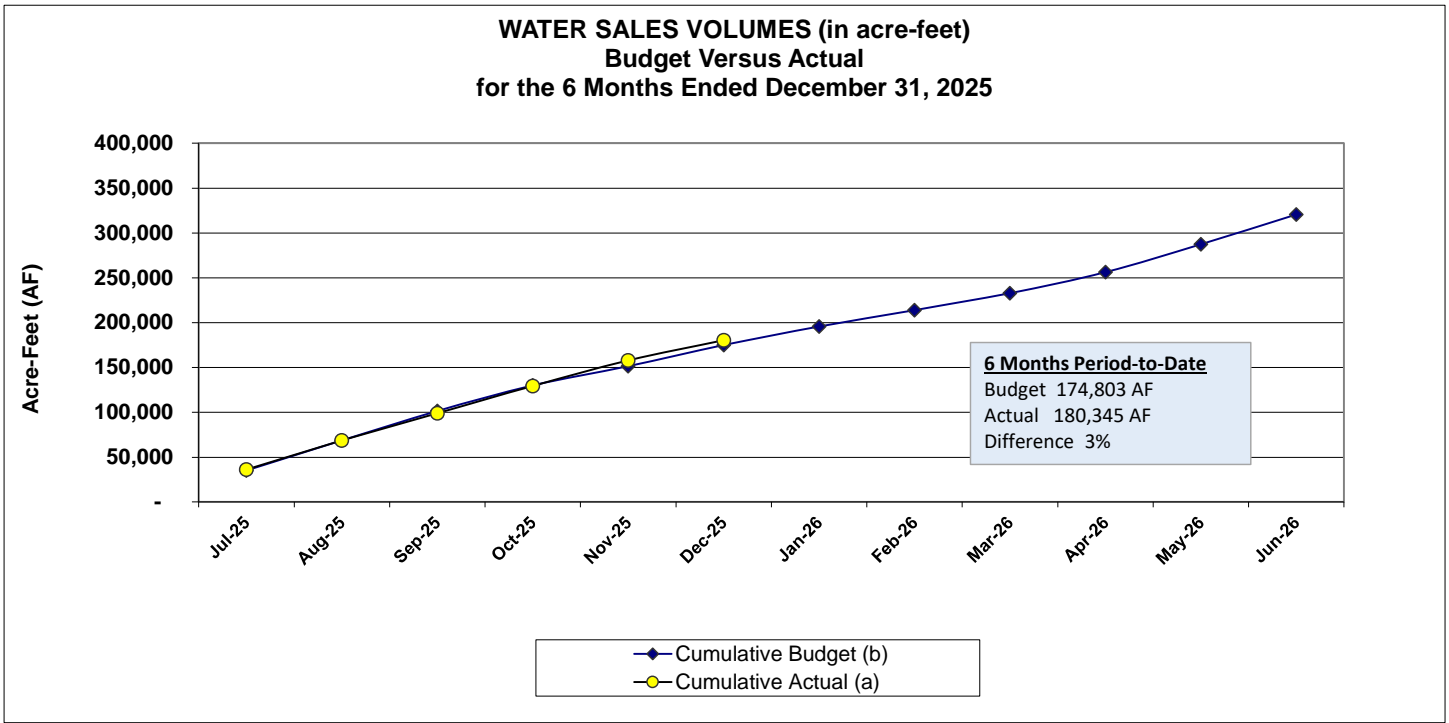
Attachment 1 – Water Sales Volumes Budget and Actual and YOY Comparisons

Attachment 2 – Water Sales Revenues Budget and Actual Comparison

Attachment 3 – Water Purchases and Treatment Costs Budget and Actual Comparison

Attachment 4 – Budget Status Report

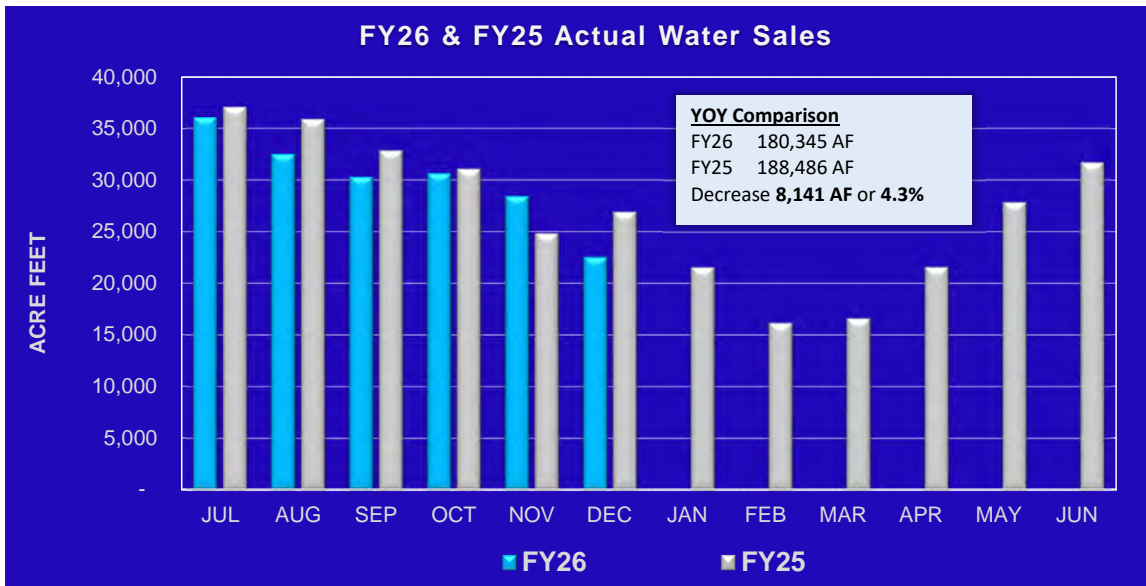
Attachment 5 – Schedule of Cash and Investments

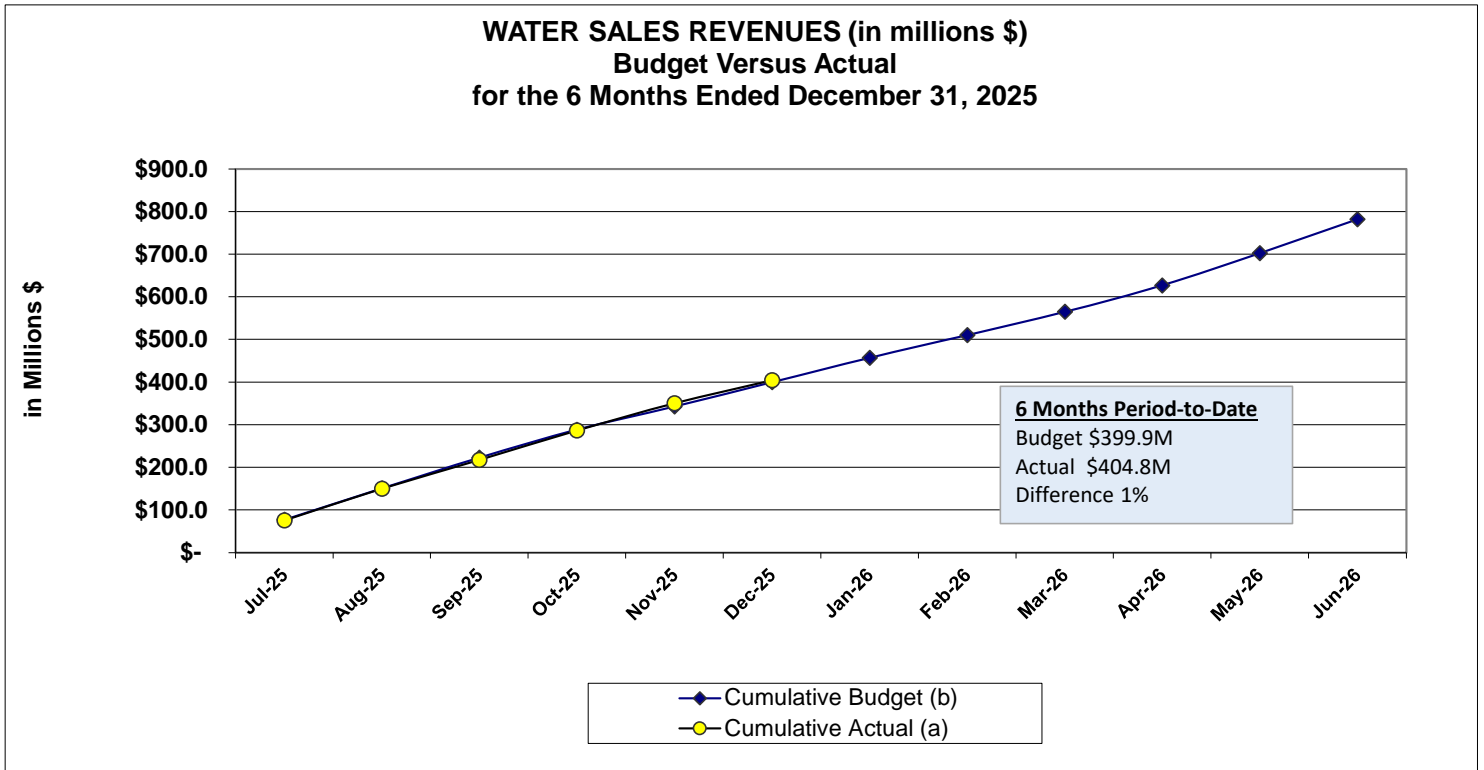


Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2026 and 2027.

Fiscal Year 2026 Cumulative Water Sales (AF)

Months	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Monthly Actual	36,056	32,483	30,265	30,618	28,418	22,505	-	-	-	-	-	-
Cumulative Actual (a)	36,056	68,539	98,804	129,422	157,840	180,345	-	-	-	-	-	-
Monthly Budget	35,167	33,417	32,868	28,430	21,355	23,566	20,786	18,430	18,889	23,263	31,042	33,197
Cumulative Budget (b)	35,167	68,584	101,452	129,882	151,237	174,803	195,589	214,019	232,908	256,171	287,213	320,410
AF Difference (c) (a-b)	889	(45)	(2,648)	(460)	6,603	5,542						
% Difference (c/b)	3%	0%	-3%	0%	4%	3%						

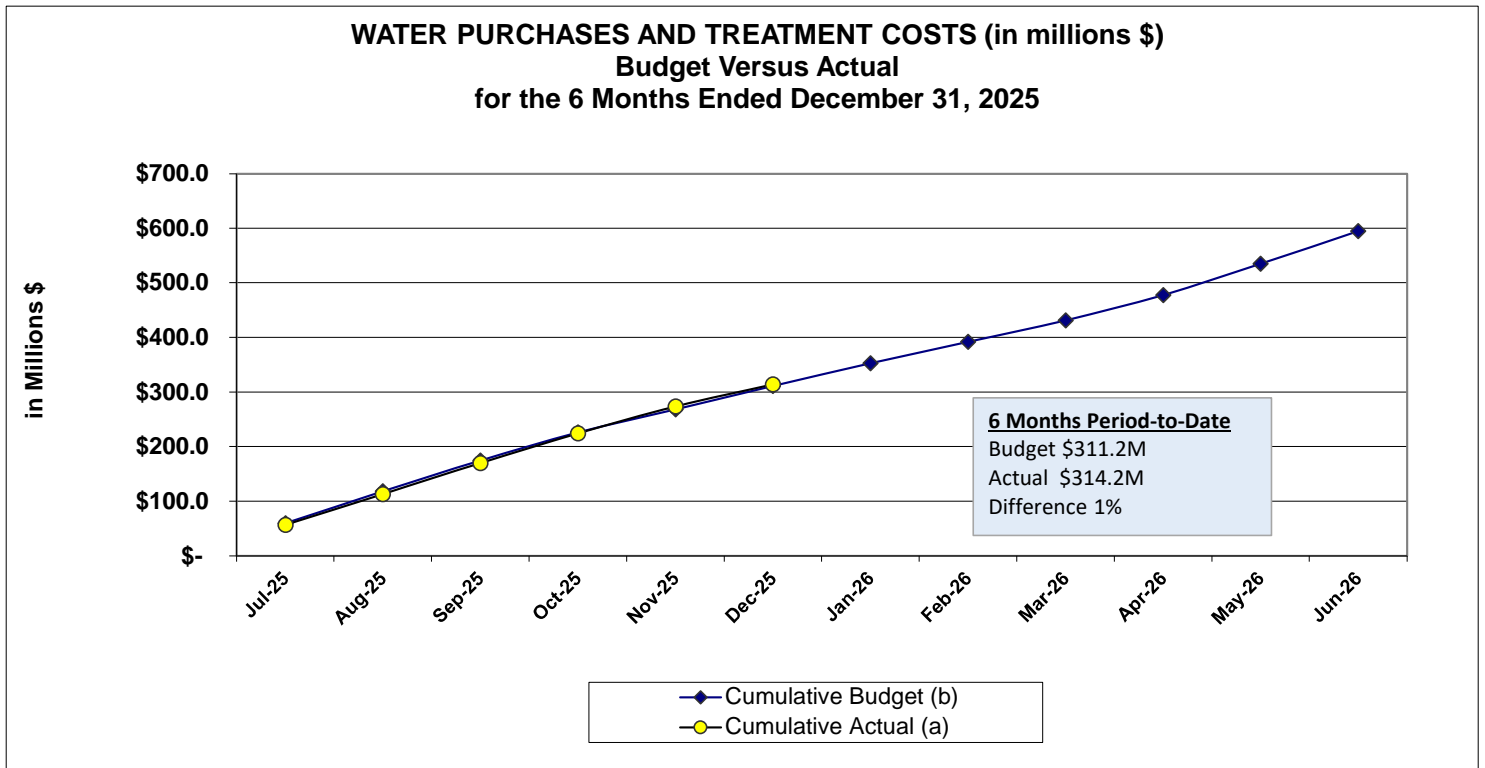




Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2026 and 2027.

Fiscal Year 2026 Cumulative Water Sales (in millions \$)

Months	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Monthly Actual	\$ 75.3	\$ 74.4	\$ 68.0	\$ 68.6	\$ 64.1	\$ 54.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Actual (a)	\$ 75.3	\$ 149.7	\$ 217.7	\$ 286.3	\$ 350.4	\$ 404.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Budget	\$ 76.7	\$ 73.9	\$ 72.4	\$ 65.5	\$ 54.6	\$ 56.8	\$ 57.4	\$ 53.5	\$ 54.2	\$ 62.3	\$ 75.6	\$ 79.4
Cumulative Budget (b)	\$ 76.7	\$ 150.6	\$ 223.0	\$ 288.5	\$ 343.1	\$ 399.9	\$ 457.3	\$ 510.8	\$ 565.0	\$ 627.3	\$ 702.9	\$ 782.3
Difference (c) (a-b)	\$ (1.4)	\$ (0.9)	\$ (5.3)	\$ (2.2)	\$ 7.3	\$ 4.9						
% Difference (c/b)	-2%	-1%	-2%	-1%	2%	1%						



Budgeted amounts are based on the Adopted Multi-Year Budget for Fiscal Years 2026 and 2027.

Fiscal Year 2026 Cumulative Cost of Water Purchases and Treatment (in millions \$)

Months	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Monthly Actual	\$ 56.9	\$ 56.5	\$ 56.8	\$ 54.1	\$ 49.7	\$ 40.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Actual (a)	\$ 56.9	\$ 113.4	\$ 170.2	\$ 224.3	\$ 274.0	\$ 314.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Budget	\$ 59.9	\$ 58.3	\$ 56.7	\$ 51.3	\$ 42.2	\$ 42.8	\$ 41.9	\$ 38.9	\$ 39.5	\$ 46.4	\$ 57.3	\$ 59.8
Cumulative Budget (b)	\$ 59.9	\$ 118.2	\$ 174.9	\$ 226.2	\$ 268.4	\$ 311.2	\$ 353.1	\$ 392.0	\$ 431.5	\$ 477.9	\$ 535.2	\$ 595.0
Difference (c) (a-b)	\$ (3.0)	\$ (4.8)	\$ (4.7)	\$ (1.9)	\$ 5.6	\$ 3.0						
% Difference (c/b)	-5%	-4%	-3%	-1%	2%	1%						

**San Diego County Water Authority
Fiscal Year 2026 Budget Status Report
For the 6 Months Ended December 31, 2025**

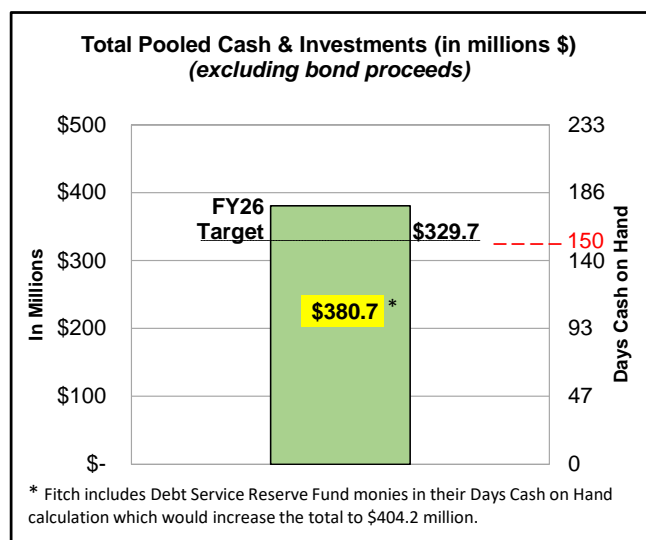
Notes to the Budget Status Report:

- a) Water sales and water purchases period-to-date budgeted amounts are based on projected acre-feet activity calculated per month.
- b) Water purchases and treatment costs are comprised of water (treated and untreated) that has been both purchased and sold. Other purchased water may be added into inventory and sold in future months. The cost of the water added to inventory is not recorded as an expense until it is withdrawn from storage and sold. Water may be added to inventory as a result of take or pay contracts or to meet future needs from scheduled pipeline maintenance shut down projects.
- c) Property taxes are primarily received in December and April. The City of San Diego alternatively pays In-lieu charges each year in quarterly installments. In-lieu charges for Fiscal Year 2026 total \$3,341,928.
- d) Investment income excludes unrealized gains/losses, which are non-cash transactions.
- e) Hydroelectric revenues have not been budgeted for Fiscal Year 2026.
- f) The 2010B Water Revenue Bonds were issued under the American Recovery and Reinvestment Act which allowed for taxable Build America Bonds (BABs) to be issued at a lower cost, effectively subsidized by the federal government. Semi-annual subsidy payments from the United States Treasury equal to 33.5 percent of the interest payments are received as a reimbursement. (The original subsidy was 35% but has been lowered due to Congressionally-mandated sequestration reductions and this subsidy amount will remain unchanged until 2030.)
- g) Capacity charges are primarily received in July, October, January and April, after the quarterly period ends, and accrued revenue is recorded for the quarter ending June.
- h) Water standby availability charges are primarily received each November to January and April to May periods.
- i) Contributions in aid of capital improvement program revenues have not been budgeted for Fiscal Year 2026. Any such revenues received may include payments or reimbursements from state or other local agencies for miscellaneous projects in the form of cash payments or contribution of physical assets.
- j) Bonds and Certificates of Participation debt service payments are due semi-annually on November 1 (interest) and May 1 (principal and interest). Pipeline Bonds, Series 2019 debt service payments are due semi-annually on July 1 (principal and interest) and January 1 (interest). Debt Service includes principal, interest expense, and debt service fees. Amortization expense relating to long-term debt, such as discounts, premiums, and deferred gain/loss on refundings are excluded because they are non-cash transactions. Short-term debt expenses (commercial paper) are paid monthly.
- k) QSA Mitigation includes the annual Lower Colorado River Multi-Species Conservation Program (LCR MSCP) payment in the amount of \$194,870 (paid in quarterly installments) for Fiscal Year 2026.
- l) Amounts may include capital equipment purchases used for CIP projects as well as in operations.
- m) Represents budgeted withdraws from fund balance.
- n) Period-to-date budgeted amounts adjusted based on items occurring on a periodic basis.

**San Diego County Water Authority
Schedule of Cash and Investments
As of December 31, 2025
Unaudited**

Attachment 5

	December 2025	December 2024
Operating Fund	\$ 193,223,427	\$ 276,109,363
Rate Stabilization Fund	126,140,740	78,540,740
Pay-As-You-Go Fund	58,210,320	18,172,384
Equipment Replacement Fund	2,037,462	2,000,000
Canal Maintenance Fund	1,080,539	830,526
Total Pooled Funds	94% 380,692,488	375,653,013
CIP/Bond Construction Fund	-	45,002,616
Debt Service Reserve Fund	23,522,572	23,249,525
Total Bond Funds	6% 23,522,572	68,252,141
Total Cash and Investments	\$ 404,215,060	\$ 443,905,154



Notes:

The Total Pooled Cash & Investments graph depicts the Water Authority's available monies measured against the 150 Days Cash on Hand requirement as set in the 2021 Rate Model. For FY26, days cash on hand equates to a \$329.7 million target balance. It's important to note that cash and investments balances will increase and decrease during the year, especially in May and November, when debt service payments are made, but the target is fixed for the fiscal year. Amounts above the target balance are being evaluated for potential defeasance opportunities. Other reserves may also have specific maximums, minimums or targets, and these are noted in the reserve definitions below.

Ratings Impact: Overall cash and investments position and days cash on hand metrics are crucial to the Water Authority maintaining its current ratings of AAA, AA+ and Aa2 from Standard & Poor's, Fitch and Moody's, respectively. A balance below the 150 days cash on hand metric of \$329.7 million target places risk on the Water Authority for a downgrade, which will affect investors interests in owning Water Authority bonds and achieving favorable interest rates on subsequent debt issuances.

Reserve Fund Categories

Operating Fund: The Water Authority's working capital and emergency operating reserve. The Operating Fund's policy requires 45 days of average annual operating expenses to be kept in reserves as assessed on an annual basis and include \$5 million held for emergency repairs. The Operating Fund has a minimum cash balance for FY26 of \$97.6 million.

Rate Stabilization Fund (RSF): The RSF holds the water revenues greater than expenditures in years of strong water sales. Funds can then be used to mitigate "rate shock" in years of weak water sales and/or to manage debt service coverage. The RSF target balance is equal to the financial impact of 2.5 years of wet weather or mandatory restrictions, and the maximum fund balance is equal to the financial impact of 3.5 years of wet weather or mandatory restrictions. For FY26, the RSF has a fixed maximum balance of \$126.2 million and a fixed Target balance of \$87.0 million.

Pay-As-You-Go Fund (PAYGO): The PAYGO fund collects Capacity Charges and Water Standby Availability Charges to be used to pay for the cash portion of the CIP. The funds are dedicated for construction outlays as well as debt service.

Equipment Replacement Fund (ERF): The ERF is funded by transfers from the Operating Fund for capital equipment purchases such as computers, vehicles, and SCADA systems and is used to replace equipment which has reached the end of its effective useful life.

Canal Maintenance Fund: This fund provides for the large periodic maintenance expenses of the All-American and Coachella Canals that is estimated to occur every five to eight years.

CIP/Bond Construction Fund: This fund most recently contained bond proceeds from the Series 2022A debt issuance to finance approved capital projects. As of June 30, 2025, all bond proceeds had been spent, resulting in a cash and investments balance of zero.

Debt Service Reserve Fund: This fund contains the required legal reserve for Water Authority debt issues. Such reserves are held for the purpose of making an issue's annual debt service payments in the event the Water Authority should be unable to make such payments. The funds are held by trustees and interest earned is transferred into the Operating Fund and is not restricted.

Stored Water Fund (SWF): This fund provides working capital to purchase water inventory necessary to fully utilize the Water Authority's storage facilities. In April 2025, a 40,000 acre-feet target was established for Carryover Storage inventory along with a maximum of 100,000 acre-feet, which is the storage capacity. The SWF is to only hold a cash position if the cost to replace the target amount is below the current value of water inventory in the fund.

Board Calendar

MARCH 2026

March 3

1pm MWD Delegates Briefing

March 12

1:30pm Tentative Special Board Meeting

March 19

Board Meeting

9am Committees begin

2pm Formal Board meeting

APRIL 2026

April 2

11am Audit Committee Meeting

April 7

1pm MWD Delegates Briefing

April 9

1:30pm Tentative Special Board Meeting

April 23

Board Meeting

9am Committees begin

2pm Formal Board meeting

MAY 2026

May 5

1pm MWD Delegates Briefing

May 14

1:30pm Tentative Special Board Meeting

May 28

Board Meeting

9am Committees begin

2pm Formal Board meeting

ENGINEERING AND OPERATIONS COMMITTEE

**AGENDA FOR
FEBRUARY 26, 2026**

Amy Reeh, Chair
Lois Fong-Sakai, Vice Chair
Eric Heidemann, Vice Chair
Ismahan Abdullahi
Paloma Aguirre
Gary Arant
Jimmy Ayala

Jerry Butkiewicz
Kathleen Coates-Hedberg
Amanda Flesse
Dana Frieauf
Francisco X. Rivera
Esther Sanchez
Evan Wahl

1. Roll call – Determination of quorum.
2. Additions to Agenda (Government Code Section 54954.2(b)).
3. Public Comment – opportunities for members of the public to address the Committee on items contained within this agenda.
4. Chair’s Report.
4-A Directors’ comments.

I. CONSENT CALENDAR

1. Project Labor Agreement determination for the Lake Hodges Hydroelectric Facility Isolation project.
Staff recommendation: In accordance with Administrative Code section 4.08.070 (Project Labor Agreements), make a determination that the Lake Hodges Hydroelectric Facility Isolation project does not include a requirement for a project labor agreement. (Action)

Jason Gornall

II. ACTION/DISCUSSION/PRESENTATION

III. INFORMATION

IV. CLOSED SESSION(S)

V. ADJOURNMENT

Kelly Cole-Walker
Clerk of the Board

NOTE: This meeting is called as an Engineering & Operations Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.

February 18, 2026

Attention: Engineering and Operations Committee

Project Labor Agreement determination for the Lake Hodges Hydroelectric Facility Isolation project. (Action)

Staff recommendation

In accordance with Administrative Code section 4.08.070 (Project Labor Agreements), make a determination that the Lake Hodges Hydroelectric Facility Isolation project does not include a requirement for a project labor agreement.

Alternative

In accordance with Administrative Code section 4.08.070 (Project Labor Agreements), make a determination that the Lake Hodges Hydroelectric Facility Isolation project does include a requirement for a project labor agreement. This alternative may lead to reduced bidding competition and increased costs on a future construction contract.

Fiscal Impact

There is no fiscal impact directly associated with this action.

Executive Summary

- The Administrative Code requires the Board to make a determination to include or not include a requirement for a project labor agreement for projects of \$1 million or greater in value.
- The Lake Hodges Hydroelectric Facility Isolation project was not contemplated at the time of the PLA approval in October 2022.
- The installation of subaqueous steel bulkheads is highly specialized work requiring a specific limited work force thus reducing the number of potential bidders.
- To foster a competitive bidding environment, staff recommends the Board make a determination that the project does not include a requirement for a project labor agreement.

Background

The Lake Hodges Hydroelectric Facility is situated in the City of Escondido, between Lake Hodges and the Olivenhain Reservoir. Constructed in 2005, the facility became operational in 2012 and was designed to pump water from Lake Hodges uphill to the Olivenhain Reservoir during periods of low electricity demand using excess grid power, then release the water through turbines to generate electricity during peak demand periods.

In 2023, the California Division of Safety of Dams imposed an elevation restriction on the Lake Hodges Dam limiting the maximum reservoir elevation to 280 feet above mean sea level, approximately 35 feet below the spillway crest and below the minimum water level required for the

hydroelectric facility's intake structure to remain submerged and operational, effectively rendering the hydroelectric facility non-operational.

Over time, the existing isolation slide gates have deteriorated and are no longer fully functional, impeding maintenance efforts and posing safety and environmental risks. This isolation project will install subaqueous welded steel bulkheads that will hydraulically isolate the hydroelectric facility's penstocks and intake from Lake Hodges reservoir, allowing dewatering of facility piping, inspection, and maintenance of the facility independent of lake levels.

The Lake Hodges Hydroelectric Facility Isolation project was not contemplated, scoped, or included on the list of covered projects at the time the Board adopted the Project Labor Agreement (PLA) in October 2022. Administrative Code section 4.08.070 (Project Labor Agreements) gives the Board discretion to determine whether a project labor agreement is a requirement for public works contracts of \$1 million or greater.

Previous Board Action: On October 24, 2022, the Board approved the Project Labor Agreement and determined that the approved PLA applied to the Capital Improvement Program project list in attachment 2 of the board memo.

Discussion

The installation of subaqueous steel bulkheads at the Lake Hodges Hydroelectric Facility is highly specialized work that must be performed underwater at significant depths. It requires a specialized workforce of certified commercial divers who are also qualified underwater welders meeting strict AWS D3.6M Class A standards, along with nondestructive testing technicians holding advanced certifications for inspecting welds in a submerged environment. Staff contacted numerous Southern California and national contractors specializing in underwater construction; the responses confirmed only a very small number of firms nationwide possess the combined diving, welding, and inspection capabilities necessary to meet these rigorous requirements.

This project will be procured through a design-build delivery method utilizing a best-value selection process. Proposals will be evaluated and ranked based on a combination of technical merit, qualifications, proposed approach, schedule, and price, with recommended award to the proposer determined to provide the greatest overall value to the Water Authority. Due to the limited pool of potential bidders and the highly specialized nature of the work, to maximize competition, control project costs, and ensure timely completion of this critical safety-related work, staff recommends the Board make a determination that the Lake Hodges Hydroelectric Facility Isolation project does not include a requirement for a project labor agreement. Following action on this item, staff anticipates returning to the Board in May 2026 with a recommendation to award a design-build contract. Construction is expected to be completed in the Fall of 2026.

Prepared by: Jason Gornall, Engineering Manager

Reviewed by: Neena V.S. Kuzmich, Director of Engineering

Approved by: Tish Berge, Deputy General Manager/Chief Operating Officer

IMPORTED WATER COMMITTEE

**AGENDA FOR
FEBRUARY 26, 2026**

Neal Meyers, Chair	Eric Heidemann
Mel Katz, Vice Chair	Jennifer Kerschbaum
Jim Madaffer, Vice Chair	Marty Miller
Jimmy Ayala	Rick Paul
Steve Castaneda	Francisco X. Rivera
Amanda Flesse	Joel Scalzitti
Lois Fong-Sakai	Nick Serrano

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on items contained within this agenda.
4. Chair’s report.
4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION/PRESENTATION

1. Approve memorandum of understanding with U.S. Bureau of Reclamation on behalf of the United States Department of Interior for the purpose of exploring a Colorado River Imported Water/Interstate Water Transfer Pilot. Dennis Davis
Staff recommendation: Approve the MOU with the U.S. Bureau of Reclamation to explore planning and implementation activities for interstate transfers. (Supplemental Materials) (Action)
2. MWD Issues and Activities Update.
2-A Metropolitan Water District Delegates Report. MWD Delegates
(Discussion) (Supplemental Materials)
2-B Metropolitan Water District of Southern California Alex Heide
CAMP4W Update. (Presentation)
3. Colorado River Basin Post-2026 Operational Guidelines Update. (Presentation) Alexi Schnell
4. Colorado River Board Representative’s report. Jim Madaffer
(Discussion) (Supplemental Materials)



**San Diego County
Water Authority**

III. INFORMATION

IV. CLOSED SESSION

V. ADJOURNMENT

Kelly Cole-Walker
Clerk of the Board

NOTE: This meeting is called as an Imported Water Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



February 18, 2026

Attention: Imported Water Committee

Metropolitan Water District of Southern California CAMP4W Update. (Presentation)

Purpose

This report provides an update on the Metropolitan Water District of Southern California’s (MWD) Climate Adaptation Master Plan for Water (CAMP4W).

Executive Summary

- MWD’s update to the Integrated Resources Plan – Needs Assessment (IRP-NA) assumptions in 2025 showed fewer shortage events but more severe ones when they occur, underscoring the need to pursue low-regret investments that perform well across a wide range of futures.
- MWD’s policy of using Representative Concentration Pathway 8.5 (RCP 8.5) and the resulting focus on shortage-driven scenarios narrows CAMP4W’s analytical range, increasing the risk of over-investment if more moderate conditions emerge.
- The potential for stranded assets or unnecessary capital spending remains a concern, making it essential that scenario planning continue to guide decisions.
- Financial sustainability remains a challenge, as major reliability investments will require higher volumetric rates while conservation and local supply programs reduce long-term revenue, even with recent business model refinements.
- Many of the most consequential projects under consideration are long-term, multi-generational efforts with external timelines, making incremental, adaptive participation critical to preserving future options without premature financial commitments.
- As CAMP4W moves forward, maintaining a balanced approach that aligns reliability, resilience, affordability, and long-term financial sustainability will be central to ensuring that future investments remain responsive to evolving conditions and regional needs.

Background

In 2022, MWD adopted the 2020 IRP-NA, a strategic evaluation of the reliability of its imported water supplies. Using scenario planning, the assessment evaluated risks associated with climate change, regulatory constraints, and hydrologic variability. Scenario planning does not project a single future; rather, it examines a range of plausible futures to test potential decisions under varying conditions.

The 2020 IRP-NA projected a wide range of conditions through 2045, with Scenario A forecasting a surplus of 1.9 MAF, and worst-case Scenario D projecting a shortage of approximately 1.2 MAF. Scenario planning was intended to guide “low-regret” investments - defined as investments that provide reliability or “resilience benefits across all four scenarios evaluated.

Building on the IRP-NA, MWD launched CAMP4W in February 2023 to integrate climate adaptation with water resource and financial planning, while accounting for the diverse needs of its member agencies. A central component of CAMP4W is the evaluation of projects and programs based on their performance across key criteria including reliability, resilience, affordability, equity, and environmental co-benefits.

In September of 2023, MWD adopted the use of Representative Concentration Pathway 8.5 (RCP 8.5) for planning purposes in the CAMP4W process. RCPs represent potential future climate conditions (such as changes to snowpack levels, temperature, and precipitation) based on different greenhouse gas emissions trajectories. The three standardized RCPs used in climate modeling, from low to high, are RCP 2.5, RCP 4.5, and RCP 8.5. RCP 8.5 reflects a future with continuously increasing greenhouse gas emissions and the most severe climate impacts. Within the IRP-NA framework, Scenarios C and D utilize RCP 8.5, while Scenarios A and B are based on RCP 4.5, which assumes emissions stabilization.

In April of 2025, MWD adopted the CAMP4W Implementation Strategy, directing staff to evaluate planned programs and projects against defined criteria and to apply an adaptive management approach to investment decision-making.

Areas for Continued Focus

Maintaining a Low-Regret Investment Strategy

As CAMP4W advances into 2026, continued attention is warranted to ensure alignment with the original intent of scenario planning. In 2025, MWD updated the assumptions used in the IRP-NA to reflect changed conditions, including anticipated reductions of approximately 200,000 acre-feet associated with potential post-2026 Colorado River negotiations, updated State Water Project modeling, and lower projected demands and local supply production.

These updated assumptions reduced the overall frequency of shortages under Scenarios C and D but increased the magnitude of potential shortages when they occur. Additionally, MWD's reliance on RCP 8.5-based scenarios has effectively narrowed CAMP4W's scenario analysis to shortage-focused futures (Scenarios C and D).

As MWD evaluates major projects through the CAMP4W process, there is significant risk of both over-investment and under-investment, each of which carries significant reliability and financial impacts. Scenario planning was intended to identify investments that perform well across a range of plausible futures. Limiting the analysis primarily to shortage scenarios reduces the value of that approach. Should Scenarios A or B materialize, MWD could face stranded assets or unnecessary capital expenditure, raising concerns about long-term financial sustainability.

Aligning Reliability and Financial Sustainability

CAMP4W seeks to integrate water resource, climate, and financial planning into a single master planning framework. In parallel, the MWD Board initiated refinements to MWD's business

model in 2024, resulting in several policy changes, including a new fixed rate component of the Treated Water Surcharge, adjustments to budgeted water transactions and reserve levels, and adoption of the Interagency Local Supply and Exchange Framework.

While these refinements represent progress toward a more sustainable business model, they do not fully resolve many of the structural challenges associated with MWD's long-term financial sustainability.

As MWD considers additional investments to ensure regional reliability and resilience, affordability must remain a central consideration. Approximately 70 percent of MWD's revenues are generated volumetrically through water rates and charges. Investments in core supplies, flexible supplies, or storage will require increases in volumetric rates. At the same time, expanded conservation efforts and Local Resources Program investments – while reducing demand – further constrain long-term revenue generation, creating additional financial pressures.

Near Term vs. Long Term Investments

The 2025 update to the IRP-NA assumptions indicates that both the frequency of shortage and the magnitude of shortages increase significantly after 2040, suggesting that many of the most consequential investments are aimed at mitigating long-term risk. The projects currently under evaluation include Sites Reservoir, the Delta Conveyance Project, and Pure Water Southern California, all of which are multi-generational investments requiring extended planning, design, permitting, and construction timelines. Furthermore, these projects are also subject to external timelines that may not align directly with MWD's planning or decision-making horizons.

MWD's ability to secure future project benefits depends on its participation in early planning, design, and permitting activities. Maintaining a stepwise and incremental approach allows MWD to preserve future participation options without committing prematurely to full-scale investments. While preliminary work entails near-term costs, this approach reduces overall risk by allowing investment decisions to be informed by evolving information regarding project need, costs, and benefits.

CAMP4W represents a significant evolution in how MWD integrates climate adaptation, water resource planning, and financial decision-making. As the process moves forward, maintaining a balanced, low-regret investment strategy that supports long-term reliability while preserving affordability and financial sustainability will be critical. In the coming months, Water Authority staff will present each major project and program to the Board individually, providing detailed evaluations of costs, benefits, risks, and alignment with CAMP4W's established targets. These discussions will support informed, incremental decision-making and ensure that future investments remain responsive to changing conditions and evolving regional needs.

Prepared by: Alex Heide, Principal Water Resources Specialist

Reviewed by: Meena Westford, Director of Imported Water

Approved by: Dan Denham, General Manager



February 18, 2026

Attention: Imported Water Committee

Colorado River Basin Post-2026 Operational Guidelines Update. (Presentation)

Purpose

This report provides an update on the U.S. Bureau of Reclamation's (Reclamation) draft environmental impact statement (Draft EIS) for post-2026 Colorado River operating guidelines and implications for the Water Authority.

Executive Summary

- New operating guidelines are required to replace the 2007 Interim Guidelines and the 2019 Drought Contingency Plan, which expired at the end of 2025.
- Reclamation released a Draft EIS in January analyzing five alternatives for Lake Powell and Lake Mead beginning in 2027.
- No preferred alternative has been identified.
- The Basin states continue negotiations on a consensus proposal, with current discussions focused on a shorter-term (approximately five years) interim framework rather than a 20-year agreement.
- If the Basin states do not reach agreement, Reclamation will select an alternative in the Final EIS.
- The Water Authority is preparing a comment letter on the Draft EIS that will focus on the need for operational flexibility that enables interstate exchanges and transfers by the March 2 deadline.

Background

The 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (Interim Guidelines), layered with the 2019 Drought Contingency Plan, expired December 31, 2025, although they will continue to guide operations in 2026. New guidelines are needed for post-2026 river operations, effective October 1 at Lake Powell and January 1, 2027, at Lake Mead.

In June 2023, Reclamation launched its National Environmental Policy Act (NEPA) process to develop the new set of operating guidelines. In 2024, the Lower Basin states (California, Arizona, and Nevada) submitted a proposal to reduce their annual use by up to 1.5 million acre-feet (MAF), with additional reductions up to 3.9 MAF split between the Upper and Lower basins under certain hydrologic conditions. The Upper Basin (Colorado, Utah, Wyoming, and New Mexico) separately proposed all mandated reductions occur in the Lower Basin and that the Upper Basin would consider voluntary conservation programs developed outside of the post-2026 process.

On January 9, Reclamation published its Draft EIS for the new guidelines. Some of the Draft EIS alternatives incorporate elements of the earlier proposals submitted by the Upper and Lower basins, as well as other stakeholders, but the Draft EIS does not fully incorporate either basin’s concepts. The public comment period for the Draft EIS continues until March 2, with a Final EIS and record of decision expected during the summer.

The Upper and Lower basins have been working to develop a consensus proposal but missed Reclamation’s November and December 2025 milestones to submit key terms of an agreement. At the time of this writing, negotiations continued toward Reclamation’s February 14 milestone to reach an interim five-year consensus proposal. Efforts were reinforced by a January 30 meeting between U.S. Department of the Interior Secretary Doug Burgum and the Basin states governors.

Discussion
Draft EIS Alternatives

The Draft EIS focuses primarily on coordinated operations at Lakes Powell and Mead and the alternatives in the document differ mainly in how shortages are determined and whether new operational and transactional flexibility will be allowed. While the intent is to create stability through guidelines that would govern the next 20 years of river operations, Reclamation has stated it would consider a shorter duration or phased implementation as part of a longer-term consensus framework.

In January 2025, Reclamation released preliminary alternatives, which have been revised based on stakeholder input and ongoing negotiations. The five alternatives analyzed in the current Draft EIS (see Table 1) reflect these revisions. Key features of each alternative are summarized below.

Table 1. Post-2026 Colorado River Operations Draft EIS Alternatives

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

**Includes releasing a to-be-determined volume from Powell to equalize storage between Powell and Mead.*

No Action

The No Action alternative provides a representation of river operations if there is no new agreement and assumes operations would revert to the 1970 Criteria for Coordinated Long Range Operation of Colorado River Reservoirs (LROC). Lake Powell releases would be 8.23

MAF annually, adjusted only for operational needs, while Lower Basin reductions would be capped at 600,000 acre-feet per year under the priority system. While no reductions are modeled against California based on the capped shortage volume and Reclamation's interpretation of Lower Colorado River priority systems, 600,000 acre-feet may be insufficient to address drought or climate impacts. No Upper Basin conservation is included, and releases from Colorado River Storage Project (CRSP) reservoirs are not defined; however, Reclamation maintains authority to operate these reservoirs, including for Lake Powell infrastructure protection (PIP) releases. Intentionally Created Surplus (ICS) deliveries would continue under existing agreements but without new storage and delivery mechanisms, limiting system flexibility.

Basic Coordination

The Basic Coordination alternative prioritizes protecting critical infrastructure and does not offer any new flexibility. Lake Powell releases would range from 7 to 9.5 MAF annually based on Powell elevations, with potential further reductions to protect Glen Canyon Dam infrastructure. Lower Basin reductions, up to 1.48 MAF per year under the priority system, would be triggered based on combined elevations in Lakes Mead and Powell. No Upper Basin conservation is included and, contingent on hydrology, PIP releases from CRSP reservoirs of an undefined volume would occur when Lake Powell's elevation is projected to fall below 3,525 feet. ICS programs would continue without new delivery or storage mechanisms. Water transfers and exchanges are not addressed.

Enhanced Coordination

The Enhanced Coordination alternative is based on proposals from tribal nations among others and seeks to protect critical infrastructure while supporting hydropower and recreation. Lake Powell releases would range from 4.7 to 10.8 MAF annually based on combined elevations in Lakes Mead and Powell, 10-year running-average hydrology, and Lower Basin deliveries. Lower Basin reductions up to 3 MAF annually would be triggered by combined storage in Lakes Powell and Mead and distributed pro-rata, which bypasses the priority system established under the "Law of the River." Upper Basin conservation, up to 0.35 MAF annually, would be stored in Lake Powell contingent on hydrology, and while PIP releases are not defined, Reclamation maintains the authority to make them. New delivery and storage mechanisms, including interstate transactions within each basin, would enhance system flexibility.

Maximum Operational Flexibility

The Maximum Operational Flexibility alternative comes from a consortium of conservation groups and seeks to stabilize system storage, incentivize water conservation, and enhance system flexibility. Lake Powell releases would range from 5 to 11 MAF annually based on CRSP reservoirs storage and recent hydrology, with potentially lower releases when Powell's elevation is at 3,510 feet or below. Lower Basin reductions up to 4 MAF annually would be triggered based on combined seven-reservoir storage and the three-year natural flow volume at Lees Ferry, Arizona. Reductions up to 1.5 MAF would be shared among Lower Basin states according to distributions submitted by the Lower Basin, including 440,000 AF for California, with reductions above 1.5 MAF distributed consistent with Reclamation's interpretation of Lower Colorado River priority systems under the No Action alternative. Upper Basin conservation, on average 0.2 MAF annually, would be stored in Lake Powell contingent on hydrology, and while

PIP releases are not defined, Reclamation maintains the authority to make them. This alternative offers the greatest system flexibility through transactions within and across basins, in addition to new delivery and storage mechanisms.

Supply Driven

The Supply Driven alternative builds on a 2025 concept the Basin states once viewed as a potential path to consensus. It ties Lake Powell releases to the river's natural flow while giving each basin flexibility to develop actions for meeting or living within the required releases. Lake Powell releases would range from 4.7 to 12 MAF annually based primarily on 65 percent of the three-year natural flow volume at Lees Ferry, Arizona. Lower Basin reductions up to 2.1 MAF annually would be triggered based on Lake Mead elevations and distributed pro-rata (inconsistent with the "Law of the River") or using the priority approach used under the Maximum Operational Flexibility alternative. Upper Basin conservation, up to 0.2 MAF annually, would be stored in Lake Powell contingent on hydrology, and PIP releases from CRSP reservoirs, up to 0.5 MAF, would occur when Lake Powell's elevation is projected to fall below 3,525 feet. New delivery and storage mechanisms, including interstate transactions within each basin, would enhance system flexibility.

At Stake

If the Basin states do not reach a consensus proposal, Reclamation may select an alternative that may significantly limit operational flexibility and market-based tools, such as interstate and intrastate transfers, increase litigation risk associated with releases and shortage administration, and rely on pro-rata shortage approaches that could undermine California's senior priority structure.

Water Authority Perspective

The Water Authority supports a basinwide consensus framework that preserves operational flexibility (including storage and delivery of conserved water), enables interstate and intrastate water transfers and exchanges, and protects California's senior water rights and the region's long-standing investments in water reliability. Any framework must support affordability and rate stability for San Diego ratepayers.

The Water Authority is preparing a comment letter on the Draft EIS that will focus on the need for operational flexibility that enables interstate exchanges and transfers, for submittal by the March 2 public comment period deadline. The Water Authority will continue working with California partners, the Basin states, Reclamation, tribes, and Mexico to advance a durable, flexible post-2026 framework and to ensure any federal action does not compromise the region's water supply resilience or cost stability.

Prepared by: Dennis Davis, Senior Water Resources Specialist
Reviewed by: Alexi Schnell, Colorado River Program Manager
Meena Westford, Director of Imported Water
Approved by: Dan Denham, General Manager



LEGISLATION AND PUBLIC OUTREACH COMMITTEE

**AGENDA FOR
FEBRUARY 26, 2026**

Valentine Macedo, Jr., Chair	Jim Madaffer
Teresa Acosta, Vice Chair	Venus Molina
Amy Reeh, Vice Chair	Ron Morrison
Jerry Butkiewicz	Princess Norman
Frank Hilliker	Rocky Qualin
Mel Katz	Stephen Whitburn
Joy Lyndes	Burt Williams

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on items contained within this agenda.
4. Chair’s report.
 - 4-A Directors’ comments.

I. CONSENT CALENDAR

1. Adopt positions on various bills. Meggan Quarles
Staff recommendation: Adopt a position of Oppose on H.R. 7078, the Equal Access to the Colorado River Act (Schweikert).
 (Action)

II. ACTION/DISCUSSION/PRESENTATION

1. Government Relations Update. Meggan Quarles
 - 1-A Washington Report:
 Guest Speaker, John Watts, Counsel for Senator Alex Padilla.
 (Presentation)
 - 1-B Sacramento Report. (Discussion)

III. INFORMATION

IV. CLOSED SESSION

V. ADJOURNMENT

**Kelly Cole-Walker
Clerk of the Board**

NOTE: This meeting is called as a Legislation and Public Outreach Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



February 18, 2026

Attention: Legislation and Public Outreach Committee

Adopt positions on various bills. (Action)

Staff recommendation

- Adopt a position of Oppose on H.R. 7078, the Equal Access to the Colorado River Act (Schweikert).

Alternatives

1. Do not adopt the recommended positions.
2. Modify the recommended positions.

Fiscal Impact

There is no direct fiscal impact associated with the consideration of adopting a position on the federal legislation. The recommended position is consistent with the Board approved Legislative Policy Guidelines.

Executive Summary

- This proposed action is to allow the Board to consider adopting a position on federal legislation.
- The legislation identified in this report would have some material effect on the Water Authority or its member agencies or would advance an important interest.
- The recommended position on legislation is based on an analysis of the bill with the Board's adopted 2026 Legislative Policy Guidelines.
- Water Authority staff and legislative advocates will advance the Board's policy positions during the current legislative session.

Discussion

H.R. 7078 The Equal Access to the Colorado River Act (Representative Schweikert)

Representative Schweikert (R-Ariz.) introduced H.R. 7078, the Equal Access to the Colorado River Act. H.R. 7078 proposes to update the Colorado River Basin Project Act to direct the Secretary of the Interior to apply pro-rata reductions to consumptive-use diversions from the Colorado River in times of shortage, relative to each state's base annual apportionment, and without preference to present rights.

While framed as promoting fairness, the bill would do so without requiring consistency with existing interstate compacts, federal statutes, court decrees, and contracts that collectively govern the river (the Law of the River). The river remains a critical resource for millions across the

Southwest, and its long-term sustainability depends on collaborative and equitable management strategies.

Over the past two decades, the Water Authority has implemented forward-thinking initiatives to enhance regional water reliability, including:

- Building the nation's largest seawater desalination plant in Carlsbad, California, providing a drought-proof water source in our region.
- Leading the landmark Quantification Settlement Agreement (QSA), which remains the nation's largest agricultural-to-urban water transfer, ensuring long-term water security while supporting California's agricultural economy.

These efforts underscore our commitment to water sustainability and resilience. Given the unprecedented pressures on the system, we need a balanced and science-based approach that will require compromises from all seven basin states that rely on the Colorado River yet still recognize the Law of the River. The proposed legislation does not do this.

Staff recommends an Oppose position on H.R. 7078 the Equal Access to the Colorado River Act.

Prepared by: Meggan Quarles, Government Relations Manager

Approved by: Jaymie Bradford, Assistant General Manager



February 18, 2026

Attention: Legislation and Public Outreach Committee

Government Relations Update. (Discussion)

Purpose

This report is an update of the Water Authority's Government Relations program. Meggan Quarles, Government Relations Manager is available to answer any questions.

Discussion

During the meeting we will have a special presentation from John Watts, Counsel for Water Policy to U.S. Senator Alex Padilla, advising the Senator on a broad range of federal water policy, environmental, and natural resources issues. Watts joined Senator Padilla's office in July 2025, bringing more than two decades of experience in federal water policy and appropriations work. Prior to his current position, he served as a Senior Counselor at the Bureau of Reclamation, where he was involved in high-level policy work focused on California water issues. Watt's extensive legislative and executive branch experience includes playing a lead role in drafting and securing enactment of major water provisions in landmark laws such as the Bipartisan Infrastructure Law, the Inflation Reduction Act, and the Water Infrastructure Improvements for the Nation Act. Watt's previously served as Legislative Director and Counsel for Senator Dianne Feinstein.

Attached is the What's Hot Report providing a legislative update. Verbal updates will be provided at the meeting to highlight any updates that have occurred since the writing of the report.

Lobbyist Activities

Presentations from our state advocate, Resolute and federal advocate, Pace Government Relations will occur.

Prepared by: Meggan Quarles, Government Relations Manager

Approved by: Jaymie Bradford, Assistant General Manager

Attachment 1: What's Hot Report – February 11, 2026

WHAT'S HOT REPORT

**Government Relations Department
San Diego County Water Authority**

Meggan Quarles
MQarles@SDCWA.org

Daniel Gaytan
DGaytan@SDCWA.org



**San Diego County
Water Authority**

What's Hot?

State Legislative Activity

As the calendar flips to February, the house of origin deadline for 2-year bills is now behind us. The next big deadline is the bill introduction deadline on February 20. There have been a lot of rumors about the type of water bills that are looming, but until they are in print, we won't know for certain. We anticipate that a large volume of bills will begin to appear in the week leading up to the deadline.

Federal Legislative Activity

Congress has successfully managed to fund a vast majority of the government in a rather bipartisan manner. The funding vehicles enacted also include Congressional directed spending for projects throughout the country for the first time in two years. The Water Authority was a beneficiary of Congressional directed spending as well thanks to Rep. Juan Vargas who included \$250,000 in one of his allocations for our Moosa Canyon Pipeline Replacement Project. The only remaining appropriations bill is the Department of Homeland Security which both Democrats and Republicans widely agree to include changes but are still negotiating which changes.



Rep. Juan Vargas addressing reporters.

State Update

What's Happening Around Sacramento

Prop. 4 APA Exemption- AB 35

AB 35 continues to weave through the legislative process. The bill has already cleared two committees in the Assembly and the Assembly floor. As a reminder this bill intends to offer an exemption for Proposition 4 from the Administrative Procedure Act (APA). Exempting Proposition 4 funding from the APA aligns with long-standing precedent for natural resource bonds and would allow urgently needed projects—such as work on border rivers, water recycling, and wildfire prevention—to move forward without 12- to 18-month administrative delays. These delays run counter to the strong voter mandate for Proposition 4 and the expectation that communities will see timely investment in critical infrastructure.

The bill now heads to the Senate where it will be considered in committee and potentially face amendments.

Prop 4 Funding for Recycled Water Projects

On January 21, 2026, the State Water Resources Control Board (SWRCB) adopted emergency regulations to administer the \$150 million in Proposition 4 (Prop 4) water recycling funds appropriated in the Budget Act of 2025. In November 2024, California voters approved Prop 4 (the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024) which authorized \$10 billion in general obligation bonds, with approximately \$3.8 billion for water-related projects. Approximately \$386 million is designated for projects related to water reuse and recycling. Development of the Integrated Regional Water Management Program guidelines (which will outline the process and criteria for Prop 4 funding for water projects) has been delayed due to the Emergency Regulation process within the Office of Administrative Law. As a result, the guidelines are now anticipated in Fiscal Year 2028.

ACWA Weighs In on Bay-Delta Plan: What to Know

On December 12, the State Water Resources Control Board (State Water Board) announced a Notice of Limited Recirculation and Notice of Availability and Opportunity for Public Comment and Hearing on Revised Draft Sacramento/Delta Updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Watershed (Bay-Delta Plan) and Supporting Draft Staff Report. The State Water Board held a public hearing in late January to discuss the revised draft Sacramento/Delta updates to the Bay-Delta Plan and Chapter 13 of the draft Staff Report.

The Association of California Water Agencies (ACWA) has submitted formal comments to the State Water Board on the latest draft update to the Bay-Delta Plan. ACWA is championing the Healthy Rivers and Landscapes (HRL) Program—a collaborative, science-driven framework

developed by state, federal, and local partners—as the most effective and balanced path forward.

In its letter, ACWA outlines six key concerns and recommendations. First, the association urges the State Water Board to clarify how it intends to implement the unimpaired flow pathway, noting the major implications for water supply and reservoir operations. Second, ACWA identifies significant modeling flaws in Chapter 13 of the draft Staff Report, arguing that the analysis understates HRL contributions and relies on unrealistic mitigation strategies. Third, ACWA calls for the final plan to accurately reflect the HRL Program as negotiated—particularly around agreement structure, flow and habitat accounting, treatment of early habitat projects, Interior Delta flow responsibilities, and the commitment to avoid redirected impacts on State Water Project and Central Valley Project supplies. Fourth, ACWA requests a clear process for onboarding new HRL Program participants. Fifth, the association emphasizes that the HRL Program best protects all beneficial uses of water, from ecosystem health to community reliability. Finally, ACWA urges the State Water Board to adopt the Sacramento/Delta update without further delay.

ACWA argues that the HRL Program offers a more holistic, durable, and equitable approach to restoring the Bay-Delta ecosystem while safeguarding water reliability for millions of Californians. In contrast, the unimpaired flow pathway could impose severe water supply reductions, strain groundwater basins, and create operational uncertainty for agencies across the state. With habitat restoration, species recovery, and water management decisions all time-sensitive, ACWA stresses that timely adoption of the Bay-Delta update is essential to protect both ecological and community needs.

Legislative Calendar

February 20: Bill introduction deadline.

March 26: Spring recess begins upon adjournment.



Federal Update

What's Happening Around DC

Colorado River Update

February 14 is the next deadline for the seven Colorado River Basin States to agree on new water sharing guidelines. Department of Interior (DOI) Secretary Doug Burgum held a convening of governors and negotiators in Washington DC on January 30. Although no breakthrough was achieved, negotiators expressed cautious optimism, even as key issues remain unresolved. DOI will be forced to act if no agreement is made.

In Congress, members are keeping a closer watch on the negotiations as critical deadlines loom. Recently, Rep. David Schwikert (R-AZ) introduced H.R. 7078, the Equal Access to the Colorado River Act. This bill seeks to ensure Arizona is treated fairly during Colorado River shortages by requiring proportional cutbacks across the Lower Basin states based on their original legal apportionments. This bill amends the Colorado River Basin Project Act to ensure that, during times of drought or reduced availability of mainstem Colorado River water, the Lower Basin States, Arizona, California, and Nevada, share water cutbacks proportionally based on their original legal apportionments. This bill does not seem to be a part of any larger coordinated effort in Congress or within the Arizona delegation and does not have any cosponsors.

Additionally, there is a draft bill, the Colorado River Abundance Act, circulated by a recreational advocacy group in the basin. This draft bill seeks to stabilize the Colorado River system by developing up to 7 million acre-feet of new, reliable water supply over time, protecting hydropower generation, and maintaining recreation access at major federal reservoirs. It is unclear if the group has secured an author for this bill and to date it is not in print.

Most legislators in Congress would prefer to allow the basin states to achieve consensus in operating guidelines post-2026. If no consensus is reached, might more legislators seek to force the issue via legislation? We will continue to monitor any new legislation pertaining to the river.

PFAS Updates

On November 13, the EPA proposed a rule under the Toxic Substances Control Act to exempt certain PFAS manufacturers and importers from reporting requirements. The rule would exclude PFAS in articles, low-concentration mixtures, impurities, byproducts, and small research quantities, and it extends the reporting timeline to start 60 days after the final rule and remain open for three months. ACWA submitted a letter expressing concerns with the proposed rule, urging the EPA to maintain and strengthen PFAS reporting for manufacturers and importers and also offer greater support to public water agencies.

Legislators are also closely tracking the EPA's efforts on PFAS mitigation and have introduced a number of bills on the matter. Last year, the Water Authority supported HR 1267, Water Systems PFAS Liability Protection Act. This bill seeks to exempt specified water management entities from liability under CERCLA for releases of certain PFAS.

Legislative Calendar

Feb.16-20: House in district work period



WATER PLANNING AND ENVIRONMENTAL COMMITTEE

**AGENDA FOR
FEBRUARY 26, 2026**

Marty Miller, Chair
Dana Frieauf, Vice Chair
Joel Scalzitti, Vice Chair
Paloma Aguirre
Steve Castaneda
Kathleen Coates-Hedberg
Tim Douglass

Joy Lyndes
Valentine Macedo, Jr.
Neal Meyers
Venus Molina
Rick Paul
Mark Robak
Evan Wahl

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on items contained within this agenda.
4. Chair’s report.
4-A Directors’ comments.

I. CONSENT CALENDAR

II. ACTION/DISCUSSION/PRESENTATION

1. Comprehensive Environmental Mitigation Program Update. Summer Adleberg
(Presentation)
2. Water Supply Conditions Update. (Presentation) Efren Lopez

III. INFORMATION

IV. CLOSED SESSION

V. ADJOURNMENT

Kelly Cole-Walker
Clerk of the Board

NOTE: This meeting is called as a Water Planning and Environmental Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



February 18, 2026

Attention: Water Planning and Environmental Committee

Comprehensive Environmental Mitigation Program Update. (Presentation)

Purpose

To provide an update on the status of the Water Authority's Environmental Mitigation Program (Mitigation Program).

Background

In 1992, the San Diego County Water Authority Board of Directors (Board) authorized the creation of the Mitigation Program as a component of the Capital Improvement Program (CIP). The Mitigation Program benefits the Water Authority by minimizing costs and/or delays in CIP projects and operation and maintenance (O&M) activities. This is accomplished by obtaining programmatic approvals which streamline the environmental permitting and regulatory compliance process.

The Board approved a large-scale multi-species habitat conservation plan, known as the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP), in 2010. An associated implementing agreement (IA) was executed by the Water Authority, US Fish and Wildlife Service, and California Department of Fish and Wildlife the following year. Execution of the IA resulted in the issuance of endangered species incidental take permits that address habitat impacts from CIP projects and O&M activities and cover 63 sensitive plant and animal species.

The NCCP/HCP and IA commit the Water Authority to acquire or create the appropriate biological mitigation sites (or credits) in advance of its covered activities. Additionally, the Water Authority is required to conduct habitat restoration activities in areas temporarily impacted by CIP construction and O&M maintenance. The San Miguel Habitat Management Area (HMA) and San Luis Rey HMA are two of the mitigation sites managed in compliance with the NCCP/HCP. The San Luis Rey HMA project will create, restore, and enhance approximately 42.5 acres of riparian, wetland, and upland habitats. The San Miguel HMA is made up of primarily upland habitat mitigation. In 2017, staff determined there was an excess of mitigation credits and the Board authorized the sale of up to 240 acres of upland credits.

Discussion

Water Authority staff continues to ensure compliance with the NCCP/HCP by overseeing restoration activities and mitigation credit availability. To date, approximately 31 acres of mitigation credits with a value of \$980,585, have been sold from the San Miguel HMA to support the Mitigation Program. The San Luis Rey HMA project began construction in November 2025, and is projected to be completed in 2031. At the February 2026 Water Planning and Environmental Committee meeting, staff will provide an overview of the NCCP/HCP and an update on the status of the Mitigation Program.

Prepared by: Maya Mazon, Senior Water Resources Specialist

Reviewed by: Summer Adleberg, Water Resources Manager
Jeff Stephenson, Director of Water Resources

Approved by: Tish Berge, Deputy General Manager/Chief Operating Officer



February 18, 2026

Attention: Water Planning and Environmental Committee

Water Supply Conditions Update. (Presentation)

Purpose

To provide a presentation on current water supply conditions.

Discussion

Beginning in the fall of each year and continuing through the end of the wet season, staff will provide updates to the Board of Directors via a monthly presentation on water supply conditions.

The presentation contains information on local and statewide water supply conditions, including snowpack, rainfall, and reservoir levels. The presentation also includes information on the rainfall and temperature outlook for the upcoming months.

Prepared by: Efren Lopez, Senior Water Resources Specialist

Reviewed by: Jeff Stephenson, Director of Water Resources

Approved by: Tish Berge, Deputy General Manager/Chief Operating Officer



AGENDA
FORMAL BOARD OF DIRECTORS' MEETING

February 26, 2026
2:00 pm

1. Call to Order.
2. Salute to the flag.
3. Roll call, determination of quorum.
3-A Report on proxies received.
4. Opportunity for members of the public who wish to address the Board on matters within the Board's jurisdiction.
5. Additions to Agenda. (Government code Sec. 54954.2(b)).
6. Approve the minutes of the Special Board of Directors meeting and Formal Board of Directors' meeting of January 22, 2026.
7. **PRESENTATIONS AND PUBLIC HEARINGS**
7-A Employee of the Second Quarter. Dan Denham
Recognition of Debby Dunn, Senior Water Resource Specialist,
for Employee of the Second Quarter. (Presentation)
8. **REPORT BY CHAIRS**
8-A Chair's Report: Nick Serrano

8-B Report of Committee Actions
Administrative and Finance Committee
Engineering and Operations Committee
Imported Water Committee
Legislation and Public Outreach Committee
Water Planning and Environmental Committee
9. **CONSENT CALENDAR**
 - 9.1 Monthly Treasurer's Report on Investments and Cash Flow.
Note and file the monthly Treasurer's Report.
 - 9.2 Resolution adopting the benefit summaries between the Water Authority and unrepresented Confidential, Senior Management and Executive employees covering calendar years 2022 through 2026 for California Public Employees Retirement System (CalPERS) compliance.

Adopt Resolution No. 2026-02, a resolution of the Board of Directors of the San Diego County Water Authority, adopting the amended benefit summaries covering calendar years 2022, 2023, 2024, 2025 and 2026 with unrepresented employees (Confidential, Senior Management and Executive groups).

9.3 Project Labor Agreement determination for the Lake Hodges Hydroelectric Facility Isolation project.

In accordance with Administrative Code section 4.08.070 (Project Labor Agreements), make a determination that the Lake Hodges Hydroelectric Facility Isolation project does not include a requirement for a project labor agreement.

9.4 Approve memorandum of understanding with U.S. Bureau of Reclamation on behalf of the United States Department of Interior for the purpose of exploring a Colorado River Imported Water/Interstate Water Transfer Pilot.

Approve the MOU with the U.S. Bureau of Reclamation to explore planning and implementation activities for interstate transfers.

9.5 Adopt positions on various bills.

Adopt a position of Oppose on H.R. 7078, the Equal Access to the Colorado River Act (Schweikert).

10. ACTION/DISCUSSION/INFORMATION

10-1 Board of Director's Reappointments and Appointments:

Nick Serrano

A. Reappointment of Director Mark Robak, Otay Water District. Term ending January 23, 2032.

B. Reappointment of Director Francisco X. Rivera, Otay Water District. Term ending March 3, 2032.
(Information)

11. SPECIAL REPORTS

11-A GENERAL MANAGER'S REPORT – Mr. Denham

11-B GENERAL COUNSEL'S REPORT – Mr. Edwards

11-C SANDAG REPORT – Director Lyndes

SANDAG Subcommittees: Borders Committee – Director Castaneda

Regional Planning Committee –

11-D AB 1234 Compliance Reports – Directors

12. CLOSED SESSION(S)

David Edwards

- 12-A Conference with Real Property Negotiator
Government Code §54956.8
Property: QSA Portion of Colorado River Water/Carlsbad
Desalination Water
Agency Negotiators: Dan Denham
Negotiating Parties: San Diego County Water Authority, City of
Burbank, Three Valleys Municipal Water District, Eastern
Municipal Water District and Western Municipal Water District
Under Negotiations: Terms and Price

13. ACTION FOLLOWING CLOSED SESSION

14. OTHER COMMUNICATIONS

15. ADJOURNMENT

NOTE: The agendas for the Formal Board meeting and the meetings of the Standing Committees held on the day of the regular Board meeting are considered a single agenda. All information or possible action items on the agenda of committees or the Board may be deliberated by and become subject to consideration and action by the Board.

Kelly Cole-Walker, CMC, CPMC
Clerk of the Board

SPECIAL MEETING
BOARD OF DIRECTORS'
January 22, 2026

1. **CALL TO ORDER**

Vice Chair Hilliker called the Special Board of Directors' meeting to order at 4:32 pm.

2. **ROLL CALL, DETERMINATION OF QUORUM**

Clerk of the Board Walker called the roll. Directors present were Vice Chair Hilliker, and Directors Abdullahi, Acosta, Arant, Ayala, Butkiewicz, Castaneda, Coates-Hedberg, Flesse, Fong-Sakai, Heidemann, Katz, Kerschbaum, Madaffer, Meyers, Miller, Morrison, Norman, Paul, Qualin, Reeh, Rivera, Robak, Sanchez, Scalzitti, and Williams. Absent were Chair Serrano, Secretary Lyndes, and Directors Douglass, Frieauf, Macedo, Molina, Wahl, Whitburn, and Supervisor Aguirre.

Staff present included General Manager Denham, General Counsel Edwards, Deputy General Manager/Chief Operating Officer Berge, Assistant General Manager Bradford, Acting Director of Administrative Services Bartolome, Director of Engineering Kuzmich, Director of Finance Harris, Director of Imported Water Westford, Director of Public Affairs Lee, Financial Planning Manager Rossum, Principal Water Resource Specialist Heide, and Clerk of the Board Walker.

2-A **Report on proxies received.**

There were no proxies.

3. **PUBLIC COMMENT**

There were no requests to speak.

General Counsel Edwards announced the recusal of Chair Serrano, and Directors Douglass, Frieauf, Macedo, Molina, and Whitburn, all of whom were absent from the meeting.

4. **CLOSED SESSION(S)**

Mr. Edwards took the Board into Closed Session at 4:35 p.m.

- 4.1 Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
One Case: Claim available for review upon request

Mr. Edwards brought the Board out of Closed Session at 4:44 p.m. and announced the formation of a Lake Hodges Litigation Work Group which would be Chaired by Director Arant, and include Vice Chair Hilliker, Secretary Acosta, and Directors Coates-Hedberg, Flesse, Heidemann, Meyers, Qualin, and Rivera.



San Diego County
Water Authority

5. **ADJOURNMENT**

Vice Chair Hilliker adjourned the meeting at 4:45 p.m.

Frank Hilliker, Vice Chair (Chair Serrano Recused) _____
Teresa Acosta, Secretary

Kelly Cole-Walker, Clerk of the Board

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
January 22, 2026**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Abdullahi called the Administrative and Finance Committee meeting to order at 9:04 a.m. Committee members present were Chair Abdullahi, Vice Chair Arant, and Directors Acosta, Douglass, Hilliker, Kerschbaum, Morrison, Norman, Qualin, Rivera, Sanchez, Serrano*, Whitburn*, and Williams. Also present were Directors Ayala, Coates-Hedberg, Flesse, Fong-Sakai, Frieauf, Katz, Lyndes, Madaffer, Meyers, Miller, Molina, Paul, Reeh, Robak, and Scalzitti. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Denham, General Counsel Edwards, Deputy General Manager/Chief Operating Officer Berge, Assistant General Manager Bradford, Director of Finance/Treasurer Harris, Acting Director of Administrative Services Bartolome, Controller Woidzik, Budget and Treasury Manager Whyte, and Financial Planning Manager Rossum.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Mr. Javier and Mrs. Javier, members of the public, provided comments.

*Director Whitburn arrived at 9:14 a.m.

CHAIR'S REPORT

There was no Chair's report.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Monthly Treasurer's Report on Investments and Cash Flow.
Staff recommendation: Note and file the monthly Treasurer's Report.
2. 2026 Board meeting dates amendment.
Staff recommendation: Approve amending the September Formal Board of Directors meeting date from September 24, 2026, to September 17, 2026.

Director Acosta moved, Director Hilliker seconded, and the motion to approve the Consent Calendar passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

1. Adopt the Water Authority's 2026 Long-Range Financing Plan.
Staff recommendation: Adopt the 2026 Long-Range Financing Plan including:
 1. Updated Rate Stabilization Fund Policy
 2. Excess Revenue Procedure Policy
 3. Updated Statement of Debt Management and Disclosure Policy

*Director Serrano arrived at 9:16 a.m.

Ms. Berge provided opening remarks, thanked member agencies for their support, and reviewed critical items. Ms. Harris addressed why the Water Authority opposed a maximum debt service coverage ratio and shared three findings from national research supporting the opposition. Mr. Rossum presented on the development and coordination for the 2026 LRFP, Board driven core tenets, findings, and recommendations.

County Supervisor Aguirre made comments on the 2026 Long-Range Financing Plan.

Directors made comments and asked questions, and staff responded.

Director Whitburn moved to approve staff's recommendation with the following changes:

1. Remove the Updated Rate Stabilization Fund Policy.
2. Add language to the LRFP that the Water Authority can drop below a 1.5x coverage ratio if necessary, in order to preserve ratepayer affordability.
3. Add language that a DSCR of 5.0x be considered disproportionate, and trigger staff to present available options to the Board regarding the excessive coverage

Director Serrano seconded, and the motion failed.

Director Rivera moved staff's recommendation, Director Morrison seconded, and the motion passed with the following No votes: Directors Sanchez, Serrano, and Whitburn.

III. INFORMATION

The following Information items were received and filed:

1. Controller's Report on Monthly Financial Statements.
2. Board Calendar.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Abdullahi adjourned the meeting at 10:49 a.m.

WATER PLANNING AND ENVIRONMENTAL COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Miller called the Water Planning and Environmental Committee meeting to order at 11:01 a.m. Committee members present were Chair Miller, Vice Chair Friehauf, and Directors Castaneda*, Coates-Hedberg, Douglass*, Lyndes, Macedo*, Meyers, Molina, Paul, Robak, and Scalzitti. Committee members absent were Director Wahl and Supervisor Aguirre. Also present were Directors Abdullahi, Acosta, Arant, Ayala, Butkiewicz, Flesse, Fong-Sakai, Heidemann, Hilliker, Katz, Kerschbaum, Madaffer, Morrison, Norman, Reeh, Rivera, Sanchez, Whitburn, and Williams. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Denham, General Counsel Edwards, Deputy General Manager/Chief Operating Officer Berge, Assistant General Manager Bradford, Director of Water Resources Stephenson, Water Resources Manager Adleberg, Supervising Management Analyst Burton, and Senior Water Resources Specialist Lopez.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Mr. Javier and Mrs. Javier, members of the public, provided comments.

*Director Macedo arrived at 11:04 a.m.

CHAIR'S REPORT

Chair Miller welcomed Director Douglass to the committee and stated a progress report on the committee's work plan for Calendar Years 2025 and 2026 was included in the Board packet.

DIRECTORS' COMMENTS

Vice Chair Friehauf thanked staff for their participation in the ACWA Conference held in December 2025.

I. CONSENT CALENDAR

There were no items on the Consent Calendar.

II. ACTION/DICUSSION/PRESENTATIONS

1. Approve memorandum of understanding with City of San Diego and County of San Diego for implementation of Integrated Regional Water Management Program activities.
Staff recommendation: Approve the MOU with the City and the County for IRWM planning and implementation activities.

Ms. Adleberg provided background information on the Integrated Regional Water Management (IRWM) Program and an overview of the IRWM planning region. She reviewed the MOU's terms and obligations, ongoing and future activities, and funding.

*Director Douglass arrived at 11:13 a.m., and Director Castaneda arrived at 11:15 a.m.

Vice Chair Friehauf moved, Director Lyndes seconded, and the motion to approve staff's recommendation passed unanimously.

2. Professional services contract with Woodard & Curran for Integrated Regional Water Management Program services.

Staff recommendation: Award a professional services contract, as attached, with such non-material modifications as approved by the General Manager or General Counsel, to Woodard & Curran, for a not-to-exceed amount of \$503,225, with a termination date of June 30, 2029, with the option to extend the contract for up to an additional 18 months, and authorize the General Manager, or designee, to execute the contract.

Ms. Burton reviewed the IRWM Program and explained the need for a professional services contract, consultant selection process, scope of work, and contract details.

Director Coates-Hedberg asked a question and staff responded.

Director Coates-Hedberg moved, Director Molina seconded, and the motion to approve staff's recommendation passed unanimously.

3. Water Supply Conditions Update.

Mr. Lopez provided an update on the first snow survey of Water Year 2026, Northern Sierra snowpack, Northern Sierra Precipitation 8-Station Index, California reservoir storage levels, Lake Oroville storage volume, Colorado River Basin conditions, local precipitation, NOAA outlook, and precipitation and temperature outlooks.

Director Scalzitti asked a question and staff responded.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Water Planning and Environmental Committee, Chair Miller adjourned the meeting at 11:34 a.m.

ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Reeh called the Engineering and Operations Committee meeting to order at 11:41 a.m. Committee members present were Chair Reeh, Vice Chairs Fong-Sakai and Heidemann, and Directors Abdullahi, Arant, Ayala, Butkiewicz, Coates-Hedberg, Flesse, Frieauf, Robak, and Sanchez. Committee members absent were Director Wahl and Supervisor Aguirre. Also present were Directors Acosta, Castaneda, Douglass, Hilliker, Katz, Kerschbaum, Lyndes, Macedo, Madaffer, Meyers, Miller, Molina, Morrison, Norman, Paul, Qualin, Rivera, Scalzitti, Whitburn, and Williams. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Denham, General Counsel Edwards, Deputy General Manager/Chief Operating Officer Berge, Assistant General Manager Bradford, Director of Engineering Kuzmich, and Director of Operations and Maintenance Plajzer.

ADDITIONS TO AGENDA

Chair Reeh deferred Consent Calendar item I-2 due to time constraints.

PUBLIC COMMENT

The following members of the public provided general comments:

1. Mr. Javier
2. Mrs. Javier
3. Mr. Everett

CHAIR'S REPORT

Chair Reeh welcomed Director Sanchez to the Engineering and Operations Committee and highlighted items from the 2025-2026 Engineering and Operations Work Plan progress report. She also thanked staff for pursuing and executing an agreement with the U.S. Department of the Interior – Bureau of Reclamation for a \$3,000,000 WaterSMART grant for the San Luis Rey Wetland Habitat Management Area Restoration Project in December 2025.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Public works contract with Level Crane Systems to furnish and install a 10-ton bridge crane system at the Operations and Maintenance Center in Escondido.
Staff recommendation: Award a public works contract, with non-material Modifications as approved by the General Manager or General Counsel, to Level Crane Systems, in the amount of \$269,086, to furnish and install a 10-ton bridge crane system at the Operations and Maintenance Center (OMC) in Escondido, and authorize the General Manager, or designee, to execute the contract.

2. Project Labor Agreement determination for the Lake Hodges Hydroelectric Facility Isolation project.
Staff recommendation: In accordance with Administrative Code section 4.08.070 (Project Labor Agreements), make a determination that the Lake Hodges Hydroelectric Facility Isolation project does not include a requirement for a project labor agreement.

Director Heideman congratulated staff on the 2025-2026 Engineering and Operations Work Plan.

Director Ayala moved, Director Flesse seconded, and the motion to approve Consent Item 1 passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

There were no Action, Discussion, or Presentation items.

III. INFORMATION

The following Information item was received and filed:

1. Advertisement for bids for the Pipeline 5 Relining Oceanside 5 Flow Control Facility to Huckleberry Lane project.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Reeh adjourned the meeting at 11:59 a.m.

LEGISLATION & PUBLIC OUTREACH COMMITTEE **CALL TO ORDER / ROLL CALL**

Chair Macedo called the Legislation and Public Outreach Committee meeting to order at 12:48 p.m. Committee members present were Chair Macedo, Vice Chairs Acosta and Reeh, and Directors Butkiewicz, Hilliker, Katz, Lyndes, Madaffer, Molina, Morrison, Norman, Qualin, Whitburn, and Williams. Also present were Directors Abdullahi, Arant, Ayala, Castañeda, Coates-Hedberg, Douglass, Flesse, Fong-Sakai, Frieauf, Heidemann, Kerschbaum, Meyers, Miller, Paul, Rivera, Robak, Sanchez, and Scalzitti. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Denham, General Counsel Edwards, Deputy General Manager/Chief Operating Officer Berge, Assistant General Manager Bradford, Public Affairs Director Lee, Legislative Analyst Gaytan, and Public Affairs Representative Carrillo. Also present were legislative representatives Alfredo Arredondo, Devin Rhinerson, and Kevin Eastman.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Mr. Javier and Mrs. Javier, members of the public, provided comments.

CHAIR'S REPORT

Chair Macedo provided highlights of the progress report from the Legislation and Public Outreach Committee work plan and reported that a final report on the work plan would be provided to the Board at the November 2026 board meeting.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Adopt positions on various bills.

Staff recommendation:

- Adopt a position of Support on the Drought Relief Obtained Using Government Help Today Act of 2025 or the "DROUGHT Act of 2025" (Peters).
- Adopt a position of Support on AB 35 (Alvarez), Proposition 4 Administrative Procedure Act (APA) Exemption.

Director Katz moved, Vice Chair Acosta seconded, and the motion to approve the consent calendar passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

1. Government Relations update.

Mr. Gaytan provided information on the Moosa Canyon project and recent meetings with local officials.

1-A Washington report.

Mr. Rhinerson provided an update on federal appropriations and reported a Colorado River hearing would be held in February.

1-B Sacramento report.

Mr. Arredondo provided updates on the proposed budget released by the Governor and current legislative bills.

Mr. Eastman provided an update on recent outreach meetings with officials in Washington D.C.

Directors made comments and asked questions; and staff responded.

2. Quarterly report on Public Affairs Activities.

Mr. Lee introduced Ms. Carrillo, who presented a review of activities completed in the last quarter by Public Affairs staff including digital outreach, social media, campaigns and collaboration with member agencies.

Directors made comments and asked questions; and staff responded.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Legislation and Public Outreach Committee, Chair Macedo adjourned the meeting at 1:44 p.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Meyers called the Imported Water Committee meeting to order at 1:48 p.m. Committee members present were Chair Meyers, Vice Chair Madaffer, and Directors Acosta, Ayala, Castaneda*, Flesse, Fong-Sakai, Heidemann, Katz, Kerschbaum*, Miller, Paul, Rivera, Scalzitti, and Serrano. Also present were Directors Abdullahi, Arant, Butkiewicz, Coates-Hedberg, Douglass, Frieauf, Hilliker, Lyndes, Macedo, Molina, Morrison, Norman, Reeh, Robak, Sanchez, Whitburn, and Williams. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Denham, General Counsel Edwards, Deputy General Manager/Chief Operating Officer Berge, Assistant General Manager Bradford, Director of Imported Water Westford, Colorado River Manager Schnell, and Principal Water Resource Specialist Heide.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

*Director Castaneda and Kerschbaum arrived at 1:50 p.m.

PUBLIC COMMENT

Mr. Javier and Mrs. Javier, members of the public, provided general comments.

CHAIR'S REPORT

Chair Meyers stated a progress report on the committee's work plan for Calendar Years 2025 and 2026 was included in the Board packet.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no items on the Consent Calendar.

II. ACTION/DICUSSION/PRESENTATIONS

1. MWD Issues and Activities Update.
 - 1-A Metropolitan Water District Delegates Report.

MWD Delegates Fong-Sakai, Katz, Denham, and Miller reported on discussion and actions taken at the MWD Board meetings.

- 1-B Metropolitan Water District of Southern California CAMP4W Update.

Chair Myers deferred item 1-B to a future agenda.

4. Colorado River Board Representative's report.

Vice Chair Madaffer presented on the Bureau of Reclamation's Colorado River "Voice of the Basin" conference.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

Closed Session item IV-1 was deferred to the Formal Board meeting.

1. Conference with Real Property Negotiator
Government Code §54956.8
Property: QSA Portion of Colorado River Water/Carlsbad Desalination Water
Agency Negotiators: Dan Denham
Negotiating Parties: San Diego County Water Authority, City of Burbank, Three Valleys Municipal Water District, Eastern Municipal Water District and Western Municipal Water District
Under Negotiations: Terms and Price

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Meyers adjourned the meeting at 2:21 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF JANUARY 22, 2026

1. **CALL TO ORDER**

Chair Serrano called the Formal Board of Directors' meeting to order at 2:30 p.m.

2. **SALUTE TO THE FLAG**

Vice Chair Hilliker led the salute to the flag.

3. **ROLL CALL, DETERMINATION OF QUORUM**

Clerk of the Board Walker called the roll. Directors present were Chair Serrano, Vice Chair Hilliker, and Directors Abdullahi, Acosta, Arant, Ayala, Butkiewicz, Castaneda, Coates-Hedberg, Douglass, Flesse, Fong-Sakai, Frieauf, Heidemann, Katz, Kerschbaum, Macedo, Madaffer, Meyers, Miller, Molina, Morrison, Norman, Paul, Qualin, Reeh, Rivera, Robak, Sanchez, Scalzitti, Whitburn, and Williams. Absent were Secretary Lyndes(p), and Directors Wahl(p), and Supervisor Aguirre.

Staff present included General Manager Denham, General Counsel Edwards, Deputy General Manager/Chief Operating Officer Berge, Assistant General Manager Bradford, Acting Director of Administrative Services Bartolome, Director of Engineering Kuzmich, Director of Finance Harris, Director of Human Resources Love, Director of Imported Water Westford, Director of Operations & Maintenance Plajzer, Director of Public Affairs Lee, Director of Water Resources Stephenson, Controller Woidzik, Principal Human Resource Analyst Lever-Santos, and Clerk of the Board Walker.

3-A **Report on proxies received.**

Director Arant was the proxy for Director Wahl, and Director Frieauf was the proxy for Secretary Lyndes.

4. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD'S JURISDICTION.**

There were two public speakers as follows:

- 1) Mrs. Javier, member of the public, provided general comments.
- 2) Mr. Javier, member of the public, provided general comments.

5. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

6. **APPROVAL OF MINUTES**

Director Scalzitti moved, Director Molina seconded, and the motion carried unanimously to approve the minutes of the Formal Board of Directors' meeting of November 20, 2025.

7. **PRESENTATIONS AND PUBLIC HEARINGS**

7-1 Public Hearing regarding vacancies, and recruitment and retention efforts pursuant to Government Code Section 3502.3.

Chair Serrano opened the Public Hearing at 2:40 p.m.

Ms. Love and Ms. Lever-Santos presented the annual report pursuant to Government Code Section 3502.3.

Hearing no requests to speak, Chair Serrano closed the Public Hearing at 2:53 p.m.

8. **REPORT BY CHAIRS**

8-A Chair's Report: Chair Serrano reminded the Board of the Administrative Code rules regarding per diem and expense reimbursement claims, and deadlines for filing annual Form 700 Statement of Economic Interest forms.

Chair Serrano announced the following committee appointments following Director resignations: Director Katz to Imported Water Committee Vice Chair, Director Scalzitti to Water Planning & Environmental Committee Vice Chair, and Director Douglass to the Audit Committee. He also announced a vacancy on SANDAG's Regional Planning Committee and asked interested Directors to contact him.

Chair Serrano announced applications would open in February for the Spring Citizens Water Academy class scheduled for late April of 2026 and encouraged attendance.

Chair Serrano reported on his attendance at events during December 2025 to include meetings with US Senator's Alex Padilla and Adam Schiff in Washington DC, and the Colorado River Water Users Conference in Las Vegas.

8-B Report of Committee Actions
Administrative and Finance Committee
Water Planning and Environmental Committee
Engineering and Operations Committee
Legislation and Public Outreach Committee
Imported Water Committee

Ms. Walker reported on all committee actions.

9. **CONSENT CALENDAR**

Director Scalzitti moved, Director Acosta seconded, and the motion carried unanimously to approve Consent Calendar items 9.1 through 9.6, and 9.8. Consent item 9.7 was tabled. Directors voting no or abstaining on individual items are listed under the item.

- 9.1 Monthly Treasurer's Report on Investments and Cash Flow.
Note and file the Treasurer's report.
- 9.2 2026 Board meeting dates amendment.
Approve amending the September Formal Board of Directors meeting date from September 24, 2026, to September 17, 2026.
- 9.3 Adopt the Water Authority's 2026 Long-Range Financing Plan.
Adopt the 2026 Long-Range Financing Plan including:
1. Updated Rate Stabilization Fund Policy
 2. Excess Revenue Procedure Policy
 3. Updated Statement of Debt Management and Disclosure Policy

Director Paul voted No, and Director Whitburn abstained on 9.3. Item passed at 96.422%

- 9.4 Approve memorandum of understanding with City of San Diego and County of San Diego for implementation of Integrated Regional Water Management Program activities.
Approve the MOU with the City and the County for IRWM planning and implementation activities.
- 9.5 Professional services contract with Woodard & Curran for Integrated Regional Water Management Program services.
Award a professional services contract, with such non-material modifications as approved by the General Manager or General Counsel, to Woodard & Curran, for a not-to-exceed amount of \$503,255, with a termination date of June 30, 2029, with the option to extend the contract for up to an additional 18 months, and authorize the General Manager, or designee, to execute the contract.
- 9.6 Public works contract with Level Crane Systems to furnish and install a 10-ton bridge crane system at the Operations and Maintenance Center in Escondido.
Award a public works contract, with non-material modifications as approved by the General Manager or General Counsel, to Level Crane Systems, in the amount of \$269,086, to furnish and install a 10-ton bridge crane system at the Operations and Maintenance Center (OMC) in Escondido, and authorize the General Manager, or designee, to execute the contract.

Director Paul voted No on 9.6. Item passed at 96.422%

Item 9.7 was tabled.

- 9.8 Adopt positions on various bills.
Adopt a position of Support on the Drought Relief Obtained Using Government Help Today Act of 2025 or the "DROUGHT Act of 2025" (Peters).
and;
Adopt a position of Support on AB 35 (Alvarez), Proposition 4 Administrative Procedure

Act (APA) Exemption.

10. **ACTION/DISCUSSION/INFORMATION**

10-1 **Board Officer Appointment.**

Staff recommendation: The Board of Directors must vote on a replacement if a position as officer of the Board becomes vacant.

Chair Serrano announced the resignation of Board Secretary Lyndes in her Officer position. He stated she would continue to serve as a Board member, and he thanked her for her service as a Board Officer.

Chair Serrano made a motion nominating Director Teresa Acosta for the position of Board Secretary and introduced Director Acosta to address the Board. Director Acosta accepted the nomination and provided brief comments.

Chair Serrano called for additional nominations from the floor. Hearing no further nominations, Chair Serrano moved, Director Katz seconded, and the motion to appoint Director Acosta to Board Secretary passed unanimously. Directors commented and congratulated Secretary Acosta on her appointment.

10-2 **Board of Director Retirement Resolution:**

Director Ditas Yamane, City of National City.

Adopt Resolution No. 2026-01, a Resolution of the Board of Directors of the San Diego County Water Authority, honoring Ditas Yamane upon her retirement from the Board of Directors.

Chair Serrano announced the retirement of Director Yamane. He reviewed her representation on the Board of Directors and thanked her for her service.

Vice Chair Hilliker moved, Director Scalzitti seconded, and the motion carried unanimously to approve Resolution No. 2026-01, honoring Director Ditas Yamane.

10-3 **Board of Director's Reappointments and Appointments:**

A. **Director Simeon Burt Williams, Camp Pendleton Marine Corps Base.**

Reappointment of Director Burt Williams, representing Camp Pendleton Marine Corps Base. Term ending January 12, 2032.

and;

B. **Director Gary Arant, Valley Center Municipal Water District.**

Reappointment of Director Gary Arant, representing Valley Center Municipal Water District. Term ending January 13, 2032.

and;

- C. Director Eric Heidemann, City of Poway.
Reappointment of Director Eric Heidemann, representing the City of Poway. Term ending April 22, 2032.

Chair Serrano announced the reappointment of Directors Williams, Arant, and Heidemann, and congratulated them on renewed six-year terms.

- E. Director Tim Douglass, City of San Diego.
Appointment and credentials of Director Tim Douglass, representing the City of San Diego. Term ending February 4, 2028.

Chair Serrano announced the appointment of Director Douglass, representing the City of San Diego. He congratulated Director Douglass and welcomed him to the Board of Directors. Director Douglass commented briefly.

- D. Director Esther Sanchez, City of Oceanside.
Appointment and credentials of Director Esther Sanchez, representing the City of Oceanside. Term ending December 14, 2028.

Chair Serrano announced the appointment of the City of Oceanside's Mayor Esther Sanchez to the Water Authority Board. He congratulated Director Sanchez on her appointment and welcomed her to the Board of Directors. Director Sanchez commented briefly.

- F. City of National City Appointment.
Appointment and credentials of Director Ron Morrison, representing the City of National City. Term ending March 8, 2032.

Chair Serrano announced the appointment of the City of National City's Mayor Ron Morrison to the Water Authority Board. He congratulated him on the appointment and welcomed him back to the Board of Directors. Director Morrison commented briefly.

11. **SPECIAL REPORTS**

- 11-A GENERAL MANAGER'S REPORT – Mr. Denham provided a brief update on the San Vicente Storage Project.
- 11-B GENERAL COUNSEL'S REPORT – Mr. Edwards provided further comments and legislative updates on the San Vicente Storage Project. A written report was also provided in the Board packet.
- 11-C SANDAG REPORT – No report was provided.
SANDAG Subcommittees:

Borders Committee – No report was provided.
Regional Planning Committee – No report was provided.

11-D AB 1234 Compliance Reports – There were none.

12. **CLOSED SESSION(S)**

Mr. Edwards took the Board into Closed Session at 3:14 p.m.

12-A Conference with Real Property Negotiator
Government Code §54956.8
Property: QSA Portion of Colorado River Water/Carlsbad Desalination Water
Agency Negotiators: Dan Denham
Negotiating Parties: San Diego County Water Authority, City of Burbank,
Three Valleys Municipal Water District, Eastern Municipal Water District and
Western Municipal Water District
Under Negotiations: Terms and Price

Chair Serrano brought the Board out of Closed Session at 4:29 p.m. with no reportable action.

13. **ACTION FOLLOWING CLOSED SESSION**

There was none.

14. **OTHER COMMUNICATION**

There was none.

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Serrano adjourned the meeting at 4:30 p.m.

Nick Serrano, Chair

Frank Hilliker, Vice Chair

Kelly Cole-Walker, Clerk of the Board



DATE: February 18, 2026
TO: Board of Directors
FROM: David Edwards, General Counsel
RE: Otay Water District Reappointment of Board Member.

Transmitted herewith is notification submitted by Otay Water District reappointing Board Member Mark Robak. Director Robak's revised term end date is January 23, 2032.

The credentials furnished are sufficient for the appointment and reappointment of representatives on the Water Authority Board of Directors.

David Edwards
General Counsel

Attachment – Otay Water District Resolution No. 4465

RESOLUTION NO. 4465

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT CONSENTING TO AND APPROVING THE APPOINTMENT OF MARK ROBAK AS A REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY (SECOND SEAT)

WHEREAS, Section 6(d) of the County Water Authority Act (Chapter 545 of the Statutes of 1943, Chapter 45 Water Code) provides that, in addition to its one representative, each member agency may, at its option, designate and appoint one additional representative under certain conditions; and

WHEREAS, the Board of Directors (Board) of the Otay Water District (District) previously consented to and approved the designation and appointment of Mark Robak to serve as the District's second representative on the San Diego County Water Authority Board of Directors ("CWA Board") on January 8, 2025, due to the resignation of Mr. Timothy Smith; and

WHEREAS, Mr. Robak's term as a designated and appointed representative of the District to the CWA Board expires on January 23, 2026; and

WHEREAS, the District proposes, and this Board desires to consent to and approve, the designation and appointment of Mark Robak as the District's second representative to the CWA Board. The term expires on January 23, 2032.

NOW, THEREFORE, it is hereby resolved, ordered and determined by the Board of Directors of the Otay Water District as follows:

SECTION 1. This Board of Directors hereby consents to and approves the designation and appointment of Mark Robak as the District's second representative on the Board of Directors of the San Diego County Water Authority for the term ending on January 23, 2032.

SECTION 2. The President of the District's Board, the General Manager of the District, the District's Secretary and their designees are hereby authorized to take any action required to be taken on behalf of the District to carry out the purpose of this Resolution.

SECTION 3. This Resolution shall be effective as of the date it is adopted.

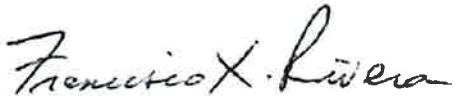
PASSED, APPROVED AND ADOPTED by the Otay Water District Board of Directors at a regular meeting held this 7th day of January, 2026.

AYES: Directors Rivera, Croucher, Gonzalez, Robak, and Lopez

NOES: None

ABSENT: None

ABSTAIN: None



President

ATTEST:



District Secretary



DATE: February 18, 2026
TO: Board of Directors
FROM: David Edwards, General Counsel
RE: Otay Water District Reappointment of Board Member.

Transmitted herewith is notification submitted by Otay Water District reappointing Board Member Francisco X. Rivera. Director Riveras revised term end date is March 3, 2032.

The credentials furnished are sufficient for the appointment and reappointment of representatives on the Water Authority Board of Directors.

David Edwards
General Counsel

Attachment – Otay Water District Resolution No. 4469

RESOLUTION NO. 4469

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT CONSENTING TO AND APPROVING THE APPOINTMENT OF FRANK RIVERA AS A REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY (FIRST SEAT)

WHEREAS, Section 6(d) of the County Water Authority Act (Chapter 545 of the Statutes of 1943, Chapter 45 Water Code) provides that, in addition to its one representative, each member agency may, at its option, designate and appoint one additional representative under certain conditions; and

WHEREAS, the Board of Directors (Board) of the Otay Water District (District) previously consented to and approved the designation and appointment of Frank Rivera to serve as the District's first representative on the San Diego County Water Authority Board of Directors ("CWA Board") on October 1, 2025; and

WHEREAS, Mr. Rivera's term as a designated and appointed representative of the District to the CWA Board expires on March 3, 2026; and

WHEREAS, the District proposes, and this Board desires to consent to and approve, the designation and appointment of Frank Rivera as the District's first representative to the CWA Board, said term expiring on March 3, 2032.

NOW, THEREFORE, it is hereby resolved, ordered, and determined by the Board of Directors of the Otay Water District as follows:

SECTION 1. This Board of Directors hereby consents to and approves the designation and appointment of Frank Rivera as the District's first representative on the Board of Directors of the San Diego County Water Authority for the term ending on March 3, 2032.

SECTION 2. The President of the District's Board, the General Manager of the District, the District's Secretary, and their designees are hereby authorized to take any action required to be taken on behalf of the District to carry out the purpose of this Resolution.

SECTION 3. This Resolution shall be effective as of the date it is adopted.

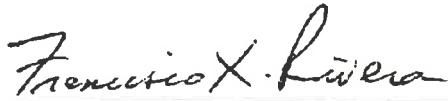
PASSED, APPROVED AND ADOPTED by the Otay Water District Board of Directors at a regular meeting held this 4th day of February 2026.

AYES:

NOES:

ABSENT:

ABSTAIN:



President

ATTEST:



District Secretary



February 18, 2026

Attention: Board of Directors

General Counsel’s Report – January/February 2026

Purpose

This report discusses certain meaningful legal matters receiving attention during the months of January/February 2026.

Significant Developments in Pending Litigation

City of San Diego and SDCWA v. CA State Water Resources Control Board

This is a longstanding dispute over annual regulatory fees paid to the SWRCB for our pending potential San Vicente pumped storage project, which fees are split by the Water Authority and the City of San Diego. All fees have been paid under protest by the agencies. The case is in Sacramento Superior Court and should soon be set for trial. Legal costs are split by the Water Authority and the City of San Diego.

The General Counsel met with the SWRCB on September 20, 2023 to discuss potential settlement. The parties met again on November 9, 2023 and the City and SDCWA agreed to draft a proposed settlement agreement.

Following our most recent settlement meeting, the SWRCB billed the SDCWA for its 2023-2024 regulatory fees in the amount of \$359,500. In response, the GC’s office contacted in-house counsel at the SWRCB and procured an agreement to forgo collection of fees while the parties continued to negotiate. On December 12, 2023, the SDCWA along with the City, filed a timely Petition for Reconsideration, which stopped the clock on fee collection. We have a settlement agreement prepared for submittal to the SWRCB and expect further negotiation.

The parties continue to discuss resolution.

Amicus Issues

None.

Requests Pursuant to the Public Records Act (January 8 – February 6, 2026)

<u>Requestor</u>	<u>Documents Requested</u>
The San Diego Union-Tribune	Severance Agreements from January 1, 2021 to January 27, 2026

Shrewd Consulting, J.F. Shea Contract for Pipeline 5 Relining Project
LLC

Prepared by: David J. Edwards, General Counsel
Attachment: Special Counsel Expenditure Report

**General Counsel's Office
Special Counsel Expenditure Report
(January/February 2026)**

On-going Litigation

Special Counsel	Project	Total \$ Expended for Jan/Feb 2026 (Fees & Costs)
Dean Gazzo Roistacher LLP	Mission Trails Flow Control Facility	Privileged ¹
Eanet PC	Confidential Matter	Privileged
	Employee Matter	Privileged

Non-Litigation

Special Counsel	Project	Total \$ Expended for Jan/Feb 2026 (Fees & Costs)
Liebert Cassidy Whitmore	Personnel Issues	\$5,044.50 (OP)
Van Ness Feldman	San Vicente Water Storage Facility Project	\$545.00 (CIP)

¹ The California Supreme Court has held that the amounts of monthly legal bills for ongoing litigation have privileged status, as they may disclose litigation strategy. *Los Angeles County Bd. of Supervisors v. Superior Court*, (2016) 2 Cal. 5th 282, 286.



February 18, 2026

Attention: Board of Directors

CLOSED SESSION:

Conference with Real Property Negotiator

Government Code §54956.8

Property: QSA Portion of Colorado River Water/Carlsbad Desalination Water

Agency Negotiators: Dan Denham

Negotiating Parties: San Diego County Water Authority, City of Burbank, Three Valleys Municipal Water District, Eastern Municipal Water District and Western Municipal Water District

Under Negotiations: Terms and Price

Purpose

This memorandum is to recommend a closed session, pursuant to Government Code §54956.8 to discuss the above-referenced matter at the February 26, 2026 meeting.

Prepared by: David J. Edwards, General Counsel