UPPER WATER

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

BOARD OF DIRECTORS SPECIAL MEETING

November 18, 2026
4:00 PM

626 443 2297
www.upperdistrict.org
248 E. Foothill Blvd., Suite 200 – Monrovia, CA. 91016
info@usgvmwd.org

Securing Water Resilience for the San Gabriel Valley

248 E. Foothill Blvd., Suite 200
Monrovia, CA, 91016
P: 626-443-2297
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upperwater.org

A SPECIAL MEETING OF THE BOARD OF DIRECTORS

Wednesday, November 18, 2026
4:00 PM

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF BOARD OF DIRECTORS
4. ADOPTION OF AGENDA
5. PUBLIC COMMENT

   As provided under Government Code Section 54954.3, members of the public may address the Board on items considered on this agenda, as well as items not on the agenda that are within the jurisdiction of the Board. Please complete the appropriate speaker's card and submit it to the Board Secretary. A three-minute time limit on remarks is requested.

6. COMMITTEE REPORTS

   a) Administration and Finance Committee (Santana, Chair – Treviño, Vice-Chair) Minutes of meeting held on November 3, 2026, enclosed.

   b) Government Affairs and Community Outreach Committee (Fellow, Chair-Chavez, Vice-Chair) Minutes of meeting held on November 4, 2026, enclosed.

7. CONSENT CALENDAR

   a) Minutes of a regular meeting of the Board of Directors held on October 28, 2026 at 4:30 p.m.

   b) List of Demands

   c) Financial Reports

      1. Financial Summary

      2. Director's Public Outreach

   d) FY26–27 Water Education Grant Program

   e) Professional Services Agreement with Aaron Read & Associates, LLC

   f) Professional Services Agreement with Best, Best and Krieger

8. PRESENTATIONS

   a) Turnkey Turf Transformation Program

9. ACTION/DISCUSSION ITEMS

   a) Annual Comprehensive Financial Report FY25-26

Recommendation

Staff recommends the Board of Directors receive and file the Annual Comprehensive Financial Report for FY25-26.

b) Proposed Amendments to Policy Section 2.5 – Board Compensation and Reimbursement

Recommendation

Staff recommends the Board of Directors approve the proposed amendments to Policy Section 2.5 – Board Compensation and Reimbursement of Upper Water's Policy Manual.

c) Proposed Amendments to Policy Section 3.5 – Vehicle Use

Recommendation

Staff recommends the Board of Directors approve the proposed amendments to Policy Section 3.5 – Vehicle Use of Upper Water's Policy Manual.

d) Executive Management Manual Update

Recommendation

Staff recommends the Board of Directors approve the proposed amendments to Upper Water's Executive Management Personnel Manual.

10. INFORMATION ITEMS

a) Press Releases and News Articles

11. GENERAL REPORTS

a) Attorney's Report

b) Engineer's Report

c) General Manager's Report

d) Metropolitan Report

e) Water Quality Authority Report

f) Watermaster Report

12. DIRECTOR'S COMMENTS

13. FUTURE AGENDA ITEMS

14. ADJOURN TO CLOSED SESSION

15. ADJOURNMENT

To a regular meeting of the Board of Directors to be held on December 16, 2026, at 4:30 p.m. at 248 E. Foothill Blvd. Room #103, Monrovia, CA 91016.

American Disabilities Act Compliance *(Government Code Section 54954.2(a))*
To request special assistance to participate in this meeting, please contact the District office at (626) 443-2297.

PRESIDENT KATARINA GARCIA, PRESIDING

UPPER WATER
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

248 E. Foothill Blvd., Suite 200
Monrovia, CA, 91016

P: 626-443-2297

E: info@usgvmwd.org

MEMORANDUM

6.a.
COMMITTEE REPORT

November 3, 2026

TO: BOARD OF DIRECTORS

FROM: ADMINISTRATION AND FINANCE COMMITTEE MEETING AND SPECIAL MEETING OF THE BOARD OF DIRECTORS

SUBJECT: MINUTES OF THE ADMINISTRATION AND FINANCE COMMITTEE AND SPECIAL MEETING OF THE BOARD OF DIRECTORS – November 3, 2026

ATTENDANCE:

Jennifer Santana (Chair)	Tom Love	Martin Koczanowicz
Katarina Garcia	Albert Trinh	Alexis Silva
Ed Chavez	Patty Cortez	Yesenia Bugarin
	Jeffrey McKennan (Zoom)	

1. **Call to Order.**

2. **Public Comment.** None.

3. **Proposed Amendments to Policy Section 2.5 - Board Compensation and Reimbursement**

   Tom Love, General Manager, presented proposed amendments to Policy Section 2.5 – Board Compensation and Reimbursement. The amendments update compensation and reimbursement amounts, clarify IT equipment reimbursement requirements, and revise expense receipt procedures. The policy will also be reviewed annually in conjunction with the District's budget review and adoption. Staff noted that revisions were made to clarify language and ensure consistency with current laws and regulations.

   Due to lack of committee quorum, the item was moved with no recommendation to the Board of Directors for full consideration.

4. **Proposed Amendments to Policy Section 3.5 – Vehicle Use**

   Tom reviewed proposed amendments to Policy Section 3.5 – Vehicle Use, which clarify employee requirements and responsibilities when operating District vehicles, including reinforcing that District vehicles are not to be used for personal purposes. The amendments also require employees to complete defensive driving training through the District's insurance provider, ACWA JPIA, before operating a District vehicle. Staff is working with ACWA JPIA to clarify additional insured requirements and will provide an update before the item is presented to the Board of Directors.

Due to lack of committee quorum, the item was moved with no recommendation to the Board of Directors for full consideration.

5. Executive Management Manual Update

Tom presented revisions to the Executive Management Manual which are consistent with allowances provided to the Directors. This change is to ensure that Director benefits and reimbursements do not exceed the amounts provided to the District's highest employee classification, per state law.

Due to lack of committee quorum, the item was moved with no recommendation to the Board of Directors for full consideration.

6. Annual Comprehensive Financial Report

Jeffrey McKennan of Rogers, Anderson, Malody & Scott, LLP (RAMS) provided an overview of the annual audit process. He reported that the District received an unmodified (clean) audit opinion, with no significant accounting issues identified.

Albert Trinh, Finance Manager, reviewed the District's financial statements and highlighted key changes from the prior fiscal year. He reported that net position increased from $72 million to $74.4 million, primarily due to the year's surplus. He discussed the contribution to the pension trust fund and related investment earnings. He mention that there were some changes to statement of revenue, expense, and change in net position due to the implementation of GASB 103. Finally, he explained that the net surplus of approximately $2.4 million came primarily from three sources, each contributing about $700,000: revenue from the cyclical water purchase through Watermaster, net income from recycled water, and investment earnings. The remaining balance resulted from surplus surcharge revenue and savings on certain expenses.

7. Other Matters:

None.

NEXT MEETING: T.B.D.
cc: General Manager

UPPER WATER
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Monrovia, CA, 91016

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MEMORANDUM

ITEM 6.b.
COMMITTEE REPORT

November 18, 2026

TO: BOARD OF DIRECTORS

FROM: GOVERNMENT AFFAIRS AND COMMUNITY OUTREACH COMMITTEE MEETING AND SPECIAL MEETING OF THE BOARD OF DIRECTORS

SUBJECT: MINUTES OF THE GOVERNMENT AFFAIRS AND COMMUNITY OUTREACH COMMITTEE AND SPECIAL MEETING OF THE BOARD OF DIRECTORS – NOVEMBER 4, 2026

ATTENDANCE:

Anthony Fellow (Chair)	Charles Treviño	Martin Koczanowicz
Ed Chavez (Vice-Chair)	Patty Cortez	Katherine Vazquez
Katarina Garcia	Ana Schwab	Yesenia Bugarin
Jennifer Santana	Terry McHale	Alexis Silva

1. **Call to Order.**

2. **Public Comment.** None.

3. **Legislative Update**

   a. **Washington D.C.**

   Ana Schwab of Best, Best & Krieger (BBK) provided an early update on the midterm election results and their implications for the upcoming 120th Congress. Ana reported that Democrats had secured control of both the U.S. Senate and the House of Representatives. With the shift in congressional control, significant changes to committee leadership, assignments, and congressional priorities are expected in the coming year. Congress is scheduled to return to Washington, D.C., on November 9th to complete remaining legislative business for the current session while also beginning preparations for the incoming Congress.

   Ana noted that several major legislative items must be addressed before the end of the year, including a federal government funding package, the National Defense Authorization Act, the Farm Bill, surface transportation legislation, and the National Flood Insurance Program. She also highlighted the anticipated consideration of a bipartisan permitting reform package and the possibility that lawmakers may address the federal debt limit as part of an end-of-year legislative package.

   Director Chavez and Director Fellow asked about the process for filling the Senate seats currently held by Senator Amy Klobuchar and Senator Marsha Blackburn following their respective

elections as Governors of Minnesota and Tennessee. Ana also provided an update on several key congressional races, including the race involving Representative Ken Calvert in California's 40th Congressional District following redistricting.

Director Chavez inquired about the potential impacts of the new congressional makeup on water and infrastructure priorities. Ana emphasized that water infrastructure has typically received bipartisan support. While changes in committee leadership may influence policy discussions and priorities, she noted significant opportunities remain for bipartisan cooperation.

b. **Sacramento**

Tery McHale, from Aaron Read & Associates, provided his overview of California's election results, describing them as a major victory, or "blue tsunami," for Democrats. Democrats maintained control of all statewide constitutional offices with remarkably consistent vote percentages, demonstrating strong party unity, while Republicans suffered losses in several key legislative races. Terry also highlighted the election of California's first elected Latino governor, Xavier Becerra, and reviewed several ballot measure results. In his report, Terry noted the expected defeat of the proposed "billionaire tax." Meanwhile, voters approved propositions related to housing, increasing the state's rainy-day fund, and extending the tax on high-income earners. However, voters rejected a measure that would have lowered the voter approval threshold for certain local tax measures.

Terry then discussed the potential implications of the election results for water policy and infrastructure. He emphasized that water issues in California have largely been championed by Democratic lawmakers, who often view access to safe, reliable water as a moral issue, rather than a business concern. He expressed optimism that the new political landscape could support continued attention to water affordability, infrastructure investment, and supply reliability.

Terry concluded his report with the observation that, as Democrats continue to hold a strong majority in California, future policy debates may occur more within the Democratic Party than between Democrats and Republicans.

4. <u>Professional Services Agreement with Aaron Read & Associates, LLC</u>

Patty Cortez, Assistant General Manager, presented a staff memorandum regarding a professional services agreement with Aaron Read & Associates, LLC for state advocacy services for the 2027-2028 legislative session. The proposed agreement would continue the District's relationship with the firm under a two-year contract with a monthly retainer of $10,000 and a total not to exceed maximum of $245,000. Ms. Cortez noted that following Steve Baker's retirement, Terry McHale assumed responsibility for the District's state advocacy efforts and has played a key role in advancing and communicating the District's legislative priorities.

The Committee approved the staff recommendation (2-0) and moved the item for full Board approval.

5. Professional Services Agreement with Best, Best and Krieger

Ms. Cortez presented a staff recommendation to continue Best, Best & Krieger (BBK) as the District's federal advocacy representative for the 2027-2028 congressional session. Ms. Cortez highlighted BBK's success in advancing the District's interests on federal issues including Waters of the United States (WOTUS) and the Public Lands Act. The proposed agreement would provide federal advocacy services under a two-year contract with a monthly retainer of $9,000 with a total not to exceed maximum of $221,000. Staff further recommended a budget adjustment increasing the District's lobbying budget by $2,100 in FY 2026/27 and $10,200 in FY 2027/28 to accommodate the increased retainer.

The Committee approved the staff recommendation (2-0) and moved the item for full Board approval.

6. FY26–27 Water Education Grant Program

Katherine Vazquez, Water Resource Analyst I, presented to the Committee the Fiscal Year 2026-27 Water Education Grant Program, recommending approval of 22 qualifying applications totaling approximately $18,976 while declining six applications that did not meet program requirements due to insufficient water education components. Committee members commended staff for providing clear guidance to applicants and requested that staff communicate the reasons for the denial of the ineligible applications to the respective applicants. The committee agreed that funding should remain focused on projects that directly support the educational objectives of the Water Education program.

The Committee approved the staff recommendation (2-0) and moved the item for full Board approval.

7. FY25–26 Outreach Year End Review

Yesenia Bugarin, Community Outreach Specialist, presented the District's annual outreach review, highlighting the success of numerous community events, educational initiatives, and conservation programs conducted throughout the year. Yesenia discussed the continued growth of the District's social media presence through short-form videos, newsletters, and new water awareness campaigns, as well as the success of the district's conservation programs, which were largely funded through external grants. Looking ahead, she emphasized the District's commitment to fostering meaningful programs, strengthening partnerships, expanding community outreach, and increasing overall public engagement throughout the service area.

8. Other Matters. None.

NEXT MEETING: TBD
cc: General Manager

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
Regular Board Meeting Minutes
Wednesday, October 28, 2026 | 4:30 pm

A regular meeting of the Board of Directors was called to order at 4:30 pm at the district office located at 248 E. Foothill Blvd, Rm. 103, Monrovia, California. The presiding officer was President Katarina Garcia.

CALL TO ORDER — Board President Garcia called the meeting to Order

PLEDGE OF ALLEGIANCE — Board President Garcia led the Pledge of Allegiance

ROLL CALL

DIRECTORS PRESENT:	Treviño, Santana, Chavez, and Garcia.
DIRECTORS ABSENT:	Fellow
STAFF PRESENT:	Tom Love, General Manager; Patty Cortez, Assistant General Manager; Martin Koczanowicz, District Counsel; Albert Trinh, Finance Manager; Steve Johnson, District Engineer; Joyce Golestani, Executive Assistant/ Board Secretary I; Katherine Vasquez, Water Resources Analyst I; Alexis Silva, Public Affairs Assistant; Yesenia Bugarin, Community Outreach Specialist
OTHERS PRESENT:	Jose Martinez, Lenet Pacheco, David Muse, Justin Nakano

ADOPTION OF AGENDA

On motion by Director Chavez, second by Director Treviño, the agenda was adopted by the following roll call vote:

AYES: TREVIÑO, SANTANA, CHAVEZ, AND GARCIA
NOES: NONE
ABSTAIN: NONE
ABSENT: FELLOW

MOTION PASSED: 4-0-1

PUBLIC COMMENT

None.

COMMITTEE REPORTS

None.

CONSENT CALENDAR

On motion by Director Treviño, seconded by Director Chavez, the consent calendar was approved by the following vote:

AYES: TREVIÑO, SANTANA, CHAVEZ, AND GARCIA
NOES: NONE
ABSTAIN: NONE
ABSENT: FELLOW

MOTION PASSED: 4-0-1

(a.) Minutes of the regular meeting of the Board of Directors held on October 14, 2026, at 4:30 PM.

PRESENTATIONS

(a.) LA County Public Works – El Niño Preparedness

Lee Miller, Community Liaison with LA County Public Works, presented an overview of El Niño conditions and the County's preparations for the upcoming storm season. The presentation addressed flood control infrastructure, sediment removal, and public safety resources.

(b.) Upper Water – West Coast Weather Extremes

General Manager Tom Love presented an overview of West Coast weather patterns, including hydroclimate whiplash, atmospheric rivers, bomb cyclones, and high-pressure systems.

INFORMATION ITEMS

The following items listed on the agenda were presented as informational items and ordered received and filed:

- Press Releases and News Articles

ATTORNEY'S REPORT

District Counsel reported on ongoing assistance with District policies, public records requests, and contract reviews.

GENERAL MANAGER'S REPORT

The General Manager reported that temporary finance personnel assistance had been arranged due to extended staff absences. He also reminded the Board of November 18th and December 9, 2026, regular Board meeting dates.

DIRECTOR COMMENTS

Secretary Santana discussed public concerns regarding water rate increases and emphasized the importance of public awareness, transparency, and continued advocacy for long-term water infrastructure improvements.

Treasurer Chavez requested that the meeting be adjourned in memory of Dolores Huerta, Civil Rights Activist, as well as Richard Jennings, father-in-law of Tom Love and Marine Corps veteran.

President Garcia commended staff for the District's Halloween-themed social media outreach and emphasized the importance of public engagement through informative and accessible communications.

ADJOURNMENT

President Garcia adjourned in the memory of Dolores Huerta, Civil Rights Activist, as well as Richard Jennings, father-in-law of Tom Love and Marine Corps veteran. The meeting adjourned at approximately 5:28 PM.

_____
PRESIDENT

ATTEST

_____
SECRETARY

SEAL

Payment History Report
Sorted By Check Number
Activity From: 10/1/2026 to 10/31/2026

UPPER SAN GABRIEL VALLEY MWD (USG)

Bank Code: A GENERAL FUND

Check Date	Check Number/ Invoice Date	Name / Invoice Number	Invoice Description	Check Amount
10/2/2026	0000023864	AARON READ & ASSOCIATES, LLC		10,000.00
	9/22/2026	214843	State Legislative Advocacy Services, September 2026	
10/2/2026	0000023865	CLEAN WATER WORKS EDUCATION FOUNDATION		5,000.00
	9/1/2026	53615	July 1, 2026 Distribution - Bus Transportation Funding (CW-002)	
10/2/2026	0000023866	DE LAGE LANDEN FINANCIAL		305.29
	9/20/2026	598685608	Lease Payment & Insurance: 09/15/26 - 10/14/26	
	9/20/2026	598685608	Late Fee - Invoice 598350887	
10/2/2026	0000023867	DEWEY PEST CONTROL, INC.		117.00
	9/1/2026	18275616	September 2026 Monthly Pest Control Service	
10/2/2026	0000023868	FRANCISCO AGUILAR		524.71
	9/23/2026	SEP 26	09/23/26 Board Meeting Food - Max's Mexican Cuisine Monrovia	
	9/30/2026	SEP 26-2	09/19/26 Mileage - Arcadia Event (70 mi)	
	9/30/2026	SEP 26-2	09/26/26 Mileage - Duarte Event (70 mi)	
10/2/2026	0000023869	LA OPINION		1,250.00
	8/31/2026	129490826	08/12/26 Display Advertising 1/2 Horizontal - Nuestra Agua es siempre limpia	
10/2/2026	0000023870	SAN GABRIEL VALLEY M.W.D.		25,228.00
	9/30/2026	592	Aug-26 MWD-Alhambra Exchange 90.10 AF @ $280/AF	
10/12/2026	0000023876	789, INC.		11,800.00
	7/23/2026	UW-623270	Marketing and creative consulting services, August 2026	
	9/25/2026	UW-625290	Marketing & Creative Consulting Services - Oct 2026	
10/12/2026	0000023877	ACWA/JOINT POWERS INSUR. AUTH.		38,277.07
	9/1/2026	0710189	OCTOBER 2026 MEDICAL - EMPLOYEES	
	9/1/2026	0710189	OCTOBER 2026 MEDICAL - RETIRED EMPLOYEES	
	9/1/2026	0710189	OCTOBER 2026 MEDICAL - DIRECTORS	
	9/1/2026	0710189	OCTOBER 2026 MEDICAL - RETIRED DIRECTORS	
	9/1/2026	0710189	OCTOBER 2026 LIFE INSURANCE - EMPLOYEES	
	9/1/2026	0710189	OCTOBER 2026 LIFE INSURANCE - DIRECTORS	
	9/1/2026	0710189	OCTOBER 2026 MEDICAL REIMBURSEMENT - EMPLOYEES COBRA	
10/12/2026	0000023878	ALESHIRE & WYNDER LLP		5,536.90
	9/21/2026	109481	August 2026 transactional fees	
	9/21/2026	109482	UprSGVMWD v. City of Alhambra, August 2026	
	9/21/2026	109483	Retainer, August 2026	
10/12/2026	0000023879	CENTRAL BASIN MWD		2,906.00
	9/23/2026	USGV-AUG26	Aug-26 Recycled Water Tier 1 4.0 AF (1,746.0 HCF)	
10/12/2026	0000023880	COVINA VALLEY OPTIMIST		1,000.00
	8/24/2026	930195	Foursome; TL Sponsorship	
10/12/2026	0000023881	DEWEY PEST CONTROL, INC.		117.00
	10/1/2026	18330466	October 2026 Monthly Pest Control Service	
10/12/2026	0000023882	ECOTECH SERVICES, INC.		1,120.00
	9/11/2026	3697	Water Bottle Filling Station Replacement	
10/12/2026	0000023883	ENVIRONMENTAL CONTROL		1,800.00
	10/1/2026	21303-411	Monthly Janitorial Services - October 2026	
10/12/2026	0000023884	GMS ELEVATOR SERVICE INC.		168.00
	10/1/2026	131988	October 2026 Monthly Elevator Service	

Bank Code: A GENERAL FUND

Check Date	Check Number/ Invoice Date	Name / Invoice Number	Invoice Description	Check Amount
10/12/2026	0000023885	IMAGE 2000, INC.		352.50
	9/14/2026	876385	08/08/26-09/07/26 Copier Meter Overage Charges - B/W 2,343 @ $.0084, Color 5,477 @ $.058485, Tax $12.50	
10/12/2026	0000023886	JOHN ROBINSON CONSULTING, INC.		1,320.00
	9/5/2026	UD202301-30	Aug 2026 RW Program Document Collection Effort	
10/12/2026	0000023887	KELLY ASSOCIATES MGMT GROUP		17,875.00
	9/8/2026	AUG 26	August 2026 Professional Consulting - EA Recruitment, 55.0 hrs @ $325	
10/12/2026	0000023888	KELLY SERVICES, INC.		429.71
	9/3/2026	5617827508	Week ending 08/30/26, A. Flores Administrative Asst	
	9/10/2026	5617959762	Week ending 09/06/26, A. Flores Administrative Asst	
10/12/2026	0000023889	PROJECT PARTNERS, INC.		6,160.00
	10/4/2026	28939	08/29/26-09/25/26 Interim Executive Assistant Services - C. Karp, 44.0 hrs @ $140	
10/12/2026	0000023890	QUADIENT LEASING USA, INC.		143.34
	6/29/2026	Q2428097	Postage Machine Lease Period: 07/31/26 - 10/30/26	
10/12/2026	0000023891	SPECTRUM REACH		2,846.85
	8/30/2026	360089687	07/27/26 - 08/30/26, USGVMWD Water Campaign	
10/12/2026	0000023892	VC3, Inc.		4,483.27
	9/10/2026	VC3-261327	SEP 2026 Managed IT Support, Security & Backup Services	
10/16/2026	0000023893	ALESHIRE & WYNDER LLP		5,127.80
	10/13/2026	109896	Retainer, September 2026	
	10/13/2026	109897	September 2026 transactional fees	
10/16/2026	0000023894	AMAZON CAPITAL SERVICES		3,053.14
	8/20/2026	14KY-6LDP-194K	Office Supplies - desk drawer organizer for AS	
	8/20/2026	14KY-6LDP-194K	Devices/Items - Rain Bird ARC8 & Flume 2 monitor	
	8/20/2026	1L9W-Y1J7-1GF4	Meeting Supplies - coffee 2 canisters @ $15.43	
	8/20/2026	1L9W-Y1J7-1GF4	Office Supplies - HLR round small end table	
	9/20/2026	1N69-MFRY-XVDM	Surge Protector Power Strip, Cable wire Clips, HDMI cable, Mini usb microphone, USB splitter,	
	9/20/2026	1N69-MFRY-XVDM	Paper plates, coffee, Table cover roll, clear plastic plates	
	9/20/2026	1W6V-XFNG-VDCP	Office Supplies	
	9/20/2026	1W6V-XFNG-VDCP	HP 22in monitor 2-pack & Logitech MK370 combo	
	9/20/2026	1W6V-XFNG-VDCP	Elkay LZ8WSSSMC ezH2O bottle filling station	
	9/20/2026	1W6V-XFNG-VDCP		
	9/20/2026	1W6V-XFNG-VDCP	Elkay LLZ8WSSSMC ezH2O bottle filling station	
10/16/2026	0000023895	CIVICPLUS, LLC		9,450.00
	9/18/2026	379115	AMM Select: Pro annual fee 09/18/26-09/17/27	
10/16/2026	0000023896	INDUSTRY HILLS CHARITY PRO RODEO		500.00
	10/12/2026	10-10-26UD	Oct 2026 Community Sponsorship - Rodeo Partner Sponsor (10/10-11/26)	
10/16/2026	0000023897	KATHERINE VAZQUEZ		100.24
	10/2/2026	SEP 26	09/10/26 CalWEP Plenary Event - 93.40 miles @ $0.760	
	10/2/2026	SEP 26	09/22/26 MWD HQ Community & Workplace Culture Cmte - 38.50 miles @ $0.760	
10/16/2026	0000023898	QUADIENT, INC		148.01
	9/25/2026	18210155	iX-1 Series standard ink cartridge for postage meter	
10/16/2026	0000023899	ROGERS, ANDERSON		19,500.00
	9/30/2026	81740	Sep 2026 Progress Billing - FYE 6/30/26 Audit Services	

Bank Code: A GENERAL FUND

Check Date	Check Number/ Invoice Date	Name / Invoice Number	Invoice Description	Check Amount
10/16/2026	0000023900	SAN MARINO SECURITY SYSTEMS		177.00
	10/1/2026	69507	10/01/26-12/31/26 Quarterly Leased Monitoring - Fire, 248 E Foothill Blvd	
10/16/2026	0000023901	SAN GABRIEL VALLEY CONSERVATION AND SERVICE CORPS		750.00
	10/1/2026	000025	Nov 2026 Community Sponsorship - Hole Sponsor - 4th Annual Golf Tournament (11/02/26)	
10/16/2026	0000023902	STUBBIES PROMOTIONS INC		776.71
	10/5/2026	26181	1000 Montebello MGC Pens @ $0.65 - Upper Water logo	
10/16/2026	0000023903	THE NATIONAL THEATRE FOR CHILDREN		12,000.00
	9/2/2026	3334	Fall 2026 In-School Water Conservation Performances	
10/16/2026	0000023904	VECINOS DE SOUTH PASADENA		500.00
	10/7/2026	10-17-26UD	Oct 2026 Community Sponsorship - Que Siga la Fiesta! Sponsor - Oktober-Fiesta (10/17/26)	
10/30/2026	0000023927	789, INC.		5,900.00
	10/27/2026	UW-627201	Marketing and creative consulting services, November 2026	
10/30/2026	0000023928	ACWA/JOINT POWERS INSUR. AUTH.		2,599.70
	10/12/2026	JUL-SEP 26	07/01/26-09/30/26 Worker's Comp - Employees - Salesmen/Meter Readers (Class 8742)	
	10/12/2026	JUL-SEP 26	07/01/26-09/30/26 Worker's Comp - Employees - Clerical (Class 8810)	
	10/12/2026	JUL-SEP 26	07/01/26-09/30/26 Worker's Comp - Directors - Clerical (Class 8810(a))	
10/30/2026	0000023929	AMAZON CAPITAL SERVICES		766.14
	10/20/2026	17D1-NXWK-1PX9	09/20/26-10/19/26 Logitech keyboard and mouse combo, incl tax	
	10/20/2026	17D1-NXWK-1PX9	09/20/26-10/19/26 Golf party sign cutout, incl tax	
	10/20/2026	17D1-NXWK-1PX9	09/20/26-10/19/26 40V lithium-ion battery, incl tax	
	10/20/2026	17D1-NXWK-1PX9	09/20/26-10/19/26 Golf event items: bottle, cooler bag, speaker, towels, ball retriever, cutout, bag, incl tax	
	10/20/2026	1TDP-NXFP-17JF	09/20/26-10/19/26 Chafing fuel and chafing dish set, incl tax	
10/30/2026	0000023930	ARCADIA CHAMBER OF COMMERCE		368.50
	9/1/2026	24244	10/01/26-09/30/27 Classic Annual Membership $335.00 and 110% Club $33.50, A. Fellow	
10/30/2026	0000023931	CENTER FOR FINANCIAL EMPOWERMENT		3,000.00
	9/8/2026	11/22/26UD	Operation Gobble Turkey Giveaway	
10/30/2026	0000023932	CIVIC PUBLICATIONS		5,600.00
	9/26/2026	2013	2026 Community Profiles - LA Times E-Edition, Sep 2026	
10/30/2026	0000023933	DEPARTMENT OF WATER & POWER		166.66
	10/1/2026	CI-1000005466	November 2026 - Permit Fee to use a portion of the Department's Lugo Junction-Firestone Junction Transmission Line Right of Way No. 25B near Tower No. 250D6 in the vicinity of the 60 Freeway and Access Drive, for the purpose of maintaining a reclaimed water pipeline.	
	10/1/2026	CI-1000005466	Nov 2026 ROW Permit Fee, Agreement P-75753 - Reclaimed Water Pipeline	
	10/1/2026	CI-1000005466	Reverse duplicate import	
10/30/2026	0000023933	DEPARTMENT OF WATER & POWER		166.66-
	10/1/2026	CI-1000005466	November 2026 - Permit Fee to use a portion of the Department's Lugo Junction-Firestone Junction Transmission Line Right of Way No. 25B near Tower No. 250D6 in the vicinity of the 60 Freeway and Access Drive, for the purpose of maintaining a reclaimed water pipeline.	
	10/1/2026	CI-1000005466	Nov 2026 ROW Permit Fee, Agreement P-75753 - Reclaimed Water Pipeline	
	10/1/2026	CI-1000005466	Reverse duplicate import	

Bank Code: A GENERAL FUND

Check Date	Check Number/ Invoice Date	Name / Invoice Number	Invoice Description	Check Amount
10/30/2026	0000023934	FUN CPR TRAINING		800.00
	10/16/2026	9890	10/16/26 OSHA compliant CPR/AED & first aid combo class	
10/30/2026	0000023935	IRWINDALE CHAMBER OF COMMERCE		750.00
	10/26/2026	E11697	11/05/26 Double Header Legislative Luncheon with Congressman Gil Cisneros	
10/30/2026	0000023936	JOEY C. SOTO		3,102.76
	10/3/2026	2026-UD-GA-SEP-34	General Grant Assistance Services, September 2026	
	10/3/2026	2026-UD-GA-SEP-34	General Grant Assistance Services, September 2026	
	10/3/2026	2026-UD-GA-SEP-34	Reverse duplicate import	
10/30/2026	0000023936	JOEY C. SOTO		3,102.76-
	10/3/2026	2026-UD-GA-SEP-34	General Grant Assistance Services, September 2026	
	10/3/2026	2026-UD-GA-SEP-34	General Grant Assistance Services, September 2026	
	10/3/2026	2026-UD-GA-SEP-34	Reverse duplicate import	
10/30/2026	0000023937	JOHN ROBINSON CONSULTING, INC.		930.00
	10/5/2026	UD202301-31	Sep 2026 RW Program Document Collection Effort	
10/30/2026	0000023938	OCCU-MED, LTD.		230.00
	8/31/2026	0926788OA	08/28/26 Medical Screen, Sedentary (Non-Driving)	
10/30/2026	0000023939	PROMO DIRECT		3,788.61
	10/15/2026	N200707	100 OTTO Cap Cotton Twill Sun Visors	
	10/15/2026	N200708	200 Mini TJ Canvas Tote Bags, 2 art setups	
10/30/2026	0000023940	QUADIENT FINANCE USA, INC.		398.00
	10/15/2026	OCT 26	10/02/26 Postage Loaded	
	10/15/2026	OCT 26	10/13/26 Late Fee	
	10/15/2026	OCT 26	Prior statement balance carried forward	
10/30/2026	0000023941	QUADIENT LEASING USA, INC.		286.68
	9/29/2026	Q2560772	Lease Payment: 10/31/26 - 01/30/27	
	9/29/2026	Q2560772	Lease Payment 10/31/26-01/30/27	
	9/29/2026	Q2560772		
	9/29/2026	Q2560772	10/31/26-01/30/27 Postage Machine Lease N24063846, 248 E Foothill Blvd	
	9/29/2026	Q2560772	Reverse duplicate import	
10/30/2026	0000023941	QUADIENT LEASING USA, INC.		286.68-
	9/29/2026	Q2560772	Lease Payment: 10/31/26 - 01/30/27	
	9/29/2026	Q2560772	Lease Payment 10/31/26-01/30/27	
	9/29/2026	Q2560772		
	9/29/2026	Q2560772	10/31/26-01/30/27 Postage Machine Lease N24063846, 248 E Foothill Blvd	
	9/29/2026	Q2560772	Reverse duplicate import	
10/30/2026	0000023942	SOUTHERN CA WATER COALITION		5,000.00
	8/4/2026	2207	Annual Patron Membership: July 1, 2026 - June 30, 2027	
10/30/2026	0000023943	SPHS TIGER BOOSTER CLUB		400.00
	10/13/2026	12-05-26CT	12/05/26 29th Annual SPHS Tiger Run - Silver Sponsor	
10/30/2026	0000023944	SUBURBAN WATER SYSTEMS		1,940.83
	10/12/2026	6829	Oct-26 Normal Operating Charge - Recycled Water	
10/30/2026	0000023945	SWRCB		86,782.45
	10/13/2026	09805-26-14	SRF Loan Repayment FY 2026-27 - Phase IIB	
10/30/2026	0000023946	THE NATIONAL THEATRE FOR CHILDREN		12,000.00

Bank Code: A GENERAL FUND

Check Date	Check Number/ Invoice Date	Name / Invoice Number	Invoice Description	Check Amount
	10/9/2026	4414	Fall 2026 In-School Water Conservation Performances	
10/30/2026	0000023947	VC3, Inc.		4,319.13
	10/7/2026	VC3-263827	OCT 2026 Managed IT Support, Security & Backup Services	
10/30/2026	0000023948	WILLDAN FINANCIAL SERVICES		13,233.40
	10/30/2026	010-67804	FY 2026/27, Services rendered through October 2026	
			Bank A Total:	339,650.30

Bank Code: F ACH - WIRE TRANSFER

Check Date	Check Number/ Invoice Date	Name / Invoice Number	Invoice Description	Check Amount
10/20/2026	1000000039	SOCALGAS		23.15
	9/28/2026	AUG-SEP 26	08/27/26 - 09/25/26 ; Previous Reading: 0466 Current Reading: 0470	
10/7/2026	1000000040	SOUTHERN CALIFORNIA EDISON		36,627.46
	9/24/2026	AUG-SEP 26	08/21/26 - 09/21/26 (93,762 kWh), 301 Rosemead Blvd	
	9/24/2026	AUG-SEP 26	08/21/26 - 09/21/26 CPA Generation Charges	
10/31/2026	1000000041	CITY OF MONROVIA		364.67
	9/23/2026	27027499	08/07/26-09/08/26 Utility Services, 248 E Foothill	
	9/30/2026	27032222	08/10/26-09/10/26 4-inch Fire Service Meter Charge	
	9/30/2026	27032222	Backflow Charge	
10/31/2026	1000000042	DEPARTMENT OF WATER & POWER		83.33
	10/30/2026	CI-1000005466	November 2026 - Permit Fee to use a portion of the Department's Lugo Junction-Firestone Junction Transmission Line Right of Way No. 25B near Tower No. 250D6 in the vicinity of the 60 Freeway and Access Drive, for the purpose of maintaining a reclaimed water pipeline.	
	10/30/2026	CI-1000005466	Nov 2026 ROW Permit Fee, Agreement P-75753 - Reclaimed Water Pipeline	
	10/30/2026	CI-1000005466	Reverse duplicate import	
10/31/2026	1000000043	METROPOLITAN WATER DISTRICT		282,045.89
	9/10/2026	12325	AUG 2026 Water Sales - Treated Full Service (191.3 AF @ $1,528/AF)	
	9/10/2026	12325	AUG 2026 LRP Credit - Phase IIA (USG-RCL1) 214.3 AF @ $65	
	9/10/2026	12325	AUG 2026 LRP Credit - Phase IIB (USG-RCL2) 100.8 AF @ $40	
	9/10/2026	12325	AUG 2026 LRP Credit - La Puente (USG-RCL3) 2.0 AF @ $340	
	9/10/2026	12325	AUG 2026 Regional Rebate CII - Monrovia (Ag. 66662)	
	9/10/2026	12325	AUG 2026 Regional Rebate - Monrovia $4,735.99; So.Pasadena $2,955.00; Arcadia $40.00; Glendora $30.00 billed in error (Ag. 75351)	
10/31/2026	1000000044	PUBLIC STORAGE		638.00
	9/13/2026	OCT 26	Oct 2026 Monthly Rent Space #B075 and Insurance	
	9/13/2026	OCT 26	Oct 2026 Monthly Rent Space #B075 and Insurance	
10/19/2026	1000000045	TPX COMMUNICATIONS		1,058.78
	9/30/2026	192062677-0	SmartVoice Bundle Internet: October 2026	
10/31/2026	1000000065	FRONTIER COMMUNICATIONS		116.80
	10/2/2026	OCT 26	10/02/26-11/01/26 Emergency Elevator Phone Line	
10/31/2026	1000000066	GRM INFORMATION MANAGEMENT		199.16
	9/30/2026	0562102	Oct 2026 Records Storage, 151 boxes @ $0.9197, Account Maintenance Fee, VBiz-Tier 1 (Acct 03000707)	
10/31/2026	1000000067	VERIZON WIRELESS		218.45
	10/30/2026	OCT 26	Monthly Service - Oct 2026 statement (autopay 10/30/26)	

Bank F Total:	321,375.69
Report Total:	661,025.99

UPPER SAN GABRIEL VALLEY MWD
FINANCIAL SUMMARY AS OF SEPTEMBER 30, 2026

Expenses	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2026-27 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING	Comments
Administrative Expenses	$ 256,088	$ 671,710	$ 3,388,250	$ 2,716,540	80.2%	YTD expenses include payment of annual contribution to CalPERS related to Upper District's unfunded accrued liablity.
Water Conservation Program	158,848	349,152	1,887,800	1,538,648	81.5%	
Recycled Water Program	105,469	(32,422)	2,267,100	2,299,522	101.4%	As of September 30th, total recycled water purchases is about 857 AF. Billing for recycled water purchases from Sanitation Districts will be reported in the coming months.
Water Quality and Supply Program	73,322	144,734	628,700	483,966	77.0%	
Water Purchases	2,225,779	2,605,378	29,448,800	26,843,422	91.2%	As of September 30th, Upper Water has delivered 962 AF of treated water.
Operating Expenses	2,819,506	3,738,552	37,620,650	33,882,098	90.1%	
Operating Revenues	1,659,947	2,509,347	37,853,619	35,344,272	93.4%	Most of the untreated water sales are expected to occur in December.
Net Reserve Activity from Operations (-/+)	(1,159,559)	(1,229,205)	232,969	n/a	n/a	
Capital Expenditures	-	-	202,000	202,000	100.0%	
Capital Program Revenues	-	-	-	-	0.0%	
Net Change in Cash Due to Capital Outlays	-	-	(202,000)	n/a	n/a	
Total Change in Fund Balances	$ (1,159,559)	$ (1,229,205)	$ 30,969	n/a	n/a	

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
FINANCIAL STATEMENT AND BUDGET COMPARISON
AS OF SEPTEMBER 30, 2026

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2026-27 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
ADMINISTRATIVE AND OPERATING REVENUES					*75% @ 9-30-26*
Water Rate Revenues					
Tier 1 Treated	543,281	974,249	4,434,300	3,460,051	78%
Tier 1 Untreated	-	-	19,680,000	19,680,000	100%
Upper Surcharge Tier 1 Treated	51,505	207,409	309,000	101,591	33%
Upper Surcharge Tier 1 Untreated	-	-	206,000	206,000	100%
MWD Capacity Charge Revenue	-	105,850	404,800	298,950	74%
MWD RTS Revenue	45,350	74,568	6,556,000	6,481,432	99%
Gross MWD Standby Charge-Revenue Reconciliation	496,459	496,459	-	(496,459)	0%
MSGB Watermaster-Ready-to-Serve	6,300	31,500	75,600	44,100	58%
Sub Total	**1,142,895**	**1,890,035**	**31,665,700**	**29,775,665**	**94%**
Revolving Revenue					
MSGB Watermaster-SG River Watermaster	-	-	109,700	109,700	100%
Sub Total	**-**	**-**	**109,700**	**109,700**	**100%**
Other Administrative Revenues					
Interest/Investment Earnings	(17,010)	(2,850)	359,225	362,075	101%
Taxes	-	-	847,000	847,000	100%
Other Income (Loss)	1,283	8,415	32,800	24,385	74%
Sub Total	**(15,727)**	**5,565**	**1,239,025**	**1,233,460**	**100%**
TOTAL ADMINISTRATIVE REVENUES	**1,127,168**	**1,895,600**	**33,014,425**	**31,118,825**	**94%**
CAPITAL PROJECT FUND REVENUES					
Recycled Water Revenues					
Recycled Water Sales	64,562	138,381	598,000	459,619	77%
Upper Recycled Water Surcharge Revenue	217,130	463,416	1,436,000	972,584	68%
Metropolitan Water District LRP Funds	27,092	-	120,000	120,000	100%
Parcel/Standby Charge	-	-	2,050,000	2,050,000	100%
Interest/Investment Earnings	(2,175)	3,130	57,020	53,890	95%
Sub Total	**306,609**	**604,927**	**4,261,020**	**3,656,093**	**86%**
Water Conservation Revenues					
Conservation Program Contributions	228,745	125	424,220	424,095	100%
Sub Total	**228,745**	**125**	**424,220**	**424,095**	**100%**
TOTAL CAPITAL PROJECT FUND REVENUES	**535,354**	**605,052**	**4,685,240**	**4,080,188**	**87%**
OTHER FUND REVENUES					
Water Quality and Supply Program Revenues					
Interest/Investment Earnings	(1,209)	5,612	119,742	114,130	95%
Sub Total	**(1,209)**	**5,612**	**119,742**	**114,130**	**95%**
Rate Stabilization Fund Revenues					
Interest/Investment Earnings	(1,366)	3,083	34,212	31,129	91%
Sub Total	**(1,366)**	**3,083**	**34,212**	**31,129**	**91%**
TOTAL OTHER FUND REVENUES	**(2,575)**	**8,695**	**153,954**	**145,259**	**94%**
TOTAL REVENUES	**1,659,947**	**2,509,347**	**37,853,619**	**35,344,272**	**93%**

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
FINANCIAL STATEMENT AND BUDGET COMPARISON
AS OF SEPTEMBER 30, 2026

ADMINISTRATIVE EXPENSES	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2026-27 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
					75% @ 9-30-26
Personnel Expenses					
Employee Salaries	135,410	154,588	1,573,200	1,418,612	90%
Employee Benefits	24,888	71,389	428,450	357,061	83%
Retired Employee Benefits	16,084	41,849	200,800	158,951	79%
Employee Travel/Conference	8,814	9,428	66,000	56,572	86%
Sub Total	**185,196**	**277,254**	**2,268,450**	**1,991,196**	**88%**
Director Expenses					
Director Compensation	20,752	40,733	274,100	233,367	85%
Director Benefits	15,679	47,402	207,600	160,198	77%
Retired Director Benefits	1,672	5,017	31,100	26,083	84%
Director Public Outreach	1,044	5,994	25,000	19,006	76%
Director Travel/Conference	5,176	9,990	66,000	56,010	85%
Sub Total	**44,323**	**109,136**	**603,800**	**494,664**	**82%**
Pension/OPEB Expense					
CalPERS-Employees, Directors, Retirees	7,712	225,033	323,200	98,167	30%
Sub Total	**7,712**	**225,033**	**323,200**	**98,167**	**30%**
Office Expenses					
Office Supplies/Equipment	3,907	5,073	45,000	39,927	89%
Equipment Operations & Maintenance	912	1,933	25,000	23,067	92%
Computer Systems	15,052	44,232	88,800	44,568	50%
Dues and Assessments	-	90,059	95,300	5,241	5%
Meeting Expense	3,684	4,744	37,000	32,256	87%
Sub Total	**23,555**	**146,041**	**291,100**	**145,059**	**50%**
Facility Expenses					
Building Maintenance	8,759	22,007	65,000	42,993	66%
Liability/Property Insurance	-	19,447	90,000	70,553	78%
Telephone/Utilities	6,251	14,685	56,000	41,315	74%
Sub Total	**15,010**	**56,139**	**211,000**	**154,861**	**73%**
Professional Services					
Legal/Financial	5,311	10,592	110,000	99,408	90%
Engineering	1,861	1,861	175,000	173,139	99%
Auditor	19,500	19,500	48,700	29,200	60%
Outside Services	39,195	82,879	32,000	(50,879)	-159%
Public Information/Outreach	-	-	1,900	1,900	100%
Sub Total	**65,867**	**114,832**	**367,600**	**252,768**	**69%**
Other Expenses					
Election Costs	-	-	350,000	350,000	100%
Sub Total	**-**	**-**	**350,000**	**350,000**	**100%**
Allocation to Projects and Programs					
Salaries/Overhead Allocated to Projects	(85,575)	(256,725)	(1,026,900)	(770,175)	75%
Sub Total	**(85,575)**	**(256,725)**	**(1,026,900)**	**(770,175)**	**75%**
Total Adminstrative Expenses	**256,088**	**671,710**	**3,388,250**	**2,716,540**	**80%**
Water Purchases					
Tier 1 Treated	521,555	901,154	4,434,300	3,533,146	80%
Tier 1 Untreated	-	-	19,680,000	19,680,000	100%
MWD Capacity Charge	91,713	91,713	404,800	313,087	77%
MWD Ready-to-Serve Charge	1,489,011	1,489,011	4,820,000	3,330,989	69%
Sub Total Water Purchases	**2,102,279**	**2,481,878**	**29,339,100**	**26,857,222**	**92%**
Revolving Expenses					
San Gabriel River Watermaster	123,500	123,500	109,700	(13,800)	-13%
Sub Total Revolving Expenses	**123,500**	**123,500**	**109,700**	**(13,800)**	**-13%**
Total Water Purchases/Revolving Expenses	**2,225,779**	**2,605,378**	**29,448,800**	**26,843,422**	**91%**
TOTAL ADMINISTRATIVE EXPENSES	**2,481,867**	**3,277,088**	**32,837,050**	**29,559,962**	**90%**

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
FINANCIAL STATEMENT AND BUDGET COMPARISON
AS OF SEPTEMBER 30, 2026

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2026-27 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
RECYCLED WATER PROGRAM EXPENSES					75% @ 9-30-26
Water Purchases-Recycled Water	2,906	(242,771)	598,000	840,771	141%
SWRCB Loan Repayment	-	81,026	791,000	709,974	90%
Salaries and Overhead Allocation	3,117	9,350	37,400	28,050	75%
Standby Charge Development/Implementation	13,233	13,233	19,300	6,067	31%
Engineering - General	1,320	2,730	75,000	72,270	96%
Lobbyist	-	7,500	97,900	90,400	92%
Legal and Financial	-	-	3,100	3,100	100%
Public Information	-	-	5,200	5,200	100%
Operation and Maintenance Phase I/IIA	73,743	77,757	433,900	356,143	82%
Operation and Maintenance Phase IIB	11,150	18,753	206,300	187,547	91%
Sub Total	**105,469**	**(32,422)**	**2,267,100**	**2,299,522**	**101%**
TOTAL RECYCLED WATER PROGRAM EXPENSES	**105,469**	**(32,422)**	**2,267,100**	**2,299,522**	**101%**
CAPITAL PROGRAM EXPENSES					
San Gabriel Valley Water Recycling Project					
Direct Reuse Program	-	-	75,000	75,000	100%
Legal and Financial	-	-	2,000	2,000	100%
Sub Total	**-**	**-**	**77,000**	**77,000**	**100%**
Other Capital Program Expenses					
USG Connections	-	-	-	-	0%
Sub Total	**-**	**-**	**125,000**	**125,000**	**100%**
TOTAL CAPITAL PROGRAM EXPENSES	**-**	**-**	**202,000**	**202,000**	**100%**

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
FINANCIAL STATEMENT AND BUDGET COMPARISON
AS OF SEPTEMBER 30, 2026

WATER CONSERVATION EXPENSES	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2026-27 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING 75% @ 9-30-26
WATER USE EFFICIENCY PROGRAM					
Residential Programs					
Member Agency Administered Programs	-	12,375	129,500	117,125	90%
Regional Rebate Program	6,615	1,107	58,000	56,893	98%
Sub Total	**6,615**	**13,482**	**187,500**	**174,018**	**93%**
Commercial/Industrial/Institution Programs					
Member Agency Administered Programs	-	-	129,500	129,500	100%
Regional Rebate Program	-	-	58,000	58,000	100%
Sub Total	**-**	**-**	**187,500**	**187,500**	**100%**
Allocation to Conservation Programs					
Salaries & Overhead	21,233	63,700	254,800	191,100	75%
Sub Total	**21,233**	**63,700**	**254,800**	**191,100**	75%
TOTAL WATER USE EFFICIENCY PROGRAM EXPENSES	**27,848**	**77,182**	**629,800**	**552,618**	88%
EDUCATION & COMMUNITY OUTREACH PROGRAM					
Watershed Programs					
Natural Vegetation Restoration Program	-	10,029	80,000	69,971	87%
Sub Total	**-**	**10,029**	**80,000**	**69,971**	**87%**
Educational Programs					
Educational Activities	17,000	29,062	85,000	55,938	66%
Solar Cup	-	-	-	-	0%
Memberships	37,394	37,394	150,000	112,606	75%
Educational Materials/Grant Program	-	1,041	40,000	38,959	97%
Educational Outreach Programs/Events	-	(55)	180,000	180,055	100%
Sub Total	**54,394**	**67,442**	**455,000**	**387,558**	**85%**
Outreach and Information Programs					
Public Workshops/Seminars	270	328	10,000	9,672	97%
Conservation Devices/Items	8,590	9,228	50,000	40,772	82%
Bottled Water Program	319	5,874	15,500	9,626	62%
Community/Industry Sponsorships	5,750	11,700	35,000	23,300	67%
Displays/Fairs/Presentations	364	898	5,000	4,102	82%
Conferences/Meetings	2,069	2,573	15,000	12,427	83%
Public Information	15,654	50,734	120,000	69,266	58%
Technical Assistance	12,548	19,794	90,000	70,206	78%
Legal/Financial	-	245	10,000	9,755	98%
Sub Total	**45,564**	**101,374**	**350,500**	**249,126**	**71%**
Allocation to Conservation Programs					
Salaries & Overhead	31,042	93,125	372,500	279,375	75%
Sub Total	**31,042**	**93,125**	**372,500**	**279,375**	**75%**
TOTAL EDUCATION & COMMUNITY OUTREACH PROGRAM EXPENSES	**131,000**	**271,970**	**1,258,000**	**986,030**	**78%**
TOTAL WATER CONSERVATION EXPENSES	**158,848**	**349,152**	**1,887,800**	**1,538,648**	**82%**
WATER QUALITY AND SUPPLY PROGRAM EXPENSES					
Policy 9-00-8 Groundwater Remediation Projects					
Engineering for Water Supply Projects	17,913	18,958	117,500	98,542	84%
Legislative Consultant	20,000	30,000	129,000	99,000	77%
Outside Services	5,000	5,000	-	(5,000)	0%
Sub Total	**42,913**	**53,958**	**246,500**	**192,542**	**78%**
Other Expenses					
Urban Water Management Plan/Related Studies	-	-	10,000	10,000	100%
Integrated Resources Plan	-	-	-	-	0%
Water Supply Reliability Plan/Emergency Preparedness	-	-	-	-	0%
Legal and Financial	226	226	10,000	9,774	98%
Salaries and Overhead Allocation	30,183	90,550	362,200	271,650	75%
Sub Total	**30,409**	**90,776**	**382,200**	**291,424**	**76%**
TOTAL WATER QUALITY AND SUPPLY PROGRAM EXPENSES	**73,322**	**144,734**	**628,700**	**483,966**	**77%**
TOTAL ADMINSTRATIVE/OPERATING/PROGRAM EXPENSES	**2,819,506**	**3,738,552**	**37,822,650**	**34,084,098**	**90%**

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
SUMMARY OF CASH AND INVESTMENTS
September 30, 2026

CASH AND INVESTMENT BALANCES

	Amount ($)
Cash Account Balances	
General Fund-Checking	$ 72,812.60
Water Fund-Checking	-
Revolving Fund	-
Payroll Fund	0.02
Total Cash Account Balances	$ 72,812.62

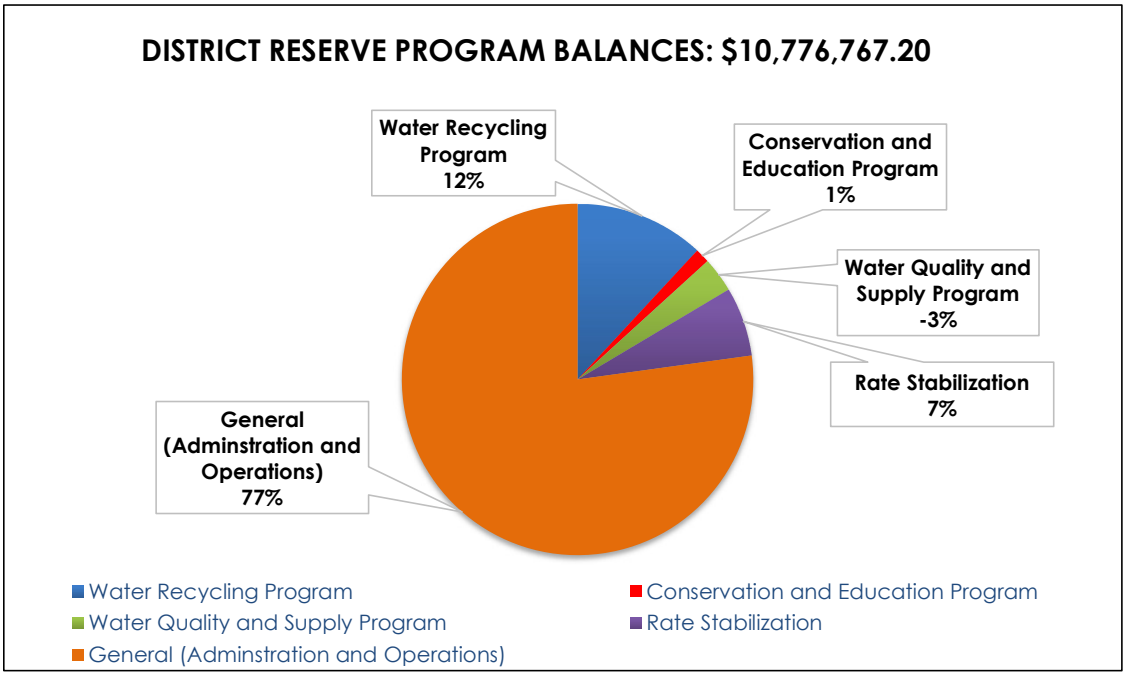
Investment Account Balances	**Market Value**	**Cost/Book Value**	
Local Agency Investment Fund	$ 4,864,352.60	$ 4,864,352.60	*1
Other Investments	5,839,601.98	5,866,079.64	*2
Total Investment Account Balances	$ 10,703,954.58	$ 10,730,432.24	

Total Cash and Investment Balances **$ 10,776,767.20** (see picture chart below)

PROGRAM BALANCES

Program Fund:	
Water Recycling Program	$ 1,371,076.00
Conservation and Education Program	154,627.00
Water Quality and Supply Program	(371,106.00)
Sub Total	1,154,597.00
Rate Stabilization	733,504.00
Adminstration & Operations	8,888,666.20
Total Program Balances	**$ 10,776,767.20**

MANAGEMENT STATEMENT: It is the opinion of management that all fund balances are in compliance with all applicable statutes and the current investment policy of the District. It is also the opinion of management that projected cash flow liquidity is adequate to meet the next six months of expected obligations of the District.



*1: Source Local Agency Investment Fund 9/30/26 Statement
*2: Source Chandler Asset Management 9/30/26 Statement

Official website of the State of California

State of California
Office of the
State Treasurer

LAIF Monthly Statements

LAIF Monthly Statement

UPPER SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT
GENERAL MANAGER
248 E. FOOTHILL BLVD, SUITE 200
MONROVIA, CA 91016

LAIF Account #: 90-19-021
September 2026 Statement

No transactions were found for this reporting period.

Account Summary

Beginning Balance:	4,864,352.60
Total Deposit:	0.00
Total Withdrawal:	0.00
Ending Balance:	4,864,352.60

CHANDLER ASSET MANAGEMENT

MONTHLY ACCOUNT STATEMENT

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2026

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

Custodian:

US Bank

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures at the end of the statement.

PORTFOLIO SUMMARY

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2026

Portfolio Characteristics

Average Modified Duration	1.30
Average Coupon	3.95%
Average Purchase YTM	4.00%
Average Market YTM	4.68%
Average Credit Quality*	AA+
Average Final Maturity	1.56
Average Life	1.44

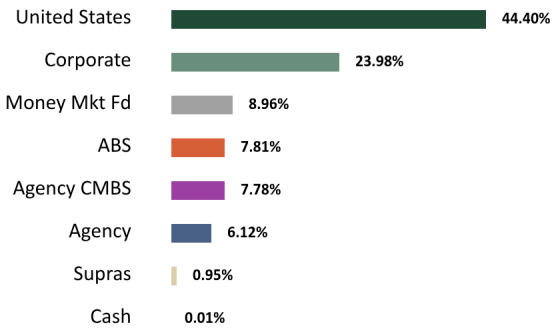
Account Summary

	End Values as of 08/31/2026	End Values as of 09/30/2026
Market Value	5,807,661.51	5,795,337.71
Accrued Interest	53,700.12	44,264.27
Total Market Value	**5,861,361.62**	**5,839,601.98**
Income Earned	19,554.45	19,592.43
Cont/WD	0.00	0.00
Par	5,842,229.14	5,877,502.22
Book Value	5,840,936.21	5,866,079.64
Cost Value	5,839,760.34	5,866,297.63

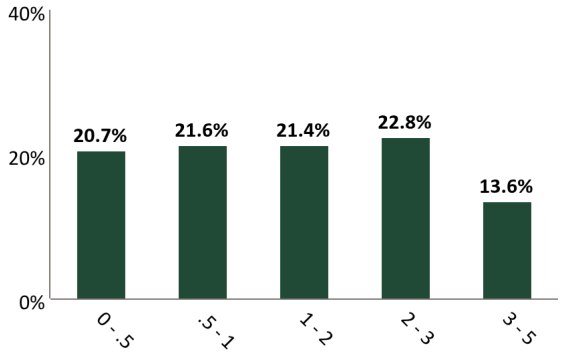
Top Issuers

United States	44.40%
First American Govt Oblig Fund	8.96%
Federal Home Loan Mortgage Corp	7.78%
Farm Credit System	4.30%
Federal Home Loan Banks	1.81%
American Express Credit Master Trust	1.73%
Mercedes-Benz Auto Lease Trust	1.72%
WF Card Issuance Trust	1.72%

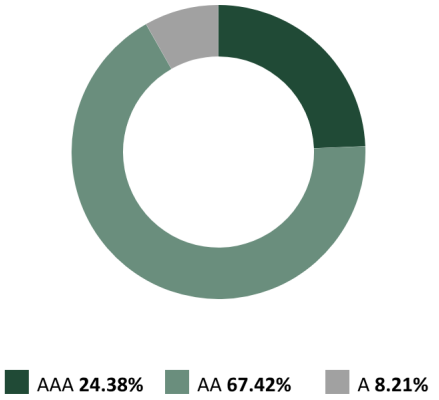
Sector Allocation



Maturity Distribution



Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (06/01/14)
Upper San Gabriel VMWD	(0.36%)	0.10%	1.23%	2.35%	3.15%	4.25%	2.51%	2.05%	1.83%
Benchmark Return	(0.30%)	0.18%	1.16%	2.27%	3.15%	4.21%	2.43%	1.96%	1.75%

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.
**Periods over 1 year are annualized.
Benchmark: ICE BofA 0-3 Year US Treasury Index

STATEMENT OF COMPLIANCE

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
ASSET BACKED/MORTGAGE BACKED/COLLATERALIZED MORTGAGE OBLIGATIONS				
Max % (MV)	20.0	7.8	Compliant	
Max % Issuer (MV)	5.0	1.7	Compliant	
Max Maturity (SD; Years)	5.0	4.7	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max Maturity (SD; Years)	1.0	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max Maturity (SD; Years)	1.0	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	24.0	Compliant	
Max % Issuer (MV)	5.0	1.4	Compliant	
Max Maturity (SD; Years)	5	2	Compliant	
Min Rating (A- by 1 if < 2 Years; AA- if > 2 Years)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max Maturity (SD; Years)	1	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	60.0	6.1	Compliant	
Max Maturity (SD; Years)	5	0.0	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	100.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	8.9	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	

The Statement of Compliance reflects Chandler's assessment of compliance with the applicable investment policy for the assets Chandler directly manages. The report may also present assets reported to Chandler by clients, custodians, or other third parties. Chandler includes those assets in the assessment but has no discretionary authority over them, does not independently verify the information provided, and assumes no responsibility for the accuracy or completeness of that information. Questions regarding this report should be directed to the designated investment professional.

STATEMENT OF COMPLIANCE

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Max Maturity (SD; Years)	1	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	1.0	Compliant	
Max % Issuer (MV)	10.0	1.0	Compliant	
Max Maturity (SD; Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	44.5	Compliant	
Max Maturity (SD; Years)	5	3	Compliant	

The Statement of Compliance reflects Chandler's assessment of compliance with the applicable investment policy for the assets Chandler directly manages. The report may also present assets reported to Chandler by clients, custodians, or other third parties. Chandler includes those assets in the assessment but has no discretionary authority over them, does not independently verify the information provided, and assumes no responsibility for the accuracy or completeness of that information. Questions regarding this report should be directed to the designated investment professional.

RECONCILIATION SUMMARY

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2026

Maturities / Calls

Month to Date	**(95,000.00)**
Fiscal Year to Date	**(295,000.00)**

Principal Paydowns

Month to Date	**(189.36)**
Fiscal Year to Date	**(7,036.36)**

Purchases

Month to Date	**912,633.05**
Fiscal Year to Date	**1,417,891.96**

Sales

Month to Date	**(789,284.02)**
Fiscal Year to Date	**(1,050,585.96)**

Interest Received

Month to Date	**21,769.66**
Fiscal Year to Date	**61,311.00**

Purchased / Sold Interest

Month to Date	**7,079.55**
Fiscal Year to Date	**6,023.83**

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2026)
Beginning Book Value	5,840,936.21	5,803,776.64
Maturities/Calls	(95,000.00)	(295,000.00)
Principal Paydowns	(189.36)	(7,036.36)
Purchases	912,633.05	1,417,891.96
Sales	(789,284.02)	(1,050,585.96)
Change in Cash, Payables, Receivables	(18.81)	33.15
Amortization/Accretion	179.07	176.70
Realized Gain (Loss)	(3,176.50)	(3,176.49)
Ending Book Value	5,866,079.64	5,866,079.64

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2026)
Beginning Market Value	5,807,661.51	5,783,451.60
Maturities/Calls	(95,000.00)	(295,000.00)
Principal Paydowns	(189.36)	(7,036.36)
Purchases	912,633.05	1,417,891.96
Sales	(789,284.02)	(1,050,585.96)
Change in Cash, Payables, Receivables	(18.81)	33.15
Amortization/Accretion	179.07	176.70
Change in Net Unrealized Gain (Loss)	(37,467.23)	(50,416.89)
Realized Gain (Loss)	(3,176.50)	(3,176.49)
Ending Market Value	5,795,337.71	5,795,337.71

CUSIP	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
58768YAD7	MBALT 2025-A A3 4.61 04/16/2029	100,000.00	09/24/2025 3.87%	101,410.16 100,810.88	99.75 4.87%	99,754.10 204.89	1.72% (1,056.78)	NA/AAA AAA	2.54 1.13
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	100,000.00	09/24/2025 3.85%	101,449.22 100,632.11	100.01 4.68%	100,012.70 206.67	1.73% (619.41)	NA/AAA AAA	0.79 0.76
92970QAE5	WFCIT 2024-2 A 4.29 10/15/2029	100,000.00	09/24/2025 3.88%	100,863.28 100,436.24	99.55 4.79%	99,545.10 190.67	1.72% (891.14)	Aaa/AAA NA	3.04 0.99
161571HZ0	CHAIT 2025-1 A 4.16 07/15/2030	100,000.00	10/23/2025 3.76%	101,101.56 100,722.93	98.55 5.06%	98,549.70 184.89	1.70% (2,173.23)	NA/AAA AAA	3.79 1.68
89240KAD0	TAOT 2026-A A3 3.86 09/15/2030	25,000.00	01/13/2026 4.13%	24,997.87 24,998.19	98.33 4.95%	24,581.88 42.89	0.42% (416.31)	Aaa/AAA NA	3.96 1.58
44935MAD1	HART 26C A3 5.03 06/16/2031	30,000.00	09/15/2026 5.09%	29,998.08 29,998.09	99.70 5.22%	29,909.13 33.53	0.52% (88.96)	NA/AAA AAA	4.71 2.17
Total ABS		**455,000.00**	**3.94%**	**459,820.17** **457,598.44**	**99.42** **4.88%**	**452,352.61** **863.53**	**7.81%** **(5,245.84)**		**2.76** **1.23**
AGENCY									
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	105,000.00	11/16/2023 4.69%	104,814.15 104,992.03	100.02 4.43%	105,016.49 1,807.60	1.81% 24.45	Aa1/AA+ AA+	0.13 0.13
3133EP6K6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027	50,000.00	03/25/2024 4.45%	50,072.50 50,011.65	100.09 4.31%	50,044.75 31.25	0.86% 33.10	Aa1/AA+ AA+	0.48 0.48
3133ERMB4	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027	100,000.00	07/22/2024 4.34%	99,752.00 99,933.19	99.74 4.57%	99,742.40 802.78	1.72% (190.79)	Aa1/AA+ AA+	0.81 0.78
3133ERNP2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 08/06/2027	100,000.00	08/22/2024 3.86%	100,383.00 100,109.78	99.61 4.47%	99,607.20 611.11	1.72% (502.58)	Aa1/AA+ AA+	0.85 0.82
Total Agency		**355,000.00**	**4.32%**	**355,021.65** **355,046.65**	**99.83** **4.46%**	**354,410.84** **3,252.74**	**6.12%** **(635.82)**		**0.57** **0.56**
AGENCY CMBS									
3137FEBQ2	FHMS K-072 A2 3.444 12/25/2027	92,979.15	01/22/2026 3.77%	92,274.55 92,533.15	98.28 4.84%	91,383.72 266.85	1.58% (1,149.42)	Aa1/AA+ AAA	1.24 1.09
3137FEZU7	FHMS K-076 A2 3.9 04/25/2028	99,984.49	09/24/2025 3.81%	99,996.21 99,991.51	98.34 4.95%	98,323.65 324.95	1.70% (1,667.86)	Aa1/AA+ AAA	1.57 1.38
3137FG6X8	FHMS K-077 A2 3.85 05/25/2028	100,000.00	09/24/2025 3.81%	99,902.34 99,940.27	98.12 4.99%	98,116.20 320.83	1.69% (1,824.07)	Aa1/AA+ AAA	1.65 1.48

CUSIP	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3137FGZT5	FHMS K-079 A2 3.926 06/25/2028	100,000.00	09/24/2025 3.81%	100,105.47 100,065.81	97.97 5.06%	97,970.30 327.17	1.69% (2,095.51)	Aa1/AAA AA+	1.74 1.62
3137FWHT0	FHMS K-116 A2 1.378 07/25/2030	75,000.00	09/03/2026 4.70%	66,380.86 66,517.18	86.65 5.35%	64,991.18 86.13	1.12% (1,526.01)	Aa1/AA+ AA+	3.82 3.55
Total Agency CMBS		**467,963.64**	**3.93%**	**458,659.42 459,047.91**	**96.51 5.02%**	**450,785.05 1,325.92**	**7.78% (8,262.87)**		**1.88 1.71**
CASH									
CCYUSD	Receivable	504.49	--	504.49 504.49	1.00	504.49 0.00	0.01% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**504.49**		**504.49 504.49**	**1.00**	**504.49 0.00**	**0.01% 0.00**		**0.00 0.00**
CORPORATE									
025816CP2	AMERICAN EXPRESS CO 3.3 05/03/2027	60,000.00	09/23/2025 3.90%	59,444.40 59,797.10	99.20 4.68%	59,522.88 814.00	1.03% (274.22)	A2/A- A	0.59 0.57
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	60,000.00	09/24/2025 3.87%	60,114.00 60,038.74	99.65 4.58%	59,791.26 940.00	1.03% (247.48)	A2/A+ A+	0.61 0.59
009158AY2	AIR PRODUCTS AND CHEMICALS INC 1.85 05/15/2027	60,000.00	09/23/2025 3.83%	58,123.20 59,290.71	98.25 4.73%	58,950.60 419.33	1.02% (340.11)	A3/A NA	0.62 0.60
756109BG8	REALTY INCOME CORPORATION 3.95 08/15/2027	60,000.00	09/24/2025 3.97%	59,978.40 59,990.03	99.23 4.86%	59,536.20 302.83	1.03% (453.83)	A3/A- A	0.87 0.84
63743HFT4	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.12 09/16/2027	60,000.00	09/24/2025 3.90%	60,240.60 60,111.23	99.28 4.89%	59,570.88 103.00	1.03% (540.35)	A2/A- A	0.96 0.93
89236TKJ3	TOYOTA MOTOR CREDIT CORP 4.55 09/20/2027	60,000.00	09/23/2025 3.90%	60,740.40 60,361.02	99.69 4.88%	59,816.34 83.42	1.03% (544.68)	A1/A+ A+	0.97 0.94
828807DE4	SIMON PROPERTY GROUP LP 3.375 12/01/2027	60,000.00	01/21/2026 3.86%	59,481.00 59,673.90	98.21 4.97%	58,927.86 675.00	1.02% (746.04)	A3/A NA	1.17 1.11
61747YEK7	MORGAN STANLEY 2.475 01/21/2028	60,000.00	01/21/2026 4.36%	59,081.40 59,398.94	99.25 4.92%	59,550.36 288.75	1.03% 151.42	A1/A- A+	1.31 0.30
532457CU0	ELI LILLY AND COMPANY 4.55 02/12/2028	60,000.00	09/24/2025 3.81%	60,964.20 60,537.84	99.59 4.86%	59,756.10 371.58	1.03% (781.74)	Aa3/AA- NA	1.37 1.30
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	60,000.00	09/24/2025 3.87%	60,742.80 60,437.28	99.01 5.04%	59,406.18 997.33	1.03% (1,031.10)	Aa2/A+ AA-	1.62 1.52

CUSIP	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
30303M8L9	META PLATFORMS INC 4.6 05/15/2028	60,000.00	12/09/2025 3.81%	61,056.00 60,692.50	99.40 4.99%	59,637.66 1,042.67	1.03% (1,054.84)	Aa3/AA- NA	1.62 1.52
12572QAJ4	CME GROUP INC. 3.75 06/15/2028	60,000.00	12/09/2025 3.79%	59,949.60 59,965.80	97.93 5.03%	58,757.64 662.50	1.01% (1,208.16)	Aa3/AA- AA-	1.71 1.61
67066GAP9	NVIDIA CORP 4.25 06/15/2028	60,000.00	08/25/2026 4.41%	59,830.20 59,839.48	98.60 5.12%	59,158.02 729.58	1.02% (681.46)	Aa1/AA NA	1.71 1.60
02079KAV9	ALPHABET INC 3.875 11/15/2028	60,000.00	-- 3.78%	60,150.80 60,106.00	97.71 5.03%	58,624.14 878.33	1.01% (1,481.86)	Aa2/AA+ NA	2.13 1.98
023135CS3	AMAZON.COM INC 3.9 11/20/2028	60,000.00	-- 3.88%	60,026.55 60,018.61	97.54 5.13%	58,522.32 851.50	1.01% (1,496.29)	A1/AA AA-	2.14 1.99
06406RBN6	BANK OF NEW YORK MELLON CORP 4.543 02/01/2029	60,000.00	09/23/2025 3.94%	60,799.80 60,453.84	99.19 5.14%	59,513.76 454.30	1.03% (940.08)	Aa3/A AA-	2.34 1.27
92826CAY8	VISA INC. 3.8 02/12/2029	60,000.00	02/04/2026 3.78%	60,027.00 60,021.14	97.17 5.08%	58,301.46 310.33	1.01% (1,719.68)	Aa3/AA- NA	2.37 2.21
857477CN1	STATE STREET CORPORATION 4.53 02/20/2029	60,000.00	09/23/2025 4.00%	60,717.60 60,413.91	99.09 5.10%	59,453.10 309.55	1.03% (960.81)	Aa3/A AA-	2.39 1.32
023135DC7	AMAZON.COM INC 4.0 03/13/2029	25,000.00	06/04/2026 4.34%	24,781.50 24,806.98	97.12 5.27%	24,280.78 50.00	0.42% (526.20)	A1/AA AA-	2.45 2.29
09290DAA9	BLACKROCK INC 4.7 03/14/2029	60,000.00	09/23/2025 3.87%	61,574.40 61,101.70	98.92 5.17%	59,351.76 133.17	1.02% (1,749.94)	Aa3/AA- NA	2.45 2.28
58933YBW4	MERCK & CO INC 3.85 03/15/2029	60,000.00	12/09/2025 3.93%	59,851.20 59,888.06	96.91 5.20%	58,148.16 102.67	1.00% (1,739.90)	Aa3/A+ NA	2.45 2.30
57636QBK9	MASTERCARD INCORPORATED 4.425 06/08/2029	65,000.00	06/10/2026 4.45%	64,958.40 64,962.66	97.97 5.24%	63,681.74 902.82	1.10% (1,280.93)	Aa3/A+ NA	2.69 2.46
46647PAV8	JPMORGAN CHASE & CO 4.203 07/23/2029	60,000.00	09/23/2025 4.09%	60,178.20 60,114.03	98.02 5.45%	58,810.20 476.34	1.01% (1,303.83)	A1/A AA-	2.81 1.70
06051GHM4	BANK OF AMERICA CORPORATION 4.271 07/23/2029	60,000.00	09/23/2025 4.08%	60,294.00 60,188.13	98.04 5.51%	58,824.48 484.05	1.02% (1,363.65)	A1/A- AA-	2.81 1.70
Total Corporate		**1,410,000.00**	**3.97%**	**1,413,105.65 1,412,209.62**	**98.58 5.03%**	**1,389,893.87 12,383.06**	**23.98% (22,315.75)**		**1.74 1.43**
MONEY MARKET FUND									

CUSIP	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
31846V203	FIRST AMER:GVT OBLG Y	519,034.09	-- 3.46%	519,034.09 519,034.09	1.00 3.46%	519,034.09 0.00	8.96% 0.00	Aaa/ AAAm AAA	0.00 0.00
Total Money Market Fund		**519,034.09**	**3.46%**	**519,034.09** **519,034.09**	**1.00** **3.46%**	**519,034.09** **0.00**	**8.96%** **0.00**		**0.00** **0.00**
SUPRANATIONAL									
45950KDF4	INTERNATIONAL FINANCE CORP 4.375 01/15/2027	55,000.00	11/29/2023 4.49%	54,820.70 54,983.27	99.99 4.37%	54,995.33 507.99	0.95% 12.06	Aaa/AAA NA	0.29 0.29
Total Supranational		**55,000.00**	**4.49%**	**54,820.70** **54,983.27**	**99.99** **4.37%**	**54,995.33** **507.99**	**0.95%** **12.06**		**0.29** **0.29**
US TREASURY									
91282CLS8	UNITED STATES TREASURY 4.125 10/31/2026	100,000.00	11/26/2024 4.29%	99,691.41 99,986.83	99.98 4.24%	99,984.40 1,726.22	1.73% (2.43)	Aa1/AA+ AA+	0.08 0.08
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	120,000.00	09/25/2024 3.53%	122,151.56 120,199.22	100.05 4.06%	120,064.80 1,549.18	2.07% (134.42)	Aa1/AA+ AA+	0.21 0.20
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	125,000.00	01/31/2024 4.00%	124,985.35 124,998.56	99.94 4.18%	124,925.00 1,059.78	2.16% (73.56)	Aa1/AA+ AA+	0.29 0.28
91282CKE0	UNITED STATES TREASURY 4.25 03/15/2027	125,000.00	04/25/2024 4.86%	122,954.10 124,679.42	100.00 4.24%	125,002.00 234.81	2.16% 322.58	Aa1/AA+ AA+	0.45 0.45
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	125,000.00	04/25/2024 4.85%	123,793.95 124,781.93	100.09 4.32%	125,114.75 2,597.34	2.16% 332.82	Aa1/AA+ AA+	0.54 0.52
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	150,000.00	06/26/2024 4.51%	150,462.89 150,109.85	100.13 4.43%	150,192.15 2,047.13	2.59% 82.30	Aa1/AA+ AA+	0.71 0.68
91282CKZ3	UNITED STATES TREASURY 4.375 07/15/2027	100,000.00	07/22/2024 4.30%	100,218.75 100,057.76	99.90 4.50%	99,900.00 927.31	1.72% (157.76)	Aa1/AA+ AA+	0.79 0.76
91282CLG4	UNITED STATES TREASURY 3.75 08/15/2027	100,000.00	08/22/2024 3.82%	99,812.50 99,945.15	99.31 4.56%	99,307.80 478.94	1.71% (637.35)	Aa1/AA+ AA+	0.87 0.84
91282CLL3	UNITED STATES TREASURY 3.375 09/15/2027	120,000.00	09/25/2024 3.48%	119,653.13 119,888.32	98.87 4.59%	118,646.28 179.01	2.05% (1,242.04)	Aa1/AA+ AA+	0.96 0.93
91282CLQ2	UNITED STATES TREASURY 3.875 10/15/2027	100,000.00	10/23/2024 4.02%	99,593.75 99,858.22	99.26 4.61%	99,257.50 1,789.28	1.71% (600.72)	Aa1/AA+ AA+	1.04 0.99
91282CLX7	UNITED STATES TREASURY 4.125 11/15/2027	120,000.00	11/26/2024 4.23%	119,643.75 119,865.13	99.41 4.67%	119,292.24 1,869.70	2.06% (572.89)	Aa1/AA+ AA+	1.13 1.07

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CUSIP	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CND9	UNITED STATES TREASURY 3.75 05/15/2028	125,000.00	04/28/2026 3.85%	124,750.98 124,802.65	98.35 4.82%	122,934.63 1,770.55	2.12% (1,868.03)	Aa1/AA+ AA+	1.62 1.53
91282CHQ7	UNITED STATES TREASURY 4.125 07/31/2028	100,000.00	08/25/2026 4.20%	99,859.38 99,866.56	98.75 4.84%	98,750.00 694.97	1.70% (1,116.56)	Aa1/AA+ AA+	1.84 1.73
91282CPT2	UNITED STATES TREASURY 3.5 01/15/2029	120,000.00	03/05/2026 3.59%	119,704.69 119,763.70	96.94 4.93%	116,325.00 890.22	2.01% (3,438.70)	Aa1/AA+ AA+	2.29 2.15
91282CQA2	UNITED STATES TREASURY 3.5 02/15/2029	150,000.00	02/11/2026 3.55%	149,789.06 149,832.64	96.81 4.94%	145,218.75 670.52	2.51% (4,613.89)	Aa1/AA+ AA+	2.38 2.23
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	125,000.00	06/04/2026 4.11%	125,507.81 125,454.36	98.18 4.97%	122,719.75 1,342.56	2.12% (2,734.61)	Aa1/AA+ AA+	2.75 2.53
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	100,000.00	08/25/2026 4.26%	99,285.16 99,309.21	97.45 4.98%	97,445.30 673.91	1.68% (1,863.91)	Aa1/AA+ AA+	2.83 2.62
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	125,000.00	09/01/2026 4.46%	122,089.84 122,166.98	96.35 4.99%	120,434.63 388.04	2.08% (1,732.36)	Aa1/AA+ AA+	2.92 2.71
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	150,000.00	12/19/2024 4.40%	148,154.30 148,818.59	97.46 5.00%	146,191.35 2,079.41	2.52% (2,627.24)	Aa1/AA+ AA+	3.17 2.88
91282CGB1	UNITED STATES TREASURY 3.875 12/31/2029	150,000.00	09/22/2025 3.66%	151,283.20 150,976.38	96.63 5.01%	144,937.50 1,468.92	2.50% (6,038.88)	Aa1/AA+ AA+	3.25 2.98
91282CGJ4	UNITED STATES TREASURY 3.5 01/31/2030	125,000.00	03/26/2026 3.99%	122,827.15 123,117.69	95.41 5.01%	119,267.63 737.09	2.06% (3,850.06)	Aa1/AA+ AA+	3.34 3.07
91282CHF1	UNITED STATES TREASURY 3.75 05/31/2030	60,000.00	06/30/2026 4.16%	59,118.75 59,176.02	95.75 5.03%	57,450.00 756.15	0.99% (1,726.02)	Aa1/AA+ AA+	3.67 3.32
Total US Treasury		**2,615,000.00**	**4.09%**	**2,605,331.46** **2,607,655.16**	**98.43** **4.68%**	**2,573,361.45** **25,931.02**	**44.40%** **(34,293.72)**		**1.68** **1.56**
Total Portfolio		**5,877,502.22**	**4.00%**	**5,866,297.63** **5,866,079.64**	**89.76** **4.68%**	**5,795,337.71** **44,264.27**	**100.00%** **(70,741.94)**		**1.56** **1.30**
Total Market Value + Accrued						**5,839,601.98**			

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	09/01/2026	31846V203	97,256.25	FIRST AMER:GVT OBLG Y	1.000	3.28%	(97,256.25)	0.00	(97,256.25)	0.00
Purchase	09/02/2026	91282CLK5	125,000.00	UNITED STATES TREASURY 3.625 08/31/2029	97.672	4.46%	(122,089.84)	(25.03)	(122,114.87)	0.00
Purchase	09/04/2026	31846V203	127,752.00	FIRST AMER:GVT OBLG Y	1.000	3.28%	(127,752.00)	0.00	(127,752.00)	0.00
Purchase	09/08/2026	31846V203	3,281.25	FIRST AMER:GVT OBLG Y	1.000	3.27%	(3,281.25)	0.00	(3,281.25)	0.00
Purchase	09/09/2026	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030	88.508	4.70%	(66,380.86)	(22.97)	(66,403.83)	0.00
Purchase	09/14/2026	31846V203	1,910.00	FIRST AMER:GVT OBLG Y	1.000	3.26%	(1,910.00)	0.00	(1,910.00)	0.00
Purchase	09/15/2026	31846V203	8,832.51	FIRST AMER:GVT OBLG Y	1.000	3.27%	(8,832.51)	0.00	(8,832.51)	0.00
Purchase	09/16/2026	31846V203	1,236.00	FIRST AMER:GVT OBLG Y	1.000	3.28%	(1,236.00)	0.00	(1,236.00)	0.00
Purchase	09/21/2026	31846V203	1,365.00	FIRST AMER:GVT OBLG Y	1.000	3.41%	(1,365.00)	0.00	(1,365.00)	0.00
Purchase	09/23/2026	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031	99.994	5.09%	(29,998.08)	0.00	(29,998.08)	0.00
Purchase	09/25/2026	31846V203	648.00	FIRST AMER:GVT OBLG Y	1.000	3.45%	(648.00)	0.00	(648.00)	0.00
Purchase	09/25/2026	31846V203	450,758.26	FIRST AMER:GVT OBLG Y	1.000	3.45%	(450,758.26)	0.00	(450,758.26)	0.00
Purchase	09/28/2026	31846V203	1,125.00	FIRST AMER:GVT OBLG Y	1.000	3.46%	(1,125.00)	0.00	(1,125.00)	0.00
Total Purchase			**924,164.27**				**(912,633.05)**	**(48.00)**	**(912,681.05)**	**0.00**
TOTAL ACQUISITIONS			**924,164.27**				**(912,633.05)**	**(48.00)**	**(912,681.05)**	**0.00**
DISPOSITIONS										

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Maturity	09/01/2026	3133EPUW3	(95,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 09/01/2026	100.000	4.99%	95,000.00	0.00	95,000.00	0.00
Total Maturity			**(95,000.00)**				**95,000.00**	**0.00**	**95,000.00**	**0.00**
Sale	09/02/2026	31846V203	(121,591.57)	FIRST AMER:GVT OBLG Y	1.000	3.27%	121,591.57	0.00	121,591.57	0.00
Sale	09/04/2026	91282CHY0	(125,000.00)	UNITED STATES TREASURY 4.625 09/15/2026	100.027	4.72%	125,034.18	(2,717.82)	127,752.00	37.37
Sale	09/09/2026	31846V203	(66,403.83)	FIRST AMER:GVT OBLG Y	1.000	3.27%	66,403.83	0.00	66,403.83	0.00
Sale	09/10/2026	31846V203	(585.37)	FIRST AMER:GVT OBLG Y	1.000	3.27%	585.37	0.00	585.37	0.00
Sale	09/23/2026	31846V203	(29,998.08)	FIRST AMER:GVT OBLG Y	1.000	3.43%	29,998.08	0.00	29,998.08	0.00
Sale	09/24/2026	31846V203	(104.17)	FIRST AMER:GVT OBLG Y	1.000	3.43%	104.17	0.00	104.17	0.00
Sale	09/25/2026	3133ERFJ5	(100,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 05/20/2027	99.997	4.80%	99,997.00	(1,562.50)	101,559.50	174.15
Sale	09/25/2026	3130AWTR1	(150,000.00)	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	98.936	4.51%	148,404.00	(309.90)	148,713.90	(1,226.43)
Sale	09/25/2026	3133EP6K6	(75,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027	99.798	4.45%	74,848.50	(1,678.13)	76,526.63	(169.58)
Sale	09/25/2026	91282CHF1	(65,000.00)	UNITED STATES TREASURY 3.75 05/31/2030	95.852	4.16%	62,303.52	(779.20)	63,082.72	(1,799.83)
Sale	09/25/2026	00287YDR7	(60,000.00)	ABBVIE INC 4.8 03/15/2027	100.023	3.89%	60,013.80	(80.00)	60,093.80	(192.19)
Total Sale			**(793,683.02)**				**789,284.02**	**(7,127.55)**	**796,411.57**	**(3,176.49)**
TOTAL DISPOSITIONS			**(888,683.02)**				**884,284.02**	**(7,127.55)**	**891,411.57**	**(3,176.49)**

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Coupon	09/01/2026	3133EPUW3	0.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 09/01/2026		4.99%	2,256.25	0.00	2,256.25	0.00
Coupon	09/01/2026	3137FG6X8	0.00	FHMS K-077 A2 3.85 05/25/2028		3.81%	320.83	0.00	320.83	0.00
Coupon	09/01/2026	3137FEZU7	0.00	FHMS K-076 A2 3.9 04/25/2028		3.81%	325.00	0.00	325.00	0.00
Coupon	09/01/2026	3137FGZT5	0.00	FHMS K-079 A2 3.926 06/25/2028		3.81%	327.17	0.00	327.17	0.00
Coupon	09/01/2026	3137FEBQ2	0.00	FHMS K-072 A2 3.444 12/25/2027		3.77%	267.35	0.00	267.35	0.00
Coupon	09/08/2026	3130AWTR1	0.00	FEDERAL HOME LOAN BANKS 4.375 09/08/2028		4.51%	3,281.25	0.00	3,281.25	0.00
Coupon	09/13/2026	023135DC7	0.00	AMAZON.COM INC 4.0 03/13/2029		4.34%	500.00	0.00	500.00	0.00
Coupon	09/14/2026	09290DAA9	0.00	BLACKROCK INC 4.7 03/14/2029		3.87%	1,410.00	0.00	1,410.00	0.00
Coupon	09/15/2026	91282CKE0	0.00	UNITED STATES TREASURY 4.25 03/15/2027		4.86%	2,656.25	0.00	2,656.25	0.00
Coupon	09/15/2026	89240KAD0	0.00	TAOT 2026-A A3 3.86 09/15/2030		4.13%	80.42	0.00	80.42	0.00
Coupon	09/15/2026	58933YBW4	0.00	MERCK & CO INC 3.85 03/15/2029		3.93%	1,155.00	0.00	1,155.00	0.00
Coupon	09/15/2026	00287YDR7	0.00	ABBVIE INC 4.8 03/15/2027		3.89%	1,440.00	0.00	1,440.00	0.00
Coupon	09/15/2026	92970QAE5	0.00	WFCIT 2024-2 A 4.29 10/15/2029		3.88%	357.50	0.00	357.50	0.00
Coupon	09/15/2026	58768YAD7	0.00	MBALT 2025-A A3 4.61 04/16/2029		3.87%	384.17	0.00	384.17	0.00

TRANSACTION LEDGER

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Coupon	09/15/2026	02589BAE0	0.00	AMXCA 2024-3 A 4.65 07/15/2027		3.85%	387.50	0.00	387.50	0.00
Coupon	09/15/2026	161571HZ0	0.00	CHAIT 2025-1 A 4.16 07/15/2030		3.76%	346.67	0.00	346.67	0.00
Coupon	09/15/2026	91282CLL3	0.00	UNITED STATES TREASURY 3.375 09/15/2027		3.48%	2,025.00	0.00	2,025.00	0.00
Coupon	09/16/2026	63743HFT4	0.00	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.12 09/16/2027		3.90%	1,236.00	0.00	1,236.00	0.00
Coupon	09/20/2026	89236TKJ3	0.00	TOYOTA MOTOR CREDIT CORP 4.55 09/20/2027		3.90%	1,365.00	0.00	1,365.00	0.00
Coupon	09/26/2026	3133EP6K6	0.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027		4.45%	1,125.00	0.00	1,125.00	0.00
Total Coupon			**0.00**				**21,246.36**	**0.00**	**21,246.36**	**0.00**
Custody Fee	09/24/2026	CCYUSD	(104.17)	Cash		0.00%	(104.17)	0.00	(104.17)	0.00
Total Custody Fee			**(104.17)**				**(104.17)**	**0.00**	**(104.17)**	**0.00**
Dividend	09/30/2026	31846V203	0.00	FIRST AMER:GVT OBLG Y		3.45%	504.49	0.00	504.49	0.00
Total Dividend			**0.00**				**504.49**	**0.00**	**504.49**	**0.00**
Management Fee	09/10/2026	CCYUSD	(585.37)	Cash		0.00%	(585.37)	0.00	(585.37)	0.00
Total Management Fee			**(585.37)**				**(585.37)**	**0.00**	**(585.37)**	**0.00**
Principal Paydown	09/01/2026	3137FEZU7	15.51	FHMS K-076 A2 3.9 04/25/2028		3.81%	15.51	--	15.51	(0.00)
Principal Paydown	09/01/2026	3137FEBQ2	173.85	FHMS K-072 A2 3.444 12/25/2027		3.77%	173.85	--	173.85	0.00
Total Principal Paydown			**189.36**				**189.36**	**--**	**189.36**	**(0.00)**
TOTAL OTHER TRANSACTIONS			**(500.18)**				**21,250.67**	**0.00**	**21,250.67**	**(0.00)**

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CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
CASH & EQUIVALENTS						
31846V203	FIRST AMER:GVT OBLG Y	519,034.09	43,552.84 694,164.27 (218,683.02) 519,034.09	0.00 523.30 0.00 523.30	0.00 0.00 0.00 523.30	523.30
CCYUSD	Receivable	504.49	523.30 0.00 0.00 504.49	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00
Total Cash & Equivalents		**519,538.58**	**44,076.14** **694,164.27** **(218,683.02)** **519,538.58**	**0.00** **523.30** **0.00** **523.30**	**0.00** **0.00** **0.00** **523.30**	**523.30**
FIXED INCOME						
00287YDR7	ABBVIE INC 4.8 03/15/2027	09/23/2025 09/24/2025 0.00	60,240.56 0.00 (60,205.99) 0.00	1,328.00 1,520.00 0.00 192.00	0.00 (34.57) (34.57) 157.43	157.43
009158AY2	AIR PRODUCTS AND CHEMICALS INC 1.85 05/15/2027	09/23/2025 09/24/2025 60,000.00	59,196.55 0.00 0.00 59,290.71	326.83 0.00 419.33 92.50	94.15 0.00 94.15 186.65	186.65
02079KAV9	ALPHABET INC 3.875 11/15/2028	60,000.00	60,110.28 0.00 0.00 60,106.00	684.58 0.00 878.33 193.75	0.47 (4.75) (4.29) 189.46	189.46
023135CS3	AMAZON.COM INC 3.9 11/20/2028	11/20/2025 60,000.00	60,019.37 0.00 0.00 60,018.61	656.50 0.00 851.50 195.00	0.27 (1.03) (0.76) 194.24	194.24
023135DC7	AMAZON.COM INC 4.0 03/13/2029	06/04/2026 06/05/2026 25,000.00	24,800.50 0.00 0.00 24,806.98	466.67 500.00 50.00 83.33	6.48 0.00 6.48 89.81	89.81

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CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
025816CP2	AMERICAN EXPRESS CO 3.3 05/03/2027	09/23/2025 09/24/2025 60,000.00	59,768.66 0.00 0.00 59,797.10	649.00 0.00 814.00 165.00	28.44 0.00 28.44 193.44	193.44
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	09/24/2025 09/25/2025 100,000.00	100,698.18 0.00 0.00 100,632.11	206.67 387.50 206.67 387.50	0.00 (66.07) (66.07) 321.43	321.43
06051GHM4	BANK OF AMERICA CORPORATION 4.271 07/23/2029	09/23/2025 09/24/2025 60,000.00	60,196.66 0.00 0.00 60,188.13	270.50 0.00 484.05 213.55	0.00 (8.54) (8.54) 205.01	205.01
06406RBN6	BANK OF NEW YORK MELLON CORP 4.543 02/01/2029	09/23/2025 09/24/2025 60,000.00	60,481.74 0.00 0.00 60,453.84	227.15 0.00 454.30 227.15	0.00 (27.90) (27.90) 199.25	199.25
09290DAA9	BLACKROCK INC 4.7 03/14/2029	09/23/2025 09/24/2025 60,000.00	61,139.82 0.00 0.00 61,101.70	1,308.17 1,410.00 133.17 235.00	0.00 (38.12) (38.12) 196.88	196.88
12572QAJ4	CME GROUP INC. 3.75 06/15/2028	12/09/2025 12/10/2025 60,000.00	59,964.15 0.00 0.00 59,965.80	475.00 0.00 662.50 187.50	1.65 0.00 1.65 189.15	189.15
161571HZ0	CHAIT 2025-1 A 4.16 07/15/2030	10/23/2025 10/24/2025 100,000.00	100,756.15 0.00 0.00 100,722.93	184.89 346.67 184.89 346.67	0.00 (33.21) (33.21) 313.46	313.46
30303M8L9	META PLATFORMS INC 4.6 05/15/2028	12/09/2025 12/10/2025 60,000.00	60,729.47 0.00 0.00 60,692.50	812.67 0.00 1,042.67 230.00	0.00 (36.97) (36.97) 193.03	193.03
3130AWTR1	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	09/15/2023 09/18/2023 0.00	149,618.00 0.00 (149,630.43) 0.00	3,153.65 3,591.15 0.00 437.50	12.42 0.00 12.42 449.93	449.93

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CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	11/16/2023 11/17/2023 105,000.00	104,986.94 0.00 0.00 104,992.03	1,402.92 0.00 1,807.60 404.69	5.09 0.00 5.09 409.77	409.77
3133EP6K6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027	03/25/2024 03/26/2024 50,000.00	125,034.10 0.00 (75,018.08) 50,011.65	2,421.88 2,803.13 31.25 412.51	0.00 (4.37) (4.37) 408.14	408.14
3133EPUW3	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 09/01/2026	10/23/2023 10/24/2023 0.00	95,000.00 0.00 (95,000.00) 0.00	2,256.25 2,256.25 0.00 0.00	0.00 0.00 0.00 0.00	0.00
3133ERFJ5	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 05/20/2027	05/23/2024 05/24/2024 0.00	99,804.91 0.00 (99,822.85) 0.00	1,262.50 1,562.50 0.00 300.00	17.94 0.00 17.94 317.94	317.94
3133ERMB4	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027	07/22/2024 07/23/2024 100,000.00	99,926.39 0.00 0.00 99,933.19	448.61 0.00 802.78 354.17	6.79 0.00 6.79 360.96	360.96
3133ERNP2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 08/06/2027	08/22/2024 08/23/2024 100,000.00	100,120.44 0.00 0.00 100,109.78	277.78 0.00 611.11 333.33	0.00 (10.66) (10.66) 322.67	322.67
3137FEBQ2	FHMS K-072 A2 3.444 12/25/2027	01/22/2026 01/27/2026 92,979.15	92,674.70 0.00 (173.85) 92,533.15	267.35 267.35 266.85 266.85	32.30 0.00 32.30 299.15	299.15
3137FEZU7	FHMS K-076 A2 3.9 04/25/2028	09/24/2025 09/29/2025 99,984.49	100,007.40 0.00 (15.51) 99,991.51	325.00 325.00 324.95 324.95	0.00 (0.39) (0.39) 324.56	324.56
3137FG6X8	FHMS K-077 A2 3.85 05/25/2028	09/24/2025 09/29/2025 100,000.00	99,937.17 0.00 0.00 99,940.27	320.83 320.83 320.83 320.83	3.10 0.00 3.10 323.93	323.93

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CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
3137FGZT5	FHMS K-079 A2 3.926 06/25/2028	09/24/2025 09/29/2025 100,000.00	100,069.05 0.00 0.00 100,065.81	327.17 327.17 327.17 327.17	0.00 (3.24) (3.24) 323.93	323.93
3137FWHT0	FHMS K-116 A2 1.378 07/25/2030	09/03/2026 09/09/2026 75,000.00	0.00 66,380.86 0.00 66,517.18	0.00 (22.97) 86.13 63.16	136.32 0.00 136.32 199.48	199.48
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	09/24/2025 09/25/2025 60,000.00	60,461.99 0.00 0.00 60,437.28	777.33 0.00 997.33 220.00	0.00 (24.71) (24.71) 195.29	195.29
44935MAD1	HART 26C A3 5.03 06/16/2031	09/15/2026 09/23/2026 30,000.00	0.00 29,998.08 0.00 29,998.09	0.00 0.00 33.53 33.53	0.01 0.00 0.01 33.54	33.54
45950KDF4	INTERNATIONAL FINANCE CORP 4.375 01/15/2027	11/29/2023 12/06/2023 55,000.00	54,978.53 0.00 0.00 54,983.27	307.47 0.00 507.99 200.52	4.74 0.00 4.74 205.26	205.26
46647PAV8	JPMORGAN CHASE & CO 4.203 07/23/2029	09/23/2025 09/24/2025 60,000.00	60,119.20 0.00 0.00 60,114.03	266.19 0.00 476.34 210.15	0.00 (5.18) (5.18) 204.97	204.97
532457CU0	ELI LILLY AND COMPANY 4.55 02/12/2028	09/24/2025 09/25/2025 60,000.00	60,572.31 0.00 0.00 60,537.84	144.08 0.00 371.58 227.50	0.00 (34.48) (34.48) 193.02	193.02
57636QBK9	MASTERCARD INCORPORATED 4.425 06/08/2029	06/10/2026 06/11/2026 65,000.00	64,961.52 0.00 0.00 64,962.66	663.14 0.00 902.82 239.69	1.14 0.00 1.14 240.83	240.83
58768YAD7	MBALT 2025-A A3 4.61 04/16/2029	09/24/2025 09/25/2025 100,000.00	100,859.34 0.00 0.00 100,810.88	204.89 384.17 204.89 384.17	0.00 (48.46) (48.46) 335.71	335.71

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
58933YBW4	MERCK & CO INC 3.85 03/15/2029	12/09/2025 12/10/2025 60,000.00	59,884.31 0.00 0.00 59,888.06	1,065.17 1,155.00 102.67 192.50	3.75 0.00 3.75 196.25	196.25
61747YEK7	MORGAN STANLEY 2.475 01/21/2028	01/21/2026 01/22/2026 60,000.00	59,361.14 0.00 0.00 59,398.94	165.00 0.00 288.75 123.75	37.80 0.00 37.80 161.55	161.55
63743HFT4	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.12 09/16/2027	09/24/2025 09/25/2025 60,000.00	60,121.69 0.00 0.00 60,111.23	1,133.00 1,236.00 103.00 206.00	0.00 (10.46) (10.46) 195.54	195.54
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	09/24/2025 09/25/2025 60,000.00	60,044.83 0.00 0.00 60,038.74	740.00 0.00 940.00 200.00	0.00 (6.09) (6.09) 193.91	193.91
67066GAP9	NVIDIA CORP 4.25 06/15/2028	08/25/2026 08/26/2026 60,000.00	59,831.75 0.00 0.00 59,839.48	517.08 0.00 729.58 212.50	7.73 0.00 7.73 220.23	220.23
756109BG8	REALTY INCOME CORPORATION 3.95 08/15/2027	09/24/2025 09/25/2025 60,000.00	59,989.09 0.00 0.00 59,990.03	105.33 0.00 302.83 197.50	0.94 0.00 0.94 198.44	198.44
828807DE4	SIMON PROPERTY GROUP LP 3.375 12/01/2027	01/21/2026 01/22/2026 60,000.00	59,650.94 0.00 0.00 59,673.90	506.25 0.00 675.00 168.75	22.96 0.00 22.96 191.71	191.71
857477CN1	STATE STREET CORPORATION 4.53 02/20/2029	09/23/2025 09/24/2025 60,000.00	60,438.40 0.00 0.00 60,413.91	83.05 0.00 309.55 226.50	0.00 (24.49) (24.49) 202.01	202.01
89236TKJ3	TOYOTA MOTOR CREDIT CORP 4.55 09/20/2027	09/23/2025 09/24/2025 60,000.00	60,391.62 0.00 0.00 60,361.02	1,220.92 1,365.00 83.42 227.50	0.00 (30.60) (30.60) 196.91	196.91

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89240KAD0	TAOT 2026-A A3 3.86 09/15/2030	01/13/2026 01/21/2026 25,000.00	24,998.15 0.00 0.00 24,998.19	42.89 80.42 42.89 80.42	0.04 0.00 0.04 80.46	80.46
91282CGB1	UNITED STATES TREASURY 3.875 12/31/2029	09/22/2025 09/23/2025 150,000.00	151,001.06 0.00 0.00 150,976.38	995.07 0.00 1,468.92 473.85	0.00 (24.68) (24.68) 449.17	449.17
91282CGJ4	UNITED STATES TREASURY 3.5 01/31/2030	03/26/2026 03/27/2026 125,000.00	123,071.33 0.00 0.00 123,117.69	380.43 0.00 737.09 356.66	46.36 0.00 46.36 403.02	403.02
91282CHF1	UNITED STATES TREASURY 3.75 05/31/2030	06/30/2026 06/30/2026 60,000.00	123,244.89 0.00 (64,103.35) 59,176.02	1,191.09 779.20 756.15 344.26	34.49 0.00 34.49 378.75	378.75
91282CHQ7	UNITED STATES TREASURY 4.125 07/31/2028	08/25/2026 08/26/2026 100,000.00	99,860.58 0.00 0.00 99,866.56	358.70 0.00 694.97 336.28	5.98 0.00 5.98 342.26	342.26
91282CHY0	UNITED STATES TREASURY 4.625 09/15/2026	09/15/2023 09/18/2023 0.00	124,995.93 0.00 (124,996.81) 0.00	2,670.69 2,717.82 0.00 47.13	0.87 0.00 0.87 48.01	48.01
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	09/25/2024 09/26/2024 120,000.00	120,278.91 0.00 0.00 120,199.22	1,118.85 0.00 1,549.18 430.33	0.00 (79.69) (79.69) 350.64	350.64
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	01/31/2024 01/31/2024 125,000.00	124,998.16 0.00 0.00 124,998.56	652.17 0.00 1,059.78 407.61	0.41 0.00 0.41 408.02	408.02
91282CKE0	UNITED STATES TREASURY 4.25 03/15/2027	04/25/2024 04/26/2024 125,000.00	124,621.13 0.00 0.00 124,679.42	2,454.14 2,656.25 234.81 436.91	58.29 0.00 58.29 495.20	495.20

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91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	04/25/2024 04/26/2024 125,000.00	124,748.55 0.00 0.00 124,781.93	2,136.27 0.00 2,597.34 461.07	33.38 0.00 33.38 494.44	494.44
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	06/26/2024 06/27/2024 150,000.00	150,122.67 0.00 0.00 150,109.85	1,478.48 0.00 2,047.13 568.65	0.00 (12.82) (12.82) 555.83	555.83
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	06/04/2026 06/05/2026 125,000.00	125,467.95 0.00 0.00 125,454.36	909.48 0.00 1,342.56 433.08	0.00 (13.59) (13.59) 419.49	419.49
91282CKZ3	UNITED STATES TREASURY 4.375 07/15/2027	07/22/2024 07/23/2024 100,000.00	100,063.79 0.00 0.00 100,057.76	570.65 0.00 927.31 356.66	0.00 (6.04) (6.04) 350.62	350.62
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	08/25/2026 08/26/2026 100,000.00	99,289.17 0.00 0.00 99,309.21	347.83 0.00 673.91 326.09	20.04 0.00 20.04 346.13	346.13
91282CLG4	UNITED STATES TREASURY 3.75 08/15/2027	08/22/2024 08/23/2024 100,000.00	99,939.97 0.00 0.00 99,945.15	173.23 0.00 478.94 305.71	5.17 0.00 5.17 310.88	310.88
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	09/01/2026 09/02/2026 125,000.00	0.00 122,089.84 0.00 122,166.98	0.00 (25.03) 388.04 363.01	77.14 0.00 77.14 440.15	440.15
91282CLL3	UNITED STATES TREASURY 3.375 09/15/2027	09/25/2024 09/26/2024 120,000.00	119,878.72 0.00 0.00 119,888.32	1,870.92 2,025.00 179.01 333.08	9.60 0.00 9.60 342.68	342.68
91282CLQ2	UNITED STATES TREASURY 3.875 10/15/2027	10/23/2024 10/24/2024 100,000.00	99,847.00 0.00 0.00 99,858.22	1,471.65 0.00 1,789.28 317.62	11.22 0.00 11.22 328.85	328.85

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91282CLS8	UNITED STATES TREASURY 4.125 10/31/2026	11/26/2024 11/27/2024 100,000.00	99,973.66 0.00 0.00 99,986.83	1,389.95 0.00 1,726.22 336.28	13.17 0.00 13.17 349.45	349.45
91282CLX7	UNITED STATES TREASURY 4.125 11/15/2027	11/26/2024 11/27/2024 120,000.00	119,855.26 0.00 0.00 119,865.13	1,466.17 0.00 1,869.70 403.53	9.87 0.00 9.87 413.40	413.40
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	12/19/2024 12/20/2024 150,000.00	148,787.93 0.00 0.00 148,818.59	1,572.23 0.00 2,079.41 507.17	30.66 0.00 30.66 537.83	537.83
91282CND9	UNITED STATES TREASURY 3.75 05/15/2028	04/28/2026 04/29/2026 125,000.00	124,792.65 0.00 0.00 124,802.65	1,388.42 0.00 1,770.55 382.13	10.00 0.00 10.00 392.13	392.13
91282CPT2	UNITED STATES TREASURY 3.5 01/15/2029	03/05/2026 03/06/2026 120,000.00	119,755.23 0.00 0.00 119,763.70	547.83 0.00 890.22 342.39	8.47 0.00 8.47 350.86	350.86
91282CQA2	UNITED STATES TREASURY 3.5 02/15/2029	02/11/2026 02/17/2026 150,000.00	149,826.85 0.00 0.00 149,832.64	242.53 0.00 670.52 427.99	5.78 0.00 5.78 433.77	433.77
92826CAY8	VISA INC. 3.8 02/12/2029	02/04/2026 02/12/2026 60,000.00	60,021.90 0.00 0.00 60,021.14	120.33 0.00 310.33 190.00	0.00 (0.76) (0.76) 189.24	189.24
92970QAE5	WFCIT 2024-2 A 4.29 10/15/2029	09/24/2025 09/25/2025 100,000.00	100,470.78 0.00 0.00 100,436.24	190.67 357.50 190.67 357.50	0.00 (34.53) (34.53) 322.97	322.97
			5,796,860.07 **218,468.78** **(668,966.86)**	**53,700.12** **28,325.91** **44,264.27**	**805.44** **(626.38)** **179.07**	
Total Fixed Income		**5,357,963.64**	**5,346,541.06**	**18,890.07**	**19,069.13**	**19,069.13**

INCOME EARNED

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			5,840,936.21 912,633.05 (887,649.88)	53,700.12 28,849.21 44,264.27	805.44 (626.38) 179.07	
TOTAL PORTFOLIO		**5,877,502.22**	**5,866,079.64**	**19,413.37**	**19,592.43**	**19,592.43**

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Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
OCTOBER 2026							
10/01/2026	Dividend	31846V203	0.00	FIRST AMER:GVT OBLG Y	504.49		504.49
10/15/2026	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
10/15/2026	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
10/15/2026	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		92.22	92.22
10/15/2026	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		384.17	384.17
10/15/2026	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
10/15/2026	Coupon	91282CKJ9	125,000.00	UNITED STATES TREASURY 4.5 04/15/2027		2,812.50	2,812.50
10/15/2026	Coupon	91282CLQ2	100,000.00	UNITED STATES TREASURY 3.875 10/15/2027		1,937.50	1,937.50
10/15/2026	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
10/26/2026	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		266.85	266.85
10/26/2026	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		324.95	324.95
10/26/2026	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	150.32		150.32
10/26/2026	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
10/26/2026	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
10/26/2026	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
October 2026 Total					**654.81**	**7,724.39**	**8,379.20**
NOVEMBER 2026							
11/02/2026	Coupon	91282CLS8	100,000.00	UNITED STATES TREASURY 4.125 10/31/2026		2,062.50	2,062.50
11/02/2026	Final Maturity	91282CLS8	100,000.00	UNITED STATES TREASURY 4.125 10/31/2026	100,000.00		100,000.00
11/03/2026	Coupon	025816CP2	60,000.00	AMERICAN EXPRESS CO 3.3 05/03/2027		990.00	990.00
11/10/2026	Coupon	665859AW4	60,000.00	NORTHERN TRUST CORP 4.0 05/10/2027		1,200.00	1,200.00
11/16/2026	Coupon	009158AY2	60,000.00	AIR PRODUCTS AND CHEMICALS INC 1.85 05/15/2027		555.00	555.00
11/16/2026	Coupon	02079KAV9	60,000.00	ALPHABET INC 3.875 11/15/2028		1,162.50	1,162.50
11/16/2026	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
11/16/2026	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
11/16/2026	Coupon	30303M8L9	60,000.00	META PLATFORMS INC 4.6 05/15/2028		1,380.00	1,380.00
11/16/2026	Coupon	341081GN1	60,000.00	FLORIDA POWER & LIGHT CO 4.4 05/15/2028		1,320.00	1,320.00
11/16/2026	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
11/16/2026	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		384.17	384.17
11/16/2026	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
11/16/2026	Coupon	91282CLX7	120,000.00	UNITED STATES TREASURY 4.125 11/15/2027		2,475.00	2,475.00
11/16/2026	Coupon	91282CND9	125,000.00	UNITED STATES TREASURY 3.75 05/15/2028		2,343.75	2,343.75
11/16/2026	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
11/17/2026	Coupon	3130AXU63	105,000.00	FEDERAL HOME LOAN BANKS 4.625 11/17/2026		2,428.13	2,428.13
11/17/2026	Final Maturity	3130AXU63	105,000.00	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	105,000.00		105,000.00
11/20/2026	Coupon	023135CS3	60,000.00	AMAZON.COM INC 3.9 11/20/2028		1,170.00	1,170.00
11/25/2026	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		287.00	287.00
11/25/2026	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		324.46	324.46
11/25/2026	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	139.70		139.70
11/25/2026	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
11/25/2026	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
11/25/2026	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
11/30/2026	Coupon	91282CHF1	60,000.00	UNITED STATES TREASURY 3.75 05/31/2030		1,125.00	1,125.00
11/30/2026	Coupon	91282CMA6	150,000.00	UNITED STATES TREASURY 4.125 11/30/2029		3,093.75	3,093.75
November 2026 Total					**205,139.70**	**24,333.21**	**229,472.91**
DECEMBER 2026							
12/01/2026	Coupon	828807DE4	60,000.00	SIMON PROPERTY GROUP LP 3.375 12/01/2027		1,012.50	1,012.50
12/08/2026	Coupon	57636QBK9	65,000.00	MASTERCARD INCORPORATED 4.425 06/08/2029		1,438.13	1,438.13
12/15/2026	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
12/15/2026	Coupon	12572QAJ4	60,000.00	CME GROUP INC. 3.75 06/15/2028		1,125.00	1,125.00
12/15/2026	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
12/15/2026	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
12/15/2026	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		384.17	384.17
12/15/2026	Coupon	67066GAP9	60,000.00	NVIDIA CORP 4.25 06/15/2028		1,253.75	1,253.75
12/15/2026	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
12/15/2026	Coupon	91282CJP7	120,000.00	UNITED STATES TREASURY 4.375 12/15/2026		2,625.00	2,625.00
12/15/2026	Final Maturity	91282CJP7	120,000.00	UNITED STATES TREASURY 4.375 12/15/2026	120,000.00		120,000.00
12/15/2026	Coupon	91282CKV2	150,000.00	UNITED STATES TREASURY 4.625 06/15/2027		3,468.75	3,468.75

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
12/15/2026	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
12/25/2026	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		287.00	287.00
12/25/2026	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		324.01	324.01
12/25/2026	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	151.14		151.14
12/25/2026	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
12/25/2026	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
12/25/2026	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
12/31/2026	Coupon	91282CGB1	150,000.00	UNITED STATES TREASURY 3.875 12/31/2029		2,906.25	2,906.25
12/31/2026	Coupon	91282CKX8	125,000.00	UNITED STATES TREASURY 4.25 06/30/2029		2,656.25	2,656.25
December 2026 Total					**120,151.14**	**19,512.76**	**139,663.90**
JANUARY 2027							
01/15/2027	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
01/15/2027	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
01/15/2027	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
01/15/2027	Coupon	45950KDF4	55,000.00	INTERNATIONAL FINANCE CORP 4.375 01/15/2027		1,203.13	1,203.13
01/15/2027	Final Maturity	45950KDF4	55,000.00	INTERNATIONAL FINANCE CORP 4.375 01/15/2027	55,000.00		55,000.00
01/15/2027	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		384.17	384.17
01/15/2027	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
01/15/2027	Coupon	91282CJT9	125,000.00	UNITED STATES TREASURY 4.0 01/15/2027		2,500.00	2,500.00
01/15/2027	Final Maturity	91282CJT9	125,000.00	UNITED STATES TREASURY 4.0 01/15/2027	125,000.00		125,000.00
01/15/2027	Coupon	91282CKZ3	100,000.00	UNITED STATES TREASURY 4.375 07/15/2027		2,187.50	2,187.50
01/15/2027	Coupon	91282CPT2	120,000.00	UNITED STATES TREASURY 3.5 01/15/2029		2,100.00	2,100.00
01/15/2027	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
01/21/2027	Coupon	61747YEK7	60,000.00	MORGAN STANLEY 2.475 01/21/2028		742.50	742.50
01/25/2027	Coupon	06051GHM4	60,000.00	BANK OF AMERICA CORPORATION 4.271 07/23/2029		1,281.30	1,281.30
01/25/2027	Coupon	3133ERMB4	100,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027		2,125.00	2,125.00
01/25/2027	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		287.00	287.00
01/25/2027	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		323.52	323.52

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
01/25/2027	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	140.58		140.58
01/25/2027	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
01/25/2027	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
01/25/2027	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
01/25/2027	Coupon	46647PAV8	60,000.00	JPMORGAN CHASE & CO 4.203 07/23/2029		1,260.90	1,260.90
January 2027 Total					**180,140.58**	**16,426.97**	**196,567.55**
FEBRUARY 2027							
02/01/2027	Coupon	06406RBN6	60,000.00	BANK OF NEW YORK MELLON CORP 4.543 02/01/2029		1,362.90	1,362.90
02/01/2027	Coupon	91282CGJ4	125,000.00	UNITED STATES TREASURY 3.5 01/31/2030		2,187.50	2,187.50
02/01/2027	Coupon	91282CHQ7	100,000.00	UNITED STATES TREASURY 4.125 07/31/2028		2,062.50	2,062.50
02/01/2027	Coupon	91282CLC3	100,000.00	UNITED STATES TREASURY 4.0 07/31/2029		2,000.00	2,000.00
02/08/2027	Coupon	3133ERNP2	100,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 08/06/2027		2,000.00	2,000.00
02/12/2027	Coupon	532457CU0	60,000.00	ELI LILLY AND COMPANY 4.55 02/12/2028		1,365.00	1,365.00
02/12/2027	Coupon	92826CAY8	60,000.00	VISA INC. 3.8 02/12/2029		1,140.00	1,140.00
02/15/2027	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
02/15/2027	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
02/15/2027	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		384.17	384.17
02/15/2027	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
02/16/2027	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
02/16/2027	Coupon	756109BG8	60,000.00	REALTY INCOME CORPORATION 3.95 08/15/2027		1,185.00	1,185.00
02/16/2027	Coupon	91282CLG4	100,000.00	UNITED STATES TREASURY 3.75 08/15/2027		1,875.00	1,875.00
02/16/2027	Coupon	91282CQA2	150,000.00	UNITED STATES TREASURY 3.5 02/15/2029		2,625.00	2,625.00
02/16/2027	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
02/22/2027	Coupon	857477CN1	60,000.00	STATE STREET CORPORATION 4.53 02/20/2029		1,359.00	1,359.00
02/25/2027	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		287.00	287.00
02/25/2027	Principal Paydown	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027	99.35		99.35
02/25/2027	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		323.06	323.06
02/25/2027	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	141.00		141.00
02/25/2027	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
02/25/2027	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
02/25/2027	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
February 2027 Total					**240.36**	**22,188.09**	**22,428.44**
MARCH 2027							
03/01/2027	Coupon	91282CLK5	125,000.00	UNITED STATES TREASURY 3.625 08/31/2029		2,265.63	2,265.63
03/15/2027	Coupon	023135DC7	25,000.00	AMAZON.COM INC 4.0 03/13/2029		500.00	500.00
03/15/2027	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
03/15/2027	Coupon	09290DAA9	60,000.00	BLACKROCK INC 4.7 03/14/2029		1,410.00	1,410.00
03/15/2027	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
03/15/2027	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
03/15/2027	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		384.17	384.17
03/15/2027	Coupon	58933YBW4	60,000.00	MERCK & CO INC 3.85 03/15/2029		1,155.00	1,155.00
03/15/2027	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
03/15/2027	Coupon	91282CKE0	125,000.00	UNITED STATES TREASURY 4.25 03/15/2027		2,656.25	2,656.25
03/15/2027	Final Maturity	91282CKE0	125,000.00	UNITED STATES TREASURY 4.25 03/15/2027	125,000.00		125,000.00
03/15/2027	Coupon	91282CLL3	120,000.00	UNITED STATES TREASURY 3.375 09/15/2027		2,025.00	2,025.00
03/15/2027	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
03/16/2027	Coupon	63743HFT4	60,000.00	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.12 09/16/2027		1,236.00	1,236.00
03/22/2027	Coupon	89236TKJ3	60,000.00	TOYOTA MOTOR CREDIT CORP 4.55 09/20/2027		1,365.00	1,365.00
03/25/2027	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		286.71	286.71
03/25/2027	Principal Paydown	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027	210.67		210.67
03/25/2027	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		322.60	322.60
03/25/2027	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	174.24		174.24
03/25/2027	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
03/25/2027	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
03/25/2027	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
03/26/2027	Coupon	3133EP6K6	50,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027		1,125.00	1,125.00
03/26/2027	Final Maturity	3133EP6K6	50,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027	50,000.00		50,000.00

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
March 2027 Total					**175,384.91**	**16,763.32**	**192,148.23**
APRIL 2027							
04/15/2027	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
04/15/2027	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
04/15/2027	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
04/15/2027	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		384.17	384.17
04/15/2027	Principal Paydown	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029	6,891.83		6,891.83
04/15/2027	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
04/15/2027	Coupon	91282CKJ9	125,000.00	UNITED STATES TREASURY 4.5 04/15/2027		2,812.50	2,812.50
04/15/2027	Final Maturity	91282CKJ9	125,000.00	UNITED STATES TREASURY 4.5 04/15/2027	125,000.00		125,000.00
04/15/2027	Coupon	91282CLQ2	100,000.00	UNITED STATES TREASURY 3.875 10/15/2027		1,937.50	1,937.50
04/15/2027	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
04/21/2027	Coupon	61747YEK7	60,000.00	MORGAN STANLEY 2.475 01/21/2028		735.00	735.00
04/26/2027	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		286.11	286.11
04/26/2027	Principal Paydown	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027	178.55		178.55
04/26/2027	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		322.04	322.04
04/26/2027	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	141.98		141.98
04/26/2027	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
04/26/2027	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
04/26/2027	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
April 2027 Total					**132,212.36**	**8,509.27**	**140,721.63**
MAY 2027							
05/03/2027	Coupon	025816CP2	60,000.00	AMERICAN EXPRESS CO 3.3 05/03/2027		990.00	990.00
05/03/2027	Final Maturity	025816CP2	60,000.00	AMERICAN EXPRESS CO 3.3 05/03/2027	60,000.00		60,000.00
05/10/2027	Coupon	665859AW4	60,000.00	NORTHERN TRUST CORP 4.0 05/10/2027		1,200.00	1,200.00
05/10/2027	Final Maturity	665859AW4	60,000.00	NORTHERN TRUST CORP 4.0 05/10/2027	60,000.00		60,000.00
05/17/2027	Coupon	009158AY2	60,000.00	AIR PRODUCTS AND CHEMICALS INC 1.85 05/15/2027		555.00	555.00
05/17/2027	Final Maturity	009158AY2	60,000.00	AIR PRODUCTS AND CHEMICALS INC 1.85 05/15/2027	60,000.00		60,000.00
05/17/2027	Coupon	02079KAV9	60,000.00	ALPHABET INC 3.875 11/15/2028		1,162.50	1,162.50
05/17/2027	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
05/17/2027	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
05/17/2027	Coupon	30303M8L9	60,000.00	META PLATFORMS INC 4.6 05/15/2028		1,380.00	1,380.00
05/17/2027	Coupon	341081GN1	60,000.00	FLORIDA POWER & LIGHT CO 4.4 05/15/2028		1,320.00	1,320.00
05/17/2027	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
05/17/2027	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		357.69	357.69
05/17/2027	Principal Paydown	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029	7,172.97		7,172.97
05/17/2027	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
05/17/2027	Coupon	91282CLX7	120,000.00	UNITED STATES TREASURY 4.125 11/15/2027		2,475.00	2,475.00
05/17/2027	Coupon	91282CND9	125,000.00	UNITED STATES TREASURY 3.75 05/15/2028		2,343.75	2,343.75
05/17/2027	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
05/20/2027	Coupon	023135CS3	60,000.00	AMAZON.COM INC 3.9 11/20/2028		1,170.00	1,170.00
05/25/2027	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		285.60	285.60
05/25/2027	Principal Paydown	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027	189.99		189.99
05/25/2027	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		321.57	321.57
05/25/2027	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	153.28		153.28
05/25/2027	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
05/25/2027	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
05/25/2027	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
May 2027 Total					**187,516.23**	**15,593.07**	**203,109.31**
JUNE 2027							
06/01/2027	Coupon	828807DE4	60,000.00	SIMON PROPERTY GROUP LP 3.375 12/01/2027		1,012.50	1,012.50
06/01/2027	Coupon	91282CHF1	60,000.00	UNITED STATES TREASURY 3.75 05/31/2030		1,125.00	1,125.00
06/01/2027	Coupon	91282CMA6	150,000.00	UNITED STATES TREASURY 4.125 11/30/2029		3,093.75	3,093.75
06/08/2027	Coupon	57636QBK9	65,000.00	MASTERCARD INCORPORATED 4.425 06/08/2029		1,438.13	1,438.13
06/15/2027	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
06/15/2027	Coupon	12572QAJ4	60,000.00	CME GROUP INC. 3.75 06/15/2028		1,125.00	1,125.00
06/15/2027	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
06/15/2027	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
06/15/2027	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		330.13	330.13
06/15/2027	Principal Paydown	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029	7,848.25		7,848.25
06/15/2027	Coupon	67066GAP9	60,000.00	NVIDIA CORP 4.25 06/15/2028		1,275.00	1,275.00

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
06/15/2027	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
06/15/2027	Coupon	91282CKV2	150,000.00	UNITED STATES TREASURY 4.625 06/15/2027		3,468.75	3,468.75
06/15/2027	Final Maturity	91282CKV2	150,000.00	UNITED STATES TREASURY 4.625 06/15/2027	150,000.00		150,000.00
06/15/2027	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
06/25/2027	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		285.05	285.05
06/25/2027	Principal Paydown	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027	179.71		179.71
06/25/2027	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		321.08	321.08
06/25/2027	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	142.87		142.87
06/25/2027	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
06/25/2027	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
06/25/2027	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
06/30/2027	Coupon	91282CGB1	150,000.00	UNITED STATES TREASURY 3.875 12/31/2029		2,906.25	2,906.25
06/30/2027	Coupon	91282CKX8	125,000.00	UNITED STATES TREASURY 4.25 06/30/2029		2,656.25	2,656.25
June 2027 Total					**158,170.82**	**21,068.85**	**179,239.67**
JULY 2027							
07/15/2027	Coupon	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027		387.50	387.50
07/15/2027	Final Maturity	02589BAE0	100,000.00	AMXCA 2024-3 A 4.65 07/15/2027	100,000.00		100,000.00
07/15/2027	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
07/15/2027	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
07/15/2027	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		299.98	299.98
07/15/2027	Principal Paydown	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029	8,411.22		8,411.22
07/15/2027	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
07/15/2027	Coupon	91282CKZ3	100,000.00	UNITED STATES TREASURY 4.375 07/15/2027		2,187.50	2,187.50
07/15/2027	Final Maturity	91282CKZ3	100,000.00	UNITED STATES TREASURY 4.375 07/15/2027	100,000.00		100,000.00
07/15/2027	Coupon	91282CPT2	120,000.00	UNITED STATES TREASURY 3.5 01/15/2029		2,100.00	2,100.00
07/15/2027	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
07/21/2027	Coupon	61747YEK7	60,000.00	MORGAN STANLEY 2.475 01/21/2028		735.00	735.00
07/23/2027	Coupon	06051GHM4	60,000.00	BANK OF AMERICA CORPORATION 4.271 07/23/2029		1,281.30	1,281.30
07/23/2027	Coupon	3133ERMB4	100,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027		2,125.00	2,125.00

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/23/2027	Final Maturity	3133ERMB4	100,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027	100,000.00		100,000.00
07/23/2027	Coupon	46647PAV8	60,000.00	JPMORGAN CHASE & CO 4.203 07/23/2029		1,260.90	1,260.90
07/26/2027	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		284.54	284.54
07/26/2027	Principal Paydown	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027	190.36		190.36
07/26/2027	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		320.61	320.61
07/26/2027	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	154.11		154.11
07/26/2027	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
07/26/2027	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
07/26/2027	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
July 2027 Total					**308,755.70**	**12,626.79**	**321,382.49**
AUGUST 2027							
08/02/2027	Coupon	06406RBN6	60,000.00	BANK OF NEW YORK MELLON CORP 4.543 02/01/2029		1,362.90	1,362.90
08/02/2027	Coupon	91282CGJ4	125,000.00	UNITED STATES TREASURY 3.5 01/31/2030		2,187.50	2,187.50
08/02/2027	Coupon	91282CHQ7	100,000.00	UNITED STATES TREASURY 4.125 07/31/2028		2,062.50	2,062.50
08/02/2027	Coupon	91282CLC3	100,000.00	UNITED STATES TREASURY 4.0 07/31/2029		2,000.00	2,000.00
08/06/2027	Coupon	3133ERNP2	100,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 08/06/2027		2,000.00	2,000.00
08/06/2027	Final Maturity	3133ERNP2	100,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 08/06/2027	100,000.00		100,000.00
08/12/2027	Coupon	532457CU0	60,000.00	ELI LILLY AND COMPANY 4.55 02/12/2028		1,365.00	1,365.00
08/12/2027	Coupon	92826CAY8	60,000.00	VISA INC. 3.8 02/12/2029		1,140.00	1,140.00
08/16/2027	Coupon	161571HZ0	100,000.00	CHAIT 2025-1 A 4.16 07/15/2030		346.67	346.67
08/16/2027	Coupon	44935MAD1	30,000.00	HART 26C A3 5.03 06/16/2031		125.75	125.75
08/16/2027	Coupon	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029		267.67	267.67
08/16/2027	Principal Paydown	58768YAD7	100,000.00	MBALT 2025-A A3 4.61 04/16/2029	9,940.58		9,940.58
08/16/2027	Coupon	756109BG8	60,000.00	REALTY INCOME CORPORATION 3.95 08/15/2027		1,185.00	1,185.00
08/16/2027	Final Maturity	756109BG8	60,000.00	REALTY INCOME CORPORATION 3.95 08/15/2027	60,000.00		60,000.00
08/16/2027	Coupon	89240KAD0	25,000.00	TAOT 2026-A A3 3.86 09/15/2030		80.42	80.42
08/16/2027	Coupon	91282CLG4	100,000.00	UNITED STATES TREASURY 3.75 08/15/2027		1,875.00	1,875.00

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
08/16/2027	Final Maturity	91282CLG4	100,000.00	UNITED STATES TREASURY 3.75 08/15/2027	100,000.00		100,000.00
08/16/2027	Coupon	91282CQA2	150,000.00	UNITED STATES TREASURY 3.5 02/15/2029		2,625.00	2,625.00
08/16/2027	Coupon	92970QAE5	100,000.00	WFCIT 2024-2 A 4.29 10/15/2029		357.50	357.50
08/20/2027	Coupon	857477CN1	60,000.00	STATE STREET CORPORATION 4.53 02/20/2029		1,359.00	1,359.00
08/25/2027	Coupon	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027		283.99	283.99
08/25/2027	Principal Paydown	3137FEBQ2	92,979.15	FHMS K-072 A2 3.444 12/25/2027	179.48		179.48
08/25/2027	Coupon	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028		320.11	320.11
08/25/2027	Principal Paydown	3137FEZU7	99,984.49	FHMS K-076 A2 3.9 04/25/2028	143.36		143.36
08/25/2027	Coupon	3137FG6X8	100,000.00	FHMS K-077 A2 3.85 05/25/2028		320.83	320.83
08/25/2027	Coupon	3137FGZT5	100,000.00	FHMS K-079 A2 3.926 06/25/2028		327.17	327.17
08/25/2027	Coupon	3137FWHT0	75,000.00	FHMS K-116 A2 1.378 07/25/2030		86.13	86.13
August 2027 Total					**270,263.42**	**21,678.13**	**291,941.56**
Grand Total			**21,738,283.51**		**1,738,630.05**	**186,424.84**	**1,925,054.89**

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Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest.

LGIP Yields: Reported yields for local government investment pools may be presented as either the 30-day yield or the monthly distribution yield, as applicable. For certain funds, the 30-day yield is calculated using reported daily yield data. Yield calculations are subject to change and may not be directly comparable across funds.

LAIF Yields: Additional Disclosure for CA Clients - As a result of a reporting lag from the Local Agency Investment Fund (LAIF), reported LAIF yields represent the most recently available Daily Effective Yield and may reflect data from approximately 7–10 days prior to month-end.

Benchmark	Disclosure
ICE BofA 0-3 Yr US Treasury Index	The ICE BofA 0-3 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than three years remaining term to final maturity, a fixed coupon schedule, and a minimum amount outstanding of $1 billion.

Upper San Gabriel Valley Municipal Water District
Summary of Director Outreach Expenses
For the period ended September 30, 2026

Director	Jul-26	Aug-26	Sep-26	YTD Actual	Balance Remaining
Director Chavez	$ -	2,750.00	-	$ 2,750.00	$ 2,250.00
Director Fellow	400.00	-	-	400.00	4,600.00
Director Treviño	-	-	-	-	5,000.00
Director Santana	500.00	50.00	-	550.00	4,450.00
Director Garcia	200.00	1,250.00	-	1,450.00	3,550.00
Total	$ 1,100.00	4,050.00	-	$ 5,150.00	$ 19,850.00

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Chavez

Paid Date	Description	Amount	Check #	Recipient
08/20/26	2026 La Puente Community Foundation Golf Tourn.	1,500.00	23795	La Puente Community Foundation
08/20/26	2026 Covina Valley Optimist Golf Tournament	1,250.00	23796	Optimist International
	Total	**2,750.00**		
	Outreach Fund Balance	**2,250.00**		

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Fellow

Paid Date	Description	Amount	Check #	Recipient
07/20/26	Summer Concert 2026	400.00	23717	City of Monrovia
	Total	**400.00**		
	Outreach Fund Balance	**4,600.00**		

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Treviño

Paid Date	Description	Amount	Check #	Recipient
	Total	**-**		
	Outreach Fund Balance	**5,000.00**		

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Santana

Paid Date	Description	Amount	Check #	Recipient
07/15/26	Pride of the Valley 5K Run/Fun Walk	500.00	23716	City of Baldwin Park
08/20/26	2026 Baldwin Park Business Assoc. Membership	50.00	23774	Baldwin Park Business Assoc.

Total	**550.00**
Outreach Fund Balance	**4,450.00**

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Garcia

Paid Date	Description	Amount	Check #	Recipient
07/10/25	2026 Summer Concerts Series	200.00	24142	West Covina Community Services Foundation
08/20/26	2026 Covina Valley Optimist Golf Tournament	1,250.00	23796	Optimist International
	Total	**1,450.00**		
	Outreach Fund Balance	**3,550.00**		

UPPER WATER
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

248 E. Foothill Blvd., Suite 200
Monrovia, CA, 91016

P: 626-443-2297

E: info@usgvmwd.org

MEMORANDUM

ITEM 7.d.
Consent

DATE: November 18, 2026

TO: Board of Directors

FROM: General Manager

SUBJECT: FY26–27 Water Education Grant Program

Recommendation

Staff recommends the funding of 22 grant applications totaling $18,958.11 for the FY 2026-27 of the Water Education Grant Program.

Background

The open application period for Upper Water's Water Education Grant Program (WEGP) was announced during public comment at various school districts across the service area from July through September 2026. School districts were subsequently notified via email and mail. In addition, staff made the application available on Upper Water's website, social media accounts, and e-Newsletter. The deadline for the first round of completed applications was October 16, 2026.

Discussion

For the fiscal year 2026-27, the Board of Directors approved a budget allocation of $40,000 for educational materials and grant programs, with $20,000 dedicated to the Water Education Grant Program (WEGP) and the remaining $20,000 allocated to educational videos and other materials.

Staff has reviewed all grant applications in accordance with the program's criteria, conditions, and educational goals, receiving a total of 28 applications. Of these, 22 meet the program guidelines and fall within the approved budget allocation. Staff does not recommend funding the six applications that do not meet program requirements and seeks the committee's direction on whether to approve funding for them. If the committee decides not to approve funding, the total funding amount for the eligible applications would be $18,958.11. However, if all six applications are approved, the total funding amount would increase to $21,544.69, exceeding the allocated budget by $1,544.69.

The review criteria included the following:

- Does the project offer a better understanding of water and the important role it plays?
- Does the project actively engage students in the learning process and enhance the classroom experience?
- Are components of the project inter-disciplinary?
- Does the budget cover the activities proposed?

- Are the student activities, goals, and objectives clearly defined?

The attached table lists each of the 28 applications with a project summary.

Committee Review
This item was reviewed by the Government Affairs and Community Outreach Committee meeting on November 4, 2026, and received a 2-0 recommendation for Board approval.

Attachments
1. WEGP Apps Summary FY 26-27 (F)

Upper Water - Water Education Grant Applications Received for FY 2026-27

ID	Received	Project Title	Applicant Name	School	School Address	City	Zip	School Phone #	Contact Person's #	Email	Div.	Grade Levels	Total Students	Total Project Cost	Amount Requested	Summary	Items Needed for Project
1	10/8/26	School Garden Water Conservation	Jessica Trinh-Roseli	Hollenbeck Middle School	2101 E. Merced Ave.	West Covina	91791	(626) 931-1760	(909) 569-5237	jroseli@wcusd.org	4	6-8th	791	$948.90	$948.90	Establish a student-led Living Hydrology Lab to compare conventional garden irrigation with sub-irrigated wicking beds designed to reduce water loss from evaporation and runoff. Students in grades 6–8 will use water meters and soil moisture sensors to monitor and compare water consumption, calculate water savings, and create data graphs over a 24-week growing season. The project will provide hands-on STEM learning in water conservation, capillary action, plant science, and sustainable gardening while demonstrating the potential for water-efficient gardening practices at other schools.	1. (2) Foodcube garden beds (Large)
2	10/8/26	Waterwise School Garden	Amber Le	Hollenbeck Middle School	2101 E. Merced Ave.	West Covina	91791	(626) 931-1762	(714) 851-8100	ale@wcusd.org	4	6-7th	500	$1,000.00	$1,000.00	Improve the school's existing garden with drought-tolerant California native plants, including succulents, poppies, and sage, to withstand Southern California's summer heat while supporting edible plant growth. The project will provide hands-on science learning about photosynthesis, cellular respiration, water conservation, and the local ecosystem, helping students understand the importance of native plants and sustainable gardening.	1. Plant pots 2. Poppy seeds 3. Sage seeds/sprouts 4. Aloe vera seeds/cuttlings/starters 5. Prickly Pear seeds/cuttings/starters 6. Beavertail Cacti seeds/cuttings/starters
3	10/8/26	Mt. SAC Nature Center & Water Efficient Garden Bed	Eloise Gomez	Bassett High School	755 N. Ardilla Ave.	La Puente	91746	(626) 931-2800 x2669	(626) 931-2800	egomez@bassettusd.org	3	9-12th	100	$1,000.00	$1,000.00	Transport 50 students to the Mt. SAC Nature Garden Preserve to learn about California native plants, drought tolerance, and plant propagation. Grant funds will also replace damaged garden beds and purchase equipment to install drip irrigation on campus, supporting hands-on learning in water conservation, sustainable gardening, and stewardship of the San Gabriel Valley's native chaparral habitat.	1. (1) 18'x 72" raised garden bed 2. Equipment for drip irrigation for garden bed 3. Bus transportation to Mt.SAC Nature Preserve 4. Drought tolerant plants and fertilizer
4	10/12/26	Water Filtration: A STEM Stewardship to a Social Struggle	Cuong Luu	Royal Oaks STEAM Academy	2499 Royal Oaks Dr.	Duarte	91010	(626) 599-5400	(626) 599-5475	cluu@duarteusd.org	1	7-8th	40	$1,000.00	$1,000.00	Combine Project Learning Tree and Project WET lessons to teach students about watersheds, local water needs, and water quality. Students will test water samples and design, build, and evaluate solar-powered desalination devices to explore evaporation, condensation, and methods of producing freshwater from saltwater. Through hands-on STEM activities, students will learn about Southern California's water supply challenges, water treatment, and sustainable water solutions while collecting and analyzing data to improve their designs.	1. Solar Powered Water Desalination Kit (12 kits + shipping + tax) 2. Drinking Water Test Strips - Quick Kit (12 kits + shipping + tax) 3. Delivery: 2 Rolls of Member's Mark Plastic Cling Wrap (12" x 3000') 4. Delivery: 2 Bags of Morton's Table Salt (without iodine, 25 lbs) 5. T-Rex 1 in X 10 yd L Bright Color Duct Tape (12 rolls + tax)
5	10/12/26	Reclaiming Sewage: Urban Planning for Alternative Water	Cuong Luu	Duarte High School	1565 Central Ave.	Duarte	91010	(626) 599-5700	(626) 599-5784	cluu@duarteusd.org	5	10-12th	48	$1,017.50	$1,000.00	Engage 48 students in exploring Southern California's water history, local watersheds, wastewater treatment, and water reuse. Students will tour the San Jose Creek Water Reclamation Plant to learn about primary, secondary, and tertiary treatment, then build and test multi-stage filtration systems using water-quality testing kits. Through data analysis, model development, and presentations to community stakeholders, students will explore water conservation, recycled water applications, groundwater recharge, and sustainable urban planning.	1. Complete water treatment system (12 kits x $65.45/unit + tax) 2. Drinking water test strips (8 kits x $16.99/unit + tax)
6	10/12/26	On Campus Garden Refresh	Jeff Edward Torpey	Bassett High School	755 N. Ardilla Ave.	La Puente	91746	(626) 931-2800	(626) 665-9604	jeff.torpey@bassettusd.org	3	9-12th	50	$997.00	$997.00	Enhance Bassett High School's demonstration garden with drought-tolerant succulents, cacti, and edible plants while incorporating water-efficient practices such as drip irrigation, mulching, companion planting, and vermicomposting. Students will gain hands-on experience in botany, soil science, ecology, and sustainable gardening while observing pollinators, growing food, and exploring the benefits of water conservation. The garden also serves as a shared learning space for students, teachers, and staff.	1. Succulents 2. Cacti 3. Sages, herbs, flowers 4. Growing pots 5. 72" planter 6. Soil
7	10/12/26	Xeriscaping Student Garden	Jessica Schoenfeld	Twin Lakes Elementary	3900 Gilmann Rd.	El Monte	91732	(626) 652-4400	(951) 809-8668	jschoenfeld@mtviewschools.net	5	7-8th	26	$1,000.00	$1,000.00	Transform 400 square feet of underutilized campus space into a drought-tolerant xeriscape garden that demonstrates climate-appropriate landscaping and water conservation. Students in grades 4–8 will participate in garden installation, hands-on lessons, and ongoing stewardship activities to learn about water-wise landscaping, local ecology, and sustainable practices. The project will also reduce long-term landscape maintenance needs and provide an outdoor learning space for the school community.	1. Gravel and rocks 2. Succulents, Native Perrenials 3. Landscape fabric, mulch and edging 4. Drip irrigation 5. Soil
8	10/13/26	Nurtured by Nature	Nicole Melamed	Baldwin Park High School	3900 N. Puente Ave.	Baldwin Park	91706	(626) 960-5431	(626) 960-5431	namelamed337@bpusd.net	5	9-12th	1250	$1,000.00	$1,000.00	Transform an existing high school garden into a water-wise outdoor classroom by installing drip irrigation, organic mulch, and drought-tolerant California native plants. Students will participate in the garden's design, installation, and ongoing maintenance while learning about water conservation, sustainable landscaping, and local biodiversity. The space will also support outdoor learning activities, gardening workshops, and student-led stewardship through a future Garden Club.	1. Mulch to cover 580 sq.ft. of garden (2 cubic ft. bag = $3.98/50 bags) 2. Drip tubing, hosing, taping, fittings, connectors, end caps 3. Drought-tolerant pollinator friendly native plants 4. Garden workshop supplies
9	10/13/26	School Community Garden	Brent Pattison	Orangewood Elementary	1440 S. Orange Ave.	West Covina	91790	(626) 939-4820	(909) 993-2455	bpattison@wcusd.org	4	K-5th	100	$1,000.00	$1,000.00	Improve the elementary school garden with fresh soil, compost, seeds, and seasonal flowers suited to the local climate, including pollinator-friendly varieties. Through the IB theme Sharing the Planet, students will explore plant growth, seasonal changes, and the relationships between plants, pollinators, and people. Hands-on activities will integrate science, math, and literacy while teaching students about environmental stewardship, cooperation, and responsible garden care.	1. Soil and compost 2. Seasonal flower seeds, starter plants (native & pollinator-friendly varieties) 3. Child-sized gardening tools and gloves 4. Watering cans/supplies 5. Plant labels and materials for student-created garden signs
10	10/14/26	Healthy Soil, Water-Wise Garden: Student Soil Investigations	Matthew Pasos	Hollenbeck Middle School	2101 E. Merced Ave.	West Covina	91791	(626) 931-1760	(626) 931-1762	mpasos@wcusd.net	4	6-8th	800	$1,000.00	$1,000.00	Conduct soil experiments in the school garden to investigate how compost and mulch affect water retention and soil health. From January through May 2027, students in grades 6–8 will compare three soil treatments by measuring infiltration, drainage, retained water, and drying rates. Students will analyze and graph results, assess soil texture and pH, and develop evidence-based recommendations for water-wise soil management. Findings will be applied to selected garden areas and shared through student-created guides and displays, promoting water conservation, sustainable gardening, and hands-on science learning.	1. Finished compost, 1-cu.ft bags 2. Organic mulch, 2-cu.ft bags 3. Soil pH/nutrient test kits with refills 4. Soil expirement sets: trays, pots, collection cups 5. Graduated cylinders for water measurements 6. Hand towels for soil sampling and amendments
11	10/14/26	Hollencrest Waterwise Garden Project	Manuel Barron	Hollenbeck Middle School	2101 E. Merced Ave.	West Covina	91791	(626) 931-1760	(626) 487-2026	mbarron@wcusd.org	4	6-8th	150	$1,000.00	$1,000.00	Expand the Hollencrest Water-wise Garden with drought-tolerant California native plants and edible crops, using compost, mulch, and drip irrigation to conserve water. Students will research and plant selected species, monitor soil moisture and plant growth, and analyze data to understand how water-wise gardening supports biodiversity and sustainable food production. The garden will serve as an outdoor classroom for hands-on science, nutrition, and environmental education, promoting water conservation and stewardship across grade levels.	1. Drip irrigation kit 2. Irrigation timer 3. Soil moisture meters or probes 4. Hose water-flow meter 5. Mulch and spreading rakes 6. Compost bin and compost tools

Upper Water - Water Education Grant Applications Received for FY 2026-27

ID	Received	Project Title	Applicant Name	School	School Address	City	Zip	School Phone #	Contact Person's #	Email	Div.	Grade Levels	Total Students	Total Project Cost	Amount Requested	Summary	Items Needed for Project
12	10/15/26	Water Filtration Engineering Design Project	Brieanne Sapienza	Sierra Vista Middle School	777 E. Puente Ave.	Covina	91723	(626) 974-7300	(626) 974-7315	bsapienza@c-vusd.org	4	6th	115	$700.00	$700.00	Engage students in the engineering design process by designing, testing, and improving water filtration systems using materials such as gravel, sand, activated carbon, and filter materials. Working in teams, students will develop their own filtration methods, measure water clarity, filtration time, and water recovery, and analyze results to improve their designs. This hands-on STEM project will build problem-solving, collaboration, and data-analysis skills while teaching students about water quality, water treatment, and the importance of protecting local water resources.	1. Water-qualilty testing kit 2. Water filtration materials (cotton, sand, activated charcoal, etc.) 3. Reusable filtration containers and equipment 4. Replacement filters and consumables
13	10/15/26	Water Molecules in Action	Maria Susana Flores	West Covina High School	1609 E. Cameron Ave.	West Covina	91791	(626) 859-2900	(714) 514-1302	msflores@wcusd.org	4	9th	160	$1,040.45	$1,000.00	Provide hands-on science activities that explore water molecules, the properties of water, and the water cycle. Students will build water molecule models, examine pond water organisms under microscopes to investigate biodiversity, and explore how mosquito life cycles depend on water and how climate change can influence mosquito-borne diseases. These activities will strengthen students' understanding of water's role in supporting life, ecosystem interactions, and the importance of protecting water resources.	1. Wards Science: Model Kit 3D Water 1 Cup 2. Wards Science: Investigating Pond Life 32 oz 3. Wards Science: Kit Mosquito Invasion 10 pk with taxes & shipping
14	10/16/26	From Raindrops to Roots!	Brielle Peich	Grovecenter Elementary	775 N. Lark Ellen Ave.	West Covina	91791	(626) 974-4400	(626) 862-0287	bpeich@c-vusd.org	4	K-1	75	$1,000.00	$1,000.00	Establish a kindergarten garden where students will plant and grow vegetables and herbs while learning about plant needs, water sources, and water conservation. Students will practice water-wise gardening by monitoring soil moisture, exploring different watering methods, and caring for their plants. Through hands-on activities, students will develop responsibility and teamwork while experiencing the process of growing, harvesting, and sharing their own produce with the school community.	1. Raised Garden Beds 2. Garden Soil, Compost, and Mulch 3. Vegetable Seeds and Starter Plants 4. Drip Irrigation and Water Conservation Supplies 5. Gardening Tools, Gloves, and Watering Cans 6. Plant Labels, Harvesting Baskets, and Garden Supplies
15	10/16/26	FLOW: Future Leaders Optimizing Water Through Aquaponics	Cameron Edwards	Barnhart School	240 W. Colorado Blvd.	Arcadia	91007	(626) 446-5588	(310) 926-1525	Cedwards@barnhartschool.org	1	1st-5th; 8th	25	$936.00	$936.00	Introduce 25 eighth-grade science and elementary gifted-program students in designing, building, and maintaining three aquaponic systems that combine fish and plant production through water recirculation. Students will monitor water quality, explore nutrient cycling, and investigate sustainable food production and water conservation. Through classroom presentations and a community STEAM Night, students will share their findings with approximately 130 classmates and 350 community members, promoting water stewardship and innovative agricultural practices.	1. (3) 10 gallon (used) aquariums + (3) plastic storage containers 2. DIY Platform + 45 lbs. Clay pebbles + 3" Net Pots 3. (3) Water pumps + (3) Air pumps w/ tubing 4. (4) Pack of Air stones + Additional plumbing & hardware 5. (3) LED lighting units + Fish & feed 6. Paint and design embellishments
16	10/16/26	Medicinal Herbs/Wellness in the Garden	Jamila Daulatzai	Bassett High School	755 N. Ardilla Ave.	La Puente	91746	(626) 931-2800		jdaulatzai@bassettusd.org	3	9-12th	120	$1,000.00	$1,000.00	Update the school garden with raised planters for growing herbs while teaching students about plant growth, climate change, and the importance of plants to people and the environment. Students will research medicinal herbs, explore the history of herbal medicine, and learn how plants have been used in community wellness practices. Through hands-on gardening and student-led wellness activities, the project will encourage environmental stewardship, cultural learning, and student participation in the school's Garden Club.	1. Planters, pots, seeds, plants and soils 2. Pain pens, rocks, and books on medicinal herbs
17	10/16/26	Butterfly Garden and Nature Classes	Ginger Demers	Rio Hondo Prep School	5150 Farna Ave.	Arcadia	91006	(626) 444-9531	(626) 260-3957	gdemers@rhprep.org	1	8th & 10th	60	$1,000.00	$1,000.00	Revitalize a vacant school planter with drought-tolerant California native plants and milkweed to support pollinators, including Monarch butterflies. Eighth-grade students will lead the planting project while learning about native plants, water-wise landscaping, local watersheds, and Southern California's water sources. The project will also expand water education activities led by 10th-grade biology students for first-grade students, connecting younger learners with local waterways, wildlife, and water conservation.	1. Various plants for a 30' x 3' planter including Milkweed 2. Binoculars for student bird watching at Peck Park x 6
18	10/16/26	Walnut Grove Eco Water Hub	Maria Arellano	Walnut Grove Intermediate	614 E. Vine Ave.	West Covina	91790	(626) 919-7018	(626) 549-8111	marellano@wcusd.org	4	7-8th	90	$1,000.00	$1,000.00	Provide hands-on STEM investigations exploring Southern California's water quality, conservation, and stormwater management. Students will analyze water samples from local sources, compare water use and soil moisture between turf grass and drought-tolerant native plants, and build watershed models to test filtration and runoff reduction methods. Students will also design rainwater harvesting and graywater reuse systems to explore sustainable water management, water quality, and practical conservation strategies for local homes and communities.	1. Water Quality & Testing Equipment 2. Native Plants & Turf Grass 3. Runnoff & Filtration Equipment 4. Rainwater Catchment Equipment 5. Graywater Engineering Supplies 6. Data Logging Sensors
19	10/16/26	Hollencrest Garden Project	Hayden Nelson	Hollenbeck Middle School	2101 E. Merced Ave.	West Covina	91791	(626) 931-1760 x30	(951) 642-0641	hnelson@wcusd.org	4	6-8th	800	$1,036.00	$1,000.00	Establish a sustainable school garden that serves as an outdoor classroom and living laboratory for middle school students. Students will design, install, and maintain the garden using drought-tolerant native plants, drip irrigation, mulch, and rainwater conservation practices. Through hands-on STEM activities, students will monitor soil conditions, measure water use, and analyze plant growth while learning how water-efficient gardening can reduce consumption, support healthy plants, and address California's water scarcity challenges.	1. Rachio 3: Smart Sprinkler Controller x2 2. Sprinklers Valves 3. Irrigation Sprinklers
20	10/16/26	TapTrak	Michael Naka	Richard Garvey Intermediate	2720 N. Jackson Ave.	Rosemead	91770	(626) 307-3385	(626) 307-3385	mnaka@gesd.us	2	7-8th	4	$57.98	$57.98	Develop a faucet-mounted water measuring device to monitor flow rates, total water consumption, and potential leaks. Students will use real-time data to identify excessive water use from high-flow faucets and running taps and explore opportunities to reduce waste. The project will promote hands-on STEM learning, water conservation awareness, and practical strategies to help schools and households improve water efficiency and reduce utility costs.	1. YF-S201 (Water Flow Sensor) 2. Arduino UNO Rev3 (Micro Controller) 3. LCD 1602 16x2 Serial Interface Adapter Module Compatible with Arduino UNO R3 4. Lead Free Brass Close Threaded Pipe
21	10/16/26	Infinite Water Wheel	Michael Naka	Richard Garvey Intermediate	2720 N. Jackson Ave.	Rosemead	91770	(626) 307-3385	(626) 307-3385	mnaka@gesd.us	2	8th	4	$73.00	$73.00	Build a model water wheel using craft sticks, recycled plastic bottles, plastic spoons, and a small pump to create a continuous water cycle. Students will observe how flowing water generates motion and explore how water can be used to produce energy. Through designing, building, testing, and improving their models, students will develop hands-on STEM skills and learn about the role of water in energy generation.	1. Craft Sticks (1000pc) 2. Plastic Spoons 3. Wooden dowels or steel dowels 4. Plastic Container Tub 5. Water pump 6. Power source (portable battery)
22	10/16/26	Rainwater Harvest	Michael Naka	Richard Garvey Intermediate	2720 N. Jackson Ave.	Rosemead	91770	(626) 307-3385	(626) 307-3385	mnaka@gesd.us	2	8th	2	$245.23	$245.23	Develop a rainwater harvesting project to demonstrate how rainwater can be collected from rooftops, directed through pipes, and stored in covered containers for later use. Students will learn how harvested rainwater can be reused to water plants and gardens, reducing reliance on tap water and helping lower water bills at homes and schools. The project will promote water conservation, responsible water use, and practical ways to reduce water waste.	1. Afoxsos Rainwater Collection 2. EarthMinded DIY Kit 3. 55-gallon barrel
														Total Project Cost	Grant Funds Requested		

Upper Water - Water Education Grant Applications Received for FY 2026-27

ID	Received	Project Title	Applicant Name	School	School Address	City	Zip	School Phone #	Contact Person's #	Email	Div.	Grade Levels	Total Students	Total Project Cost	Amount Requested	Summary	Items Needed for Project
														$19,052.06	$18,958.11		
NOT RECOMMENDED																	
1	10/16/26	Lucky Water Rewards	Michael Naka	Richard Garvey Intermediate	2720 N. Jackson Ave.	Rosemead	91770	(626) 307-3385	(626) 307-3385	mnaka@gesd.us	2	7th	3	$282.59	$282.59	Establish a community outreach booth to educate residents about water conservation through presentations, interactive quizzes, and educational giveaways such as reusable tote bags, pens, and pins. Students will develop their knowledge of water-saving practices while teaching community members how to conserve water. The project aims to raise awareness, encourage water-wise habits, and extend conservation messaging throughout the community.	1. Canopy tent *(school may have one available)* 2. Pins 3. Tote Bags 4. Pens 5. Plastic foldable table *(school may provide)*
2	10/16/26	Saving Water All Around the World	Michael Naka	Richard Garvey Intermediate	2720 N. Jackson Ave.	Rosemead	91770	(626) 307-3385	(626) 307-3385	mnaka@gesd.us	2	7-8th	5	$304.99	$304.99	Create an educational video to raise awareness about water shortages in California and their effects on people, wildlife, plants, and the environment. Students plan to act out a superhero movie and will need props & costumes for it. Students will explain how water waste contributes to water supply challenges and demonstrate simple ways to conserve water at school and home. The project will promote water conservation, responsible water use, and the importance of protecting California's water supply.	1. Props 2. Costumes 3. Adobe Photoshop 4. Camera stabilizer
3	10/16/26	Water Grant - Water Awareness Through Student Design	Michael Naka	Richard Garvey Intermediate	2720 N. Jackson Ave.	Rosemead	91770	(626) 307-3385	(626) 307-3385	mnaka@gesd.us	2	7-8th	5	$700.00	$700.00	Design and sell custom shirts featuring water conservation messages and graphics illustrating the effects of water depletion, such as dried-up rivers. Students will promote the shirts through online advertising and social media to raise community awareness about the importance of saving water. Any proceeds remaining after production and advertising costs will be donated to support other water conservation programs.	1. Shirt printer 2. 100 polyester/synthetic t-shirts (white & black) 3. Social media posts 4. 100 sheets of iron on heat transfer paper
4	10/16/26	Badge the Flow	Michael Naka	Richard Garvey Intermediate	2720 N. Jackson Ave.	Rosemead	91770	(626) 307-3385	(626) 307-3385	mnaka@gesd.us	2	7-8th	3	$98.00	$98.00	Create custom pins featuring fun, creative, and youth-oriented designs to promote water conservation awareness. Students will develop original artwork or printed designs that encourage responsible water use and serve as daily reminders to conserve water. By wearing and sharing the pins at school and in the community, students hope to inspire water-saving habits and promote the importance of protecting local water resources.	1. Happizza button maker machine 2. 245XL 246XL Ink Cartridge for Canon PG 245 246 XL Black Color Combo MG2522 3. PrintWorks 100% Recycled Printer Paper 8.5" x 11" White - 20 lb Copy & Multipurpose Computer Paper - 1 Pack, 400 Sheets
5	10/16/26	Water Conservation Contest	Michael Naka	Richard Garvey Intermediate	2720 N. Jackson Ave.	Rosemead	91770	(626) 307-3385	(626) 307-3385	mnaka@gesd.us	2	7th	4	$201.00	$201.00	Create eye-catching informational posters to promote a community water conservation challenge, rewarding participants who demonstrate the greatest reduction in water use. Students will encourage water-saving habits, such as taking shorter showers and watering plants efficiently. The project aims to raise awareness of water conservation, motivate participation through incentives, and help households reduce water waste.	1. 10 posters 2. (1) Disneyland ticket 3. $50 4. Water-drop plushie
6	10/16/26	Water, Homeostasis, and Human Health	Annie Tam	West Covina High School	1609 E. Cameron Ave.	West Covina	91791	(626) 859-2900	(626) 541-5598	teacherannietam@gmail.com	4	11-12th	178	$1,012.00	$1,000.00	Explore the role of water in human health and environmental sustainability through hands-on anatomy and physiology investigations. Students will examine organs involved in water absorption and regulation, conduct osmosis experiments to understand water movement across cell membranes, and research Southern California's water challenges, including drought and water availability. Students will apply their findings to create educational materials promoting water conservation and environmental awareness within their school and community.	1. Fetal pigs SKU: FP0911D 2. MedPRide Powder Free Nitrile Exam Gloves, Small (Pack of 10) 3. MedPride Powder-Free Nitrile Exam Gloves, Medium (Pack of 10) 4. MedPride Powder-Free Nitrile Exam Gloves, Large (Pack of 10) 5. Voice recorder (student accomodation)

UPPER WATER
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

248 E. Foothill Blvd., Suite 200
Monrovia, CA, 91016

P: 626-443-2297

E: info@usgvmwd.org

MEMORANDUM

ITEM 7.e.
Consent

DATE: November 18, 2026

TO: Board of Directors

FROM: General Manager

SUBJECT: Professional Services Agreement with Aaron Read & Associates, LLC

Recommendation

Approve the professional services agreement with Aaron Read & Associates, LLC for state advocacy services for a term commencing January 1, 2027, through December 31, 2028, for a monthly retainer of $10,000 with a total not to exceed a maximum of $245,000.

Background

Upper Water has a professional services agreement with Aaron Read & Associates for state legislative advocacy services. Terry McHale, a principal with Aaron Read, represents Upper Water in Sacramento. Mr. McHale's experience in state politics, along with his knowledge of key legislation, legislators, legislative staff, and the Governor's Administration, proved valuable to Upper Water over the past year.

During the concluding year of the current two-year legislative session, Mr. McHale and Upper Water staff monitored 4,200 bills introduced in the California Legislature since February 2026. Of those bills, more than 54 were identified as priority water-related measures. Consistent with Upper Water's adopted legislative priorities, staff actively advocated for 16 priority bills. Additionally, Mr. McHale was instrumental in the advocacy of Upper Water's sponsored bill, AB 1894 (Rubio) Fish and Wildlife: invasive mussels: imported water. AB 1894 received unanimous support in the Assembly and Senate and negotiated amendments to the bill successfully.

Staff recommends that Upper Water continue working with Aaron Read & Associates to provide general legislative advocacy services. Generally, these services include: advocate for Upper Water's legislative priorities for the 2027-28 legislative session; draft advocacy position letters for legislation pursuant to Board approval; provide legislative tracking of all new bills for the 2027-28 legislative session; monitor legislative hearings; continue established relationships with returning and new legislators, Department of Water Resources, the State Water Board and the incoming Governor's Administration to ensure that Water's priorities and projects are recognized as a beneficial contribution toward the goals of the California Water Action Plan. Mr. McHale will also lead the advocacy efforts with staff to reintroduce new legislation pertaining to the golden mussel.

Mr. McHale's efforts will be managed by the General Manager and/or the Assistant General Manager pursuant to the Board's 2027-28 legislative policy principles. Mr. McHale will provide a monthly written activity report to the Assistant General Manager and attend the monthly Government Affairs and Community Affairs committee. The two-year contract term is reflective of the 2027-28 California Legislative session schedule. The monthly retainer fee for Aaron Read & Associates remains unchanged, in the amount of $10,000 per month with an allocation of $5,000 for potential travel expenses.

Committee Review
This item was reviewed by the Government Affairs and Community Outreach Committee meeting on November 4, 2026, and received a 2-0 recommendation for Board approval.

Attachments
None

UPPER WATER
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

248 E. Foothill Blvd., Suite 200
Monrovia, CA, 91016

P: 626-443-2297

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MEMORANDUM

ITEM 7.f.
Consent

DATE: November 18, 2026

TO: Board of Directors

FROM: General Manager

SUBJECT: Professional Services Agreement with Best, Best and Krieger

Recommendation

Approve the professional services agreement with Best, Best & Krieger for federal advocacy services for a term of January 1, 2027 through December 31, 2028, with a monthly retainer of $9,000 and a total not to exceed maximum of $221,000; and approve a budget adjustment increasing the Lobbyist budget by $2,100 in FY 2026/27 and $10,200 in FY 2027/28.

Background

Upper Water has contracted with Best, Best & Krieger (BB&K) for federal advocacy services since May of 2014 with representation from Ana Schwab, Partner and Director of Government Affairs, Lowry Crook, Partner, Michael Brain, Partner and Madeline Voitier, Assistant Director of Governmental Affairs. Together, they provide multidisciplinary and bi-partisan legislative expertise that has positively served Upper Water in advancing legislative priorities for the region, such as PFAS, WaterSMART/Title XVI funding, WOTUS, protection of water rights and water tax parity.

Staff recommends for the upcoming 120th Congress, Best, Best and Krieger will continue to advocate for Upper Water's legislative priorities in Washington, D.C. The contract's scope of work will consist of advocating for Upper Water's legislative priorities; draft position letters for bills pursuant to Board approval; provide legislative tracking of all new bills for the 2027-28 legislative session; monitor legislative hearings and provide strategic advice on: the Congressional political landscape, positioning with incoming Administration staff, government reorganizations, federal funding opportunities and maintaining existing congressional relationships.

BB&K's advocacy efforts will be managed by the General Manager and/or the Assistant General Manager pursuant to the Board's adopted 2027/28 legislative priorities and policy principles. BB&K will provide monthly written activity reports to the Assistant General Manager and attend the monthly Government and Community Affairs committee. The monthly fee for BB&K's services for this upcoming 2-year contract will increase from $7,500 to $9,000 retainer with an allocation of $5,000 for potential travel expenses.

Fiscal Impact: The total proposed contract amount for a term ending December 31, 2028, is

$221,000. The Board's adopted FY 2026/27 and FY 2027/28 Biennial Budget includes $97,900 in FY 2026/27 and $100,800 in FY 2027/28 for Lobbyist services within Recycled Water expenses. Approval of this item increases the Lobbyist budget to $100,000 in FY 2026/27 and $111,000 in FY 2027/28, an increase of $2,100 and $10,200, respectively, for a total increase of $12,300 over the biennium.

Committee Review

This item was reviewed by the Government Affairs and Community Outreach Committee meeting on November 4, 2026, and received a 2-0 recommendation for Board approval.

Attachments

1. Review of BBK and Upper Water Advocacy during the 119th Congress 2025-2026_FINAL-c1
2. 2026_BBK Scope of Services-c1

To: Upper San Gabriel Valley Municipal Water District
From: Best Best and Krieger
Date: October 30, 2026
Re: Review of BBK and Upper Water Advocacy during the 119th Congress – 2025-2026

OVERVIEW

The below provides an overview of the actions BBK took, as of the date of this memorandum, on behalf of and with Upper San Gabriel Valley Municipal Water District (Upper Water) throughout the 119th Congress – which spans 2025-2026.

BBK is incredibly grateful and honored to work with Upper Water. Thank you for the opportunity and we look forward to continuing to work with you all.

LEGISLATIVE PRIORITIES

BBK works with Upper Water staff to prepare the annual legislative priorities document governing Upper Water's advocacy efforts. These priorities are prepared to focus on Upper Water's priorities with consideration given for the priorities of organizations important to Upper Water such as: Metropolitan Water District of Southern California, Association of California Water Agencies, San Gabriel Valley Water Association, WaterReuse, and California Special District Association.

LEGISLATIVE AND REGULATORY ADVOCACY LETTERS AND COMMENTS

During this Congressional term, BBK drafted and sent several dozen individual letters to Members of the U.S. House of Representatives, U.S. Senate, and Congressional Committees on a range of Upper Water's federal priorities, some of these include:

- Water Conservation Tax Parity Act
- Special District Fairness and Accessibility Act
- Golden Mussel Eradication and Control Act
- Appropriations for the State Revolving Funds

- Appropriations for Bureau of Reclamation Programs
- Appropriations for U.S. Forest Service
- U.S. Department of Agriculture's Proposed Reorganization Plan
- U.S. Environmental Protection Agency's Proposed Rule to Extend the Compliance Deadline for the PFOS and PFOS Maximum Contaminant Levels
- U.S. Environmental Protection Agency and U.S. Army Corps of Engineers' Joint Proposed Supplemental Update to the Definition of "Waters of the United States"

LEGISLATIVE ADVOCACY MEETINGS

BBK has scheduled and executed legislative advocacy meetings on behalf of Upper Water over this past Congress. Meetings include:

- U.S. Forest Service
- U.S. Army Corps of Engineers
- U.S. Senator Alex Padilla
- U.S. Senator Adam Schiff
- Congresswoman Judy Chu
- Congressman Gil Cisneros
- U.S. House of Representatives Ways and Means Committee – Majority
- U.S. House of Representatives Ways and Means Committee – Minority
- U.S. House of Representatives Natural Resources Subcommittee on Water, Wildlife, and Fisheries – Majority
- U.S. House of Representatives Transportation and Infrastructure Subcommittee on Water Resources and the Environment – Minority

In direct support of meetings for members of Upper Water's Board of Directors and Staff, BBK worked with staff to prepare talking points.

KEY ADVOCACY MEASURES

Throughout this Congress, BBK worked with and on behalf of Upper Water to navigate and promote a number of different items in line with Upper Water's priorities.

One of the main legislative efforts this term has focused on the proposed designation of forks of the San Gabriel River as part of the National Wild and Scenic Rivers System. In 2025, legislation was introduced by both Congresswoman Chu and Senator Padilla that included these designations, without protections for water resources and infrastructure. The concern of this was shared with the legislative authors. Senator Padilla's staff responded with an open door to work together, and other outside stakeholders to find language that all parties can be supportive of. While this work has been taking place, the bill has been on hold – ensuring legislation that is not complete does not risk becoming law. While the bill has been on hold, BBK has worked with Upper Water to amend the legislation, propose new provisions, and work with the stakeholders, including

the bill's proponents, to ensure the proposed language would provide mutually agreeable, necessary protections.

Some of other key advocacy measures include:

- Affirming and reassuring the relationship between the U.S. Forest Service and Upper Water
- Water Resources Development Act (WRDA) – advocated for amendment to WRDA water supply provision to ensure clarity and authority for groundwater recharge, water deliveries, and water storage
- Community Project Funding – advocated for Community Grant for the Water Supply Reliability Project which Senator Adam Schiff advanced on behalf of Upper Water for consideration in the Senate's FY 2027 Interior and Environment Appropriations bill for $1.5 million
- Low Income Household Water Assistance Program
- The ubiquitous nature of PFAS and requesting the polluter's pay principle of CERCLA be upheld
- Mitigation, response, and recovery of wildfires and the impacts to Upper Water's service area and operations
- Advocated for the Pure Water Southern California project

HIGH-QUALITY FEDERAL REPORTS AND ANALYSIS

BBK's comprehensive monthly Federal Reports frequently spark robust interest and discussion from Upper Water. During this term, BBK's monthly reports have grown more thorough and in-depth, averaging 10 or more pages in length, and covering a wide range of topics, a sampling of which include:

- Detailed analysis surrounding Congressional dynamics, deadlines, activity, priorities, and legislation
- Insight into the federal appropriations and budgetary process
    - Detailed tracking of the President's Budget Request to Congress, House and Senate appropriations bill development and passage, short term funding measures, supplemental appropriations, and final passage of omnibus appropriations measures
- Actions of the White House and Federal Agencies pertaining to Upper Water, including;
    - Water Infrastructure Funding
    - EPA Regulations and Policies
    - U.S. Department of the Interior and Forest Service land management practices impacting water supply, headwaters, and wildfire mitigation
    - Personnel moves
- Analysis of Federal Court proceedings with jurisdiction over Upper Water or its retailers, including Waters of the United States (WOTUS) holdings, National Environmental Policy Act (NEPA) holdings, agency rulemakings, and challenges to agency actions and rules

- Comprehensive lists of currently available federal funding opportunities relevant to Upper Water's work
- An all-inclusive matrix of federal legislation relevant to Upper Water
- Bill recommendations for Upper Water to consider supporting or opposing

VIA EMAIL

November 2, 2026

Patty Cortez
Assistant General Manager
Upper San Gabriel Valley Municipal Water District
patty@usgvmwd.org

RE: BBK Scope of Services for Upper San Gabriel Valley Municipal Water District

Dear Ms. Cortez:

Thank you for the opportunity to serve as the Federal Adovactes for Upper San Gabriel Valley Municipal Water District (Upper Water) in Washington, D.C.

I will continue to serve as Best Best & Krieger LLP's (BBK) team leader, supported by our whole BBK Government Affairs team: Lowry Crook, Michael Brain, Christopher Keosian, Madeline Voitier, and Alex Dunn. Our Washington, D.C.-based team combines congressional appropriations and authorization experience, senior executive branch service, environmental and water-policy knowledge, and experience and success advocating for our clients' priorities.

Our team's federal experience is reinforced by BBK's nationally recognized water and natural-resources practice. BBK represents public agencies on matters involving the Clean Water Act, water quality, environmental restoration, infrastructure, emerging contaminants and federal funding. We have helped clients secure substantial federal investment, obtain project and program authorizations, develop new funding programs, address regulatory challenges and organize coalitions around shared policy objectives. We also maintain bipartisan relationships across Congress and with career and political personnel at U.S. Environmental Protection Agency (EPA), U.S. Forest Service, and other federal agencies relevant to Upper Water's mission and priorities.

BBK's scope of work will include:

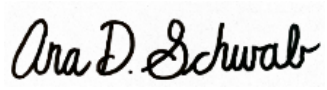
- Working with Upper Water's staff to prepare legislative priorities;
- Advance Upper Water's legislative priorities before U.S. Congress and federal agencies;
- Prepare position letters in support, opposition, and/or requesting amendment on legislation for Board approval;
- Track legislation during the 120th Congress (2026-2027);
- Monitor Congressional hearings and advance opportunities for Upper Water to participate in the Congressional Hearing process;

- Continue to strengthen and develop relationships with Members of Congress and staff, as well as federal agency leadership and staff;
- Protect Upper Water's priorities and mission that may be impacted by changing laws, regulations, and guidance;
- Provide strategic guidance on political landscape in Washington, D.C. and ensure Upper Water is best positioned for changes in staff, leadership, and federal funding.

As consideration for this work, BBK proposes a monthly retainer of $9,000. This will represent the first increase of the retainer eight years.

BBK is incredibly honored to work with Upper Water and advance Upper Water's legislative priorities before Congress and the Federal Agencies.

Sincerely,



Ana D. Schwab

Partner and Director of Government Affairs

KEY PERSONNEL

BBK's Government Affairs team is structured as a multidisciplinary, bipartisan group. Recognizing that public policy matters involve a complex mix of legal, legislative and regulatory considerations, often at multiple levels of government, we bring together legislative advocates, policy advisors, subject matter-focused attorneys and litigators who skillfully manage the interplay of laws, policies, regulations, economic circumstances and competing interests to promote and protect our clients' positions. This model provides our clients a single integrated team to work with for the development of priorities, creative solutions and advancement of client goals, as well as enabling us to cover all corners of representation for our clients and provide added value. Our team includes:

Director of Government Affairs and Partner **Ana Schwab** works with communities, special districts and stakeholders on matters regarding water, wastewater, environmental and infrastructure issues in addition to natural disaster mitigation, response and recovery challenges. From the beginning of the COVID -19 pandemic, Ana worked with Congress and the Administration to develop and deploy federal support for local governments to respond, prevent and mitigate the impacts of the public health emergency on the communities. Working across a variety source of federal funding and federal agencies, Ana works with local governments and special districts to navigate and implement federal funding. Ana draws on her years of experience working in Washington, D.C. to track, advance and guide the development of legislative and regulatory language to build solutions for clients. Ana utilizes the nexus of legal, policy, funding and regulatory processes to advance and protect clients' goals. Prior to BBK, Ana worked in the U.S. House of Representatives and for two national law firms prior to joining BBK. She received her J.D. from Georgetown University Law Center and is admitted to the Bar in the District of Columbia and the State of Maryland.



Ana D. Schwab | Partner and Director of Government Affairs
ana.schwab@bbklaw.com | Biography

Partner **Lowry Crook** advises and represents public and private clients on water infrastructure, the Clean Water Act, environmental review and permitting, ecosystem restoration, and disaster resilience and recovery issues. Lowry has worked with dozens of local governments and special districts to navigate federal funding to advance goals and address need. He is a partner in the Environmental Law & Natural Resources practice group in BBK's Washington, D.C. office. Lowry works with cities, counties, water districts, flood control districts and private entities to develop and advance water infrastructure and ecosystem restoration projects, expedite environmental reviews and permitting, resolve water operation and regulatory issues and prepare for — and recover from — natural disasters. He received his J.D. from the University of Texas at Austin and is admitted to the Bar in the District of Columbia and Texas.



Lowry A. Crook | Partner
lowry.crook@bbklaw.com | Biography

Michael Brain is a Director of BBK's Government Affairs practice group and Partner in BBK's Environment & Natural Resources Law practice group. He uses his extensive federal water policy experience to counsel clients facing water infrastructure challenges, offering keen insights into budget and appropriations, water resources, energy and environment issues.

Prior to joining BBK, Michael served in the senior leadership of U.S. Department of the Interior (Interior) and U.S. Bureau of Reclamation (Reclamation). As Principal Deputy Assistant Secretary for Water and Science at Interior, Michael advised the Secretary of the Interior on matters of water and science policy and was responsible for Reclamation and the U.S. Geological Survey. As Reclamation's Deputy Commissioner, Michael worked to increase resiliency and improve the Nation's western water infrastructure through significant strategic federal investment and targeted policy measures. While serving at Interior, Michael championed cross-agency coordination of federal water policy programs to ensure efficient implementation and the inclusion of stakeholder priorities.

Michael also spent over a decade working in senior roles at the U.S. House of Representatives. As Professional Staff for the House Energy and Water Appropriations Subcommittee, he crafted funding legislation and oversaw budgets for the U.S. Army Corps of Engineers (Corps) and Reclamation and built a bipartisan reputation working with congressional offices and stakeholders to address their needs. He also drafted authorizing legislation for the Corps and the U.S. Environmental Protection Agency as Counsel for the House Transportation and Infrastructure Subcommittee on Water Resources and Environment. In these roles he was responsible for working with Members of Congress their staff, and other stakeholders, on key policy initiatives related to national water infrastructure programs.



Michael Brain | Partner and Director of Government Affairs
michael.brain@bbklaw.com | Biography

As Assistant Director of Government Affairs and member of BBK's Environmental Law & Natural Resources practice, **Christopher Keosian** focuses on legislative and regulatory developments affecting water quality, infrastructure, resilience, wastewater recycling, conservation and sustainability for clients throughout the nation. During his time at the University of Maryland Christopher served as the Student Liaison on the College Park City Council. There, he represented over 28,000 University of Maryland undergraduate students as a non-voting member of the City Council, and worked with Council Members and City Staff to address critical college town issues including code development/enforcement, student enfranchisement in local elections, parking and transportation improvements, addressing long term resident/student tensions, sustainability, and economic re-development. While on the Council, Christopher was a bridge between on-campus organizations, the University administration and City leadership. His efforts and respect by the council resulted in tens of thousands of dollars being secured in the annual City budget for student programming. This experience spring-boarded Christopher into a successful career working with various members of the House of Representatives and presidential campaigns, where he worked closely with local governments and principals to coordinate priorities and advance goals.



Christopher Keosian | Assistant Director of Government Affairs
christopher.keosian@bbklaw.com | Biography

Assistant Director of Government Affairs **Madeline Voitier** brings her experience with government relations, public policy, legal and regulatory research, and program management to clients involved with and affected by environmental and water policy issues. Before joining BBK, Madeline worked for the Association of California Water Agencies (ACWA) where she advocated for ACWA's policy priorities and served as regulatory subject matter expert with a focus on drinking water issues. Prior to joining ACWA, Madeline worked at several environmentally focused nonprofits where she gained experience in regulatory and legislative analysis as well as developing and implementing public policy programs in environmental science and design.



Madeline Voitier | Assistant Director of Government Affairs
madeline.voitier@bbklaw.com | Biography

Alex Dunn is a Government Affairs Analyst in BBK's Washington, D.C. office. He is a policy professional with experience both on and off Capitol Hill. Prior to working at the firm, he served as a legislative assistant for a member of Congress. While on the Hill, Alex served as an assistant and advisor to Chairwoman of Appropriations Kay Granger, managing a diverse legislative portfolio that included issues such as budget, environment, housing, small business and Social Security, among others.



Alex Dunn | Government Affairs Analyst
alex.dunn@bbklaw.com

UPPER WATER
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

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MEMORANDUM

ITEM 9.a.
Action Item

DATE: November 18, 2026

TO: Board of Directors

FROM: General Manager

SUBJECT: Annual Comprehensive Financial Report FY25-26

Recommendation

Staff recommends that the Board of Directors receive and file the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2026, together with the auditors' report on internal control over financial reporting and compliance prepared under Government Auditing Standards and the SAS 114 letter to those charged with governance.

Background

Upper Water's independent auditors, Rogers, Anderson, Malody & Scott, LLP (RAMS), have completed their audit of the financial statements for the fiscal year ended June 30, 2026, and issued their reports dated November 6, 2026. As in prior years, RAMS expressed an unmodified or clean opinion on the financial statements.

In addition to the opinion, RAMS issued two required communications. The report on internal control over financial reporting and on compliance, prepared under Government Auditing Standards (GAGAS), describes the scope and results of RAMS' testing of internal control and compliance. The SAS 114 letter communicates the auditors' responsibilities, the planned scope and timing of the audit, and significant findings from the audit to the Board. RAMS reported no significant difficulties in performing the audit, no disagreements with management, and no uncorrected misstatements; misstatements corrected during the audit were not material to the financial statements.

This year's report reflects the implementation of Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements, and Statement No. 104, Disclosure of Certain Capital Assets. The new standards change how certain revenues and expenses are presented but had no effect on net position.

The Administration and Finance Committee reviewed the draft report at its November 3, 2026 meeting.

Staff will also be submitting, for the 16th consecutive year, the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2026 to the Government Finance Officers Association of

the United States and Canada (GFOA) to participate in the Certificate of Achievement for Excellence in Financial Reporting program.

Committee Review
RAMS and staff presented the audit results to the Finance and Administrative Committee. The Committee received and filed the report and forwarded it to the Board for the same action.

Attachments
1. Annual Comprehensive Financial Report FY 2025-26
2. Independent Auditors Report on Internal Control and Compliance (GAGAS)
3. SAS 114 Letter to the Board of Directors

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2026

Upper San Gabriel Valley Municipal Water District

Monrovia, California

Upper San Gabriel Valley Municipal Water District

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2026

(With comparative data for prior year)

Prepared by:
Finance and Administration Department

248 E. Foothill Blvd., Suite 200
Monrovia, California 91016

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Upper San Gabriel Valley Municipal Water District

Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2026
(With comparative data for prior year)

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Introductory Section

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UPPER WATER
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Board of Directors

Anthony R. Fellow, Ph.D. Division 1
Charles M. Treviño Division 2
Ed Chavez Division 3
Katarina Garcia Division 4
Jennifer Santana Division 5

November 6, 2026

To the Honorable Board of Director, Member Agencies, and Citizens
of the San Gabriel Valley

Introduction

The Upper San Gabriel Valley Municipal Water District (Upper Water) staff is pleased to present Upper Water's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2026. This report is prepared in accordance with the guidelines set forth by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, this effort provides reasonable, rather than absolute, assurance that the financial statements contain no material misstatements.

Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the financial statements for the year ended June 30, 2026. The independent auditor's report is located at the front of the financial section of this report.

The MD&A complements this letter of transmittal and should be read in conjunction with it.

District Profile

History

Upper Water, formed by voters in the San Gabriel Valley on December 8, 1959 to help solve water problems in the rapidly developing San Gabriel Valley, was incorporated on January 7, 1960. On March 12, 1963, residents of the District voted to annex to the Metropolitan Water District of Southern California (MWD), to provide supplemental water, first from the Colorado River and later the State Water Project, to replenish local groundwater supplies.

Upper Water played a vital role in determining water rights within the Main San Gabriel Basin by acting as plaintiff in the 1973 court case of the Upper San Gabriel Valley Municipal Water District, Plaintiff, v. City of Alhambra, et al, Defendants. This case brought about the creation of the Main San Gabriel Basin Watermaster (Watermaster), ordered by the court to administer and enforce provisions of the Judgment.

Upper Water's service area covers approximately 144 square miles and includes all or parts of 18 cities and portions of unincorporated Los Angeles County with more than 850,000 residents. Upper Water partners with many public and private entities to provide a sustainable, high quality water supply to residents and businesses within the greater San Gabriel Valley. Consistent with its motto of "Championing Our Water Resilience," Upper Water is widely recognized for its customer service orientation, community involvement, and creativity in promoting water quality, water recycling, and water conservation.

Vision
Upper Water aims to support a high quality of life in the greater San Gabriel Valley by providing valued water services.

Mission
Upper Water's mission is to consistently meet our region's need for reliable, high quality and affordable water.

Core Values
The Upper Water team, consisting of Board and staff, will embody the following core values in conducting the business of the District:

- Diversity – Our team will maintain an inclusive culture that is characterized by civility, respect, and consideration of all viewpoints and reflects the community we serve.
- Collaborative – Our team is collaborative, supporting each other's efforts, loyal to one another, and cares for each other both personally and professionally.
- Innovative – Our team will encourage and value the introduction of new ideas and methods.
- Integrity – Our team will consistently adhere to high moral and ethical principles.
- Professionalism – Our team will professionally, respectfully, and responsively serve the needs of its customers.
- Transparency – Our team will interact with all in a fair, open and honest manner.

Service Area
Five elected Directors, each serving a 4-year term, govern and represent a designated geographic area within Upper Water's boundaries. Additionally, as a member agency of the Metropolitan Water District of Southern California (MWD), Upper Water appoints one representative to the MWD Board of Directors. Upper Water also has representation on the San Gabriel Basin Water Quality Authority (WQA) and Main San Gabriel Basin Watermaster (Watermaster) boards.

Most of the water imported into the Upper Water service area is used to replenish the Main San Gabriel Groundwater Basin (Basin). A small percentage is purchased by city water departments and private water utilities for direct sale to customers.

For financial reporting purposes, Upper Water is accounted for as a single enterprise fund. Upper Water has no component units, and no other entities are included in this report.



Upper Water Board of Directors



Division 1 – Director Anthony R. Fellow, Ph.D.
Representing all of Arcadia, Bradbury, Monrovia, and portions of El Monte and Temple City



Division 2 – Director Charles M. Treviño
Representing all of Rosemead, San Gabriel, South Pasadena, and a portion Temple City



Division 3 – Director Ed Chavez
Representing all of City of Industry, La Puente, South El Monte, and the communities of Spy Glass Hill, Hacienda Heights, Valinda and Avocado Heights



Division 4 – Director Katarina Garcia
Representing all of Covina, West Covina and portions of Azusa and Glendora



Division 5 – Director Jennifer Santana
Representing all of Baldwin Park, Duarte, Irwindale and a portion of El Monte

Local Economy[1]

Economic growth across California and its major regions is expected to remain positive but subdued through 2027. Inflation has continued to moderate and consumer spending has held up, but elevated policy uncertainty, the highest effective tariff rates since the 1930s, reductions in federal spending, and a contracting regional labor force are restraining hiring and business investment. Over the medium term, wildfire rebuilding, infrastructure investment, and preparation for the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games are expected to support the Southern California economy.

California's economy moderated in 2025, with real gross state product (GSP) growth estimated at 2.1 percent, down from 3.2 percent in 2024 but still ahead of the 1.8 percent national rate. Statewide growth is projected to improve modestly to 2.4 percent in 2026 before easing to 2.0 percent in 2027. Nonfarm payroll employment was nearly flat in 2025 and is projected to increase by 94,400 jobs in 2026 and 89,700 jobs in 2027. Real personal income rose an estimated 1.9 percent in 2025, with growth of 1.6 percent projected for 2026 and 2.8 percent for 2027. The statewide unemployment rate is expected to rise from an estimated 5.5 percent in 2025 to 5.7 percent in 2026, before edging down to 5.6 percent in 2027.

Los Angeles County's economy proved more resilient than anticipated in 2025, with real gross county product (GCP) expanding an estimated 2.4 percent, up sharply from 1.1 percent in 2024. Growth is projected at 2.2 percent in 2026 and 1.8 percent in 2027. Job creation, however, stalled: the County added just 9,800 nonfarm payroll jobs in 2025, essentially unchanged from the prior year, with projected gains of 24,100 jobs in 2026 and 16,700 jobs in 2027. Real personal income grew an estimated 2.7 percent in 2025 and is expected to ease to 2.0 percent in 2026 before recovering to 2.8 percent in 2027. The County unemployment rate is projected to rise from an estimated 5.7 percent in 2025 to 5.9 percent in both 2026 and 2027. The County's population declined 0.45 percent between July 2024 and July 2025, to 9.85 million. Between 2025 and 2027, education and health services is expected to add the most jobs, 76,700, while manufacturing and professional and business services are expected to lose the most, 18,000 and 14,400, respectively. Housing affordability remains a persistent constraint, with only 13 percent of County households able to afford the median-priced single-family home of $939,690 as of the fourth quarter of 2025, down from 31 percent a decade ago.

The San Gabriel Valley (SGV), comprising 31 cities and approximately 1.9 million residents, entered fiscal year 2025-26 on firmer footing than the County as a whole. Regional nonfarm employment grew 1.7 percent in 2025, but growth is forecast to slow sharply to 0.3 percent in 2026, with most gains concentrated in health care and public administration. Technology, finance, and health care are outperforming, while retail, agriculture, education, and food services face greater pressure. Tariffs continue to weigh on both employment and profits; the average effective tariff rate of 16.9 percent is the highest since the 1930s and is estimated by The Budget Lab at Yale to cost the average U.S. household $1,681 annually in lost real income. The regional economy, which is powered largely by the health care, education, manufacturing, and technology industries, has been hurt but not broken by these trade measures, which forecasters do not identify as the region's largest constraint. Economic policy uncertainty is identified as the single largest near-term constraint on business investment, with the Economic Policy Uncertainty index registering 387 in January 2026, nearly four times its historical norm. Small businesses, which account for 99.9 percent of California firms, are bearing a disproportionate share of the burden from tariffs, labor shortages, volatile energy prices, and elevated borrowing costs.

[1]Sources: San Gabriel Valley Economic Partnership's 2026 Economic Forecast; Los Angeles County Economic Development Corporation's 2026 Economic Forecast

The regional housing market was largely flat in 2025, with the SGV 29-city average home price declining 0.1 percent, outperforming the 1.8 percent decline recorded for Los Angeles County overall. Affordability nonetheless remains severe, as the median household in the Los Angeles metropolitan area recently required approximately 80 percent of its income to afford a median-priced home, compared with 52 to 54 percent as recently as 2020. Within the Upper San Gabriel Valley submarket, retail rents surged 13 percent and office rents rose 2.8 percent in 2025, while industrial rents fell 7.1 percent and vacancy rates increased across the industrial, multifamily, and retail segments. Recovery from the January 2025 Eaton Fire, which destroyed 9,418 residential and commercial structures and severely damaged another 1,078, has been slower than expected: as of early March 2026, 3,013 rebuilding applications had been received, 1,748 building permits issued, and only 17 residential reconstructions completed. Rebuilding is nonetheless expected to become a leading source of regional employment growth, with rebuilding activity expected to add an estimated 1,640 construction jobs in the San Gabriel Valley in 2026 and 2,870 in 2027, placing construction employment roughly 5.6 percent above baseline in 2026.

Major Initiatives

Consistent with its mission, Upper Water strives to assist local retail water providers in managing their water supply safely and cost-effectively by improving water quality and increasing supply reliability. This is a challenging goal because factors such as climate, water quality legislation, regulations, government policy, economics, population, and changes in market demand affect Upper Water's planning and operations. Upper Water's primary function has been to provide supplemental water to its retail water providers, sourced from the State Water Project, the Colorado River, and recycled water.

Imported Water Deliveries

Upper Water continues to champion policies supporting sustainable groundwater management and fair treatment of San Gabriel Valley ratepayers and taxpayers.

The 10-year cyclic storage agreement executed in March 2022 by Upper Water, MWD and Watermaster provides much needed flexibility in moving water into the Main San Gabriel Basin (Basin) by allowing MWD to deliver and store up to 200,000 acre-feet of water in advance of demand for water by Watermaster and Upper Water.

Between calendar years 2017 and 2019, MWD deliveries to its cyclic account, including transfers from San Gabriel Valley Municipal Water District’s cyclic account, totaled about 160,630 acre-feet. Because of shutdowns, scheduled maintenance work at the Santa Fe Dam, percolation and flow issues, MWD was only able to deliver 29,525 acre-feet of this order to its cyclic account in 2023. In December 2023, Watermaster and Upper Water purchased all the remaining water in MWD’s cyclic account totaling 53,630 acre-feet. MWD restarted water deliveries to its cyclic storage account in June 2024 and took delivery of 86,500 acre-feet and 85,500 acre-feet in calendar years 2024 and 2025, respectively. Deliveries were suspended in September 2025 due to the threat of the golden mussel. At that time, MWD’s cyclic storage account held more than 150,000 acre-feet, a historic high. Approximately 130,000 acre-feet of cyclic water remained in storage at the end of fiscal year 2025/26.

As of June 2026, combined untreated imported water in cyclic storage accounts (Upper Water, producers/Watermaster and MWD) represents about 26 feet of groundwater elevation at the Baldwin Park Key Well.

Upper Water has been pre-purchasing untreated water for storage since 2015. In December 2025, the Board of Directors authorized the purchase of up to 7,500 acre-feet of additional water for cyclic storage. As of June 30, 2026, the District has about 10,700 acre-feet of water in its storage account. Upper Water may consider future “preemptive” imported water deliveries while MWD has supplies

available and can accommodate deliveries. These future decisions may be economically viable utilizing District reserves and continue the vision of “wet water”-based management solutions.

MWD relaunched its Reverse Cyclic Program (RCP) in 2024, this time including treated water, as an additional revenue generating strategy. This program allowed member agencies to purchase imported water during calendar year 2024 for deferred delivery in future years at MWD’s discretion, but no later than five full calendar years from the date of purchase. Upper Water purchased 6,000 acre-feet of RCP water in December 2024 - 3,000 acre-feet for its own account and 3,000 acre-feet on behalf of Watermaster. Delivery of the 6,000 acre-feet began in early 2026 and is expected to take two years. Because the water was purchased at calendar year 2024 rates, the program is expected to generate significant cost savings by avoiding subsequent increases in MWD’s water rates.

Upper Water submitted a Quagga Mussel Control Plan for approval by the Department of Fish and Wildlife and the Los Angeles County Flood Control District as part of Upper Water’s efforts to get Colorado River water (CRW) into the basin. The plan, which includes provisions for control and containment, post-delivery eradication, testing and monitoring, identified four sections of the San Gabriel River. Control methods and monitoring strategies have been developed for each section. This effort can potentially save up to 50 thousand acre-feet of SWP supplies annually. Upper Water intends to annually review and update the Quagga Mussel Control Plan. Imported water deliveries were suspended in September 2025 due to the threat posed by the golden mussel. In March 2026, Los Angeles County Public Works lifted its prohibition to allow a gradual reintroduction of imported water, and Upper Water continues to work with the San Gabriel Valley water agencies to finalize and implement the control plan with the goal of protecting water supply infrastructure.

In October 2024, golden mussels were first detected near the Port of Stockton in the Sacramento-San Joaquin Delta and were later detected at Check 24 of the California Aqueduct. Upper Water subsequently initiated coordination efforts with TVMWD, SGVMWD, Watermaster and MWD to develop a Golden Mussel Control Plan.

Fiscal year 2025/26 was the second and final year of the letter agreement between Upper Water and Watermaster executed in April 2025. MWD levies a readiness-to-serve (RTS) charge on its member agencies, and the standby charge MWD collects on Upper Water's behalf is no longer sufficient to fully recover Upper Water's share. The April 2025 agreement replaced the December 2021 minimum-purchase agreement, under which Watermaster purchased enough water each year to meet Upper Water's required debt coverage ratio in exchange for the right to buy untreated water above that commitment at cost. Changed basin conditions following an unusually wet winter, together with a significant increase in Upper Water's share of the net RTS charge, made that structure unworkable. The April 2025 agreement replaced it with a fixed-revenue approach tied to the RTS charge. For fiscal year 2024/25, Watermaster purchased Upper Water's full 81.03% share of Stormwater Augmentation Program (RDA II) water at MWD's untreated rate plus Upper Water's $103 per acre-foot surcharge, and Upper Water used reserves to cover its net RTS cost. For fiscal year 2025/26, Watermaster paid Upper Water the gross RTS allocable to RDA II water, producer cyclic water, replacement water, and USG-5 deliveries. In exchange, Upper Water waived its surcharge on RDA II purchases while keeping it on all other purchases.

On August 26, 2026, Upper Water and Watermaster executed a new letter agreement covering full service water purchases for fiscal years 2026/27 and 2027/28, continuing the fiscal year 2025/26 approach. For each year, Watermaster will pay Upper Water the gross RTS allocable to RDA II water, producer cyclic water, replacement water, and USG-5 deliveries, based on MWD's ten-year rolling average of firm demand. For fiscal year 2026/27, Watermaster's share is projected at $6.48 million of Upper Water's $6.81 million gross RTS charge. The fiscal year 2027/28 amount will be determined once MWD adopts its rates. Upper Water will continue to waive its surcharge on RDA II purchases and will charge $103 per acre-foot on producer cyclic water, replacement water, and USG-5 deliveries. It has also agreed to hold the surcharge at $103 per acre-foot through calendar

year 2028. The agreement includes a reopener so both parties can revisit its terms if conditions change. It provides Upper Water a stable source of fixed revenue to cover its operating needs and gives Watermaster a predictable way to manage its share of the RTS charge.

Urban Water Management Plan

Every five years, Upper Water prepares and adopts an Urban Water Management Plan (UWMP) as required under the California Water Code. UWMPs are prepared by California's urban water suppliers to ensure adequate water supplies are available to meet existing and future water demands. Every urban water supplier that either provides over 3,000 acre-feet of water annually or serves more than 3,000 connections (either directly or indirectly) is required to assess the reliability of its water sources over a 20-year planning horizon considering normal, dry, and multiple dry years. Upper Water's most recent UWMP, the 2025 UWMP, was adopted on June 10, 2026.

Integrated Resources Plan

In 2013, the Board of Directors approved Upper Water's first Integrated Resources Plan (IRP), which identified strategies and a preferred resource mix to address water supply challenges through 2035. The IRP was updated in 2016 to reflect changes in projected population, water supply, and drought conditions. Since then, water supply planning has changed substantially, including progress on the Delta Conveyance Project, the development of MWD's Pure Water Southern California recycled water program, and the adoption of Watermaster's Resource Development Assessment (RDA). Working with Stetson Engineers Inc., Upper Water prepared the 2026 IRP Update, which the Board of Directors adopted on June 24, 2026.

The 2026 IRP Update plans for the next prolonged drought using the 2012–2022 dry period, the driest in over 100 years, and accounts for climate change impacts on imported supplies identified in MWD's 2025 IRP findings. The plan projects that Upper Water can meet demands with current supplies over the next 20 years in average years and during local droughts. However, it identifies a potential shortfall of about 40,000 acre-feet if a local drought coincides with a dry year in Northern California that restricts State Water Project deliveries. To close this gap, the plan recommends maximizing the storage of imported water in the Main San Gabriel Basin using MWD's Cyclic Storage Agreement and Watermaster's RDA and Operating Safe Yield tools. It also recommends continued support for the Delta Conveyance Project and Pure Water Southern California, and further evaluation of local and regional supplies such as stormwater capture, recycled water, conservation, ocean desalination, and water transfers.

Upper Water continues to work with all stakeholders in developing and implementing innovative conservation, recycling, groundwater recharge, and stormwater capture projects to improve long-term water supply reliability.

Recycled Water Program

Recycled water is a key element of Upper Water's overall strategy of supplementing local water supplies. Recycled water is being used throughout California to irrigate golf courses, parks, freeway landscaping and crops. It is also being used to replenish groundwater basins, to serve as a barrier to seawater intrusion, and by industry for cooling processes and other purposes. Recycled water directly offsets the need to import increasingly expensive water that is pumped from the sensitive Bay-Delta ecosystem.

Upper Water’s success in proactively advancing water recycling is largely attributable to the support of its partners. The United States Bureau of Reclamation (USBR), State Water Resources Control Board, Metropolitan Water District, Sanitation Districts of Los Angeles County, Watermaster, local retail water providers and many others contributed to the successful development of recycled water in the San Gabriel Valley. Upper Water also continues to support Pure Water Southern California, MWD’s large-scale regional advanced treated wastewater project.

Direct Reuse

The Direct Reuse Program provides recycled water for landscape irrigation and other non-potable uses, reducing demand on local groundwater and imported water supplies. Upper Water developed the program in phases beginning in 2003 and has invested approximately $52 million in a distribution system that includes more than 24 miles of pipeline, booster pumping facilities and a two-million-gallon reservoir. Recycled water is supplied by the Sanitation Districts of Los Angeles County from their San Jose Creek and Whittier Narrows water reclamation plants, and the system is operated by the San Gabriel Valley Water Company and Suburban Water Systems. All components of the system are in service.

Phase I, which began deliveries in 2007, serves Rose Hills Memorial Park, Rio Hondo College, an elementary school and an industrial park. Phase IIA, consisting of the Whittier Narrows Water Recycling Project (2007) and the Rosemead Extension (2011), irrigates the 2,500-acre Whittier Narrows Recreation Area and its 18-hole golf course, South El Monte High School, and schools, parks, nurseries, corporate offices and street medians in Rosemead. Phase IIB, the City of Industry Water Recycling Project, was constructed in four packages beginning in 2010 and began deliveries in 2011 to customers that include a landfill, a sports park, schools, parks, a country club and greenbelts from the City of Industry and Hacienda Heights to West Covina. Together, Phase IIA and Phase IIB deliver approximately 775 million gallons of recycled water each year.

The program was funded with Upper Water reserves and a combination of federal, state and local sources, including grants from USBR under the Title XVI Water Reclamation and Reuse Program and the American Recovery and Reinvestment Act, grants from the State Water Resources Control Board, and funding from MWD. Construction of Phase IIB was also financed with four zero-interest State Revolving Fund (SRF) loans from the State Water Resources Control Board, which are repaid from Upper Water's net revenues through fiscal year 2032/33, as described in Note 7 to the financial statements. Recycled water sales and surcharges, MWD Local Resources Program credits and Upper Water's standby charge support the program's ongoing costs.

Upper Water also assists retail water agencies in extending recycled water service. In 2014, Upper Water helped the San Gabriel Valley Water Company obtain $1.28 million in Proposition 84 grant funds to extend the Whittier Narrows system into South El Monte and El Monte; the company provided approximately $2.13 million to complete the facilities, and deliveries began in 2019. That same year, Upper Water helped the La Puente Valley County Water District obtain $428,000 in Proposition 84 grant funds for a system serving La Puente and the City of Industry, with the district responsible for the remaining $1.57 million. Deliveries began in October 2023, and in 2026 the district initiated planning for an expansion with an estimated additional yield of 80 acre-feet per year. Upper Water's partnership projects currently yield approximately 600 acre-feet per year at Rose Hills, 72 acre-feet per year at South El Monte, and 60 acre-feet per year at La Puente.

Storm Water

Stormwater is often considered a nuisance because it carries pollutants such as motor oil and trash directly to rivers, lakes, and the ocean. Stormwater discharges in California are regulated through National Pollutant Discharge Elimination System (NPDES) permits, and the Los Angeles Regional Water Quality Control Board regulates discharges from municipal separate storm sewer systems (MS4s) through the Los Angeles County, Long Beach, and Ventura County MS4 permits. When properly managed, however, stormwater is also a valuable resource that can be captured and recharged to the groundwater basin.

Facilities owned and operated by the Los Angeles County Flood Control District capture runoff in three reservoirs in San Gabriel Canyon and use the captured water to replenish the Main San Gabriel Basin. These facilities capture over 95% of all rainfall in the upper watershed. Upper Water continues to encourage the Flood Control District to maintain its conveyance and storage facilities to maximize stormwater capture.

Upper Water's 2026 Integrated Resources Plan identifies stormwater capture as a key local resource and recommends continued evaluation of local stormwater projects to improve long-term water supply reliability. Upper Water also supports legislation and funding for local stormwater capture and San Gabriel River watershed management through its annual legislative platform. Beginning in fiscal year 2026/27, Upper Water has consolidated its stormwater activities into its other programs.

Legislative Affairs

Upper Water sponsored state legislation during the second year of the 2025-26 legislative calendar. The proposal sought to address the moratorium on imported water deliveries set by Los Angeles County Public Works due to the detection of golden mussels in the State Water Project system. Working with San Gabriel Valley Municipal Water District and the City of Burbank, AB 1894 (Fish and wildlife: invasive mussels: imported water) was introduced by Assemblywoman Blanca Rubio. The bill sought to prevent a public agency from prohibiting imported water deliveries for groundwater replenishment due to invasive mussels, provided that water deliveries are made in compliance with an approved invasive mussel control plan by the California Department of Fish and Wildlife.

In Congress, Upper Water worked with Senator Padilla's office on language for the PUBLIC Lands Act, a Senate bill which seeks to expand the San Gabriel Mountains National Monument and designate a wild and scenic river study in the San Gabriel River Watershed. Upper Water is seeking language that would protect existing water rights in the watershed and ensure the study does not impact water infrastructure. Additionally, Upper Water sought language in the biennial Water Resources Development Act (WRDA) related to water conservation activities of the U.S. Army Corps of Engineers operations.

Water Use Efficiency

The effects of climate change are still being seen throughout California and while the groundwater levels in the San Gabriel Valley have benefitted from two years of record water deliveries from USG-3, the need for water use efficiency remains. Upper Water continues to maintain a proactive and innovative conservation outreach program for our residents in the San Gabriel Valley. For FY 2025/26, Upper Water continued to implement residential and commercial water use efficiency programs. Upper Water's approach is in keeping with the State's long-term framework for conservation and drought planning titled, "Making Conservation a California Way of Life", which outlines implementation of EO-B-37-16.

In addition, AB 1572 has become a key focus for Upper Water and its producers, as the legislation prohibits the use of potable water on non-functional turf at commercial, industrial, institutional (CII), and public agency sites. Upper Water is working closely with producers to support outreach and education efforts so these new requirements can be effectively communicated and implemented before enforcement begins in January 2027.

Water Conservation and Education

Water conservation is a vital and cost-effective method of preserving our water supply and is a critical aspect of an effective, sustainable water supply program. Throughout California and the San Gabriel Valley, cities, water companies, utilities, and water districts are deeply involved in conservation and public education efforts that promote water use efficiency. Informing residents, businesses, and our youth about water use efficiency remains a top priority of Upper Water's public education program.

Residential Programs

Residential Rebate Program – Through MWD's SoCal Water Smart Regional Residential Rebate Program, Upper Water's residents are offered rebates for retrofitting several types of high water-use fixtures/equipment. Rebate items include the following: high-efficiency clothes washers (HECW), premium high efficiency toilets (PHET), weather-based irrigation

controllers (WBIC), rotating sprinkler nozzles, soil moisture sensor systems (SMSS), hose bib irrigation controllers (HBIC), rain barrels, cisterns, and turf removal. Rebates were paid for 45,712 residential devices during the fiscal year that will produce approximately 305 acre feet (99,384,555 gallons) of lifetime water savings.

WaterSmart Home Kit Program – Through MWD's Member Agency Program funding, Upper Water innovated and implemented the WaterSmart Home Kit Program for disadvantaged communities within the District's service area. The program was designed to replace the WaterSmart Home Direct Install program. Each kit includes a variety of indoor and outdoor water-saving devices such as faucet aerators, showerheads, toilet flappers, and sprinkler nozzles that can be easily installed at home without a contractor. In FY 2025/26, 655 kits were distributed at community events and landscaping workshops, and were also delivered directly to residents who registered online.

In FY 2024/25, Upper Water was awarded a $100,000 grant through the U.S. Bureau of Reclamation's WaterSmart funding to expand the program to all residents within the service area. The grant requires cost sharing which will be achieved through MWD funding and allows for the disadvantaged community restriction to be lifted. Since 2023, over 1,500 kits have been distributed to residents.

Plant Voucher Program - In FY 2024/25, Upper Water received $100,000 from the U.S. Bureau of Reclamation's WaterSmart Small-Scale Water Efficiency Project Grant to encourage residents to replace their outdoor lawns with water-efficient landscapes. An additional $100,000 was provided through MWD's Member Agency Administered (MAA) Program, bringing total funding to $200,000. Due to the popularity of the program, Upper Water requested additional funding through MWD's MAA Program in FY 2025/26 to support continued participation. Through this program, residents can redeem plant vouchers at Garden View Nursery to purchase waterwise plants. As of June 30, 2026, 1,052 vouchers totaling $260,681 have been redeemed.

Commercial, Industrial, and Institutional (CII) Program

CII Rebate Program – Through MWD's SoCal Water Smart Commercial Rebate Program, Southern California businesses are eligible for rebates to help encourage water use efficiency. This program offers rebates on a wide variety of water-saving technologies including premium high-efficiency toilets (PHETs) and zero water urinals (ZWU), ultra-low water urinals (ULWU), WBICs, rotating nozzles, large rotary nozzles, in-stem flow regulators, irrigation master valves and flow sensors, pH-cooling tower controllers (pH-CTC), cooling tower conductivity controllers (CTCC), ice-making machines, and turf removal. Rebates were paid for 18,404 CII devices during FY 2025/26 that will produce approximately 80 acre feet (26,068,080 gallons) of lifetime water savings.

Education and Community Outreach Programs

Watershed Restoration Program – This program is a cooperative partnership between Upper Water and the U.S. Forest Service that incorporates volunteers into efforts to protect and maintain the local watershed. Program activities typically include collection of native seeds, planting saplings, and trash removal. During FY 2025/26, the volunteer events were held in October and November 2025 as well as March and April 2026. A total of 281 volunteers participated and over 2,350 trees were planted last fiscal year.

K-7th Grade Sustainable Watershed Education Program – The partnership with the Discovery Science Center provides free water education programs for K–7th grade students in Upper Water's service area. The curriculum combines interactive assemblies for K–5th graders, hands-on workshops for 6th and 7th graders, and optional virtual sessions, covering

topics such as water use efficiency, watershed protection, and groundwater awareness. Students engage in science-based activities that connect classroom learning to real-world water issues. Over 4,900 students participated in the program in FY 2025/26.

Water Efficiency Workshops – Upper Water continued to offer virtual and in-person water efficiency workshops, which were attended by more than 170 participants. Workshops will continue through the next fiscal year through partnerships with Metropolitan Water District's consultant, Green Media Creations (GMC), as well as UC Master Gardeners. GMC will continue providing water efficiency and landscaping workshops, while Upper Water will partner with UC Master Gardeners to supplement the program with additional landscaping topics, including Fire Resilient Gardening workshops in response to ongoing wildfire concerns.

Water Awareness Art Contest – Upper Water's art contest inspires students to think about how important water is to all life and encourages youth to express the value of water through their artwork. The contest has 4 categories: K-2, 3-5, 6-8 and 9-12th grade. There were 85 submissions and winners will be determined by the end of 2026 for the 2027 Art Contest calendar.

Water Education Grant Program – Upper Water's Water Education Grant Program (WEGP) offers teachers an opportunity to apply for grants of up to $1,000 for proposed school projects that are related to water. A total of 26 applications amounting to $21,641 were awarded during the 2025/26 school year.

Water Conservation Booths – Upper Water maintains an aggressive grassroots outreach campaign to educate the residents of the San Gabriel Valley. Informational booths on water conservation are hosted by Upper Water at city sponsored events such as summer concerts, community, and environmental fairs. Upper Water participated in 50 outreach booths during FY 2025/26.

Waterfest – Upper Water hosts an annual conservation event in partnership with the Los Angeles County Department of Parks and Recreation. This educational event for residents, families and children features interactive educational booths, environmental displays, informative presentations, free water-saving materials, raffles and more. The annual Waterfest was held in May 2026, coinciding with Water Awareness Month. The event was a major success with over 40 exhibitors and approximately 1,000 residents who participated in the one-day festival.

News Splash Newsletter – Upper Water continues to inform residents, stakeholders and community leaders through its monthly e-newsletter called "News Splash". Each monthly edition includes water related news, information on Upper Water's conservation and educational programs, water smart workshops, and water saving resources. The newsletter is sent out on the first of every month to almost 12,000 subscribers.

Upper Water's Water 101 Tours – Upper Water remains actively engaged with the region's local elected officials and offers educational programs on key water policies and issues that affect the San Gabriel Valley. This year, Upper Water held a Hoover Dam/Colorado River Aqueduct inspection trip and a State Water Project inspection trip with Metropolitan Water District of Southern California. Upper Water also hosted a Water 101 seminar for Assemblywoman Blanca Rubio's Young Legislators Program with Valley County Water District.

Finance and Administration

Upper Water remains committed to the effective and efficient management of its financial resources through sound fiscal management. Over the years, the Board of Directors supported staff in creating efficiencies and implementing cost containment measures within the District.

Cash and Investment Management
Upper Water maintains a comprehensive cash and investment program governed by the California Government Code. These regulations are embedded within the District's Investment Policy, which outlines authorized investment types and associated restrictions. Consistent with the government code, Upper Water annually reviews and adopts an investment policy aimed at safeguarding principal investments, minimizing credit and market risks, ensuring sufficient liquidity to meet anticipated operating needs for six months, and achieving a competitive portfolio yield. During the fiscal year ended June 30, 2026, available funds were invested in compliance with this policy.

California Employers' Retiree Benefit Trust Fund
In 2014, Upper Water began prefunding its other post-employment benefit (OPEB) liability through the California Employers' Retiree Benefit Trust (CERBT). As of the latest valuation with a measurement date of June 30, 2025, Upper Water's OPEB is substantially funded at 93%, with total trust assets of $2.66 million and a total OPEB liability of $2.85 million. As of June 30, 2026, assets held in trust total $2.95 million.

The CERBT was initially established to take advantage of higher discount rate assumptions, which translate to lower annual required contributions and unfunded liability over time, and to gain access to higher-yielding investments. Now that the trust assets substantially cover the OPEB liability, the trust also serves as an important budgeting tool.

California Employers' Pension Prefunding Trust Fund
Upper Water has made several additional discretionary payments to CalPERS to reduce its unfunded accrued pension liability. In June 2022, Upper Water made a $1 million payment, with estimated interest savings of $1.03 million using CalPERS' 6.80% discount rate. In June 2024, Upper Water made a second $1 million payment, with estimated interest savings of $0.76 million. In November 2025, the Board authorized a third payment of $0.50 million, which was made in December 2025.

The Board also authorized participation in the California Employers' Pension Prefunding Trust Program (CEPPT), with an initial contribution of $0.50 million in 2022, an additional $1 million in FY 2023/24, and a further $0.50 million in December 2025, for total contributions of $2 million. As of June 30, 2026, assets held in trust for prefunding pension liability total $2.42 million. Like the CERBT, the CEPPT is a Section 115 trust that can be used to build a rainy-day reserve for pension costs and provide greater budgetary flexibility in the future.

Long-Term Financial Planning

Upper Water's long-term financial planning is anchored by its biennial budget, its Designated Reserve Fund Policy, and the water supply plans described above. The biennial budget for fiscal years 2026/27 and 2027/28, adopted by the Board of Directors on June 10, 2026, includes funding for future water supply reliability studies. The August 2026 letter agreement with Watermaster provides a predictable source of fixed revenue to recover Upper Water's share of MWD's readiness-to-serve charge through fiscal year 2027/28, and Upper Water has agreed to hold its $103 per acre-foot surcharge through calendar year 2028. The water standby charge, reauthorized for fiscal year 2026/27 at $10 per acre, adds approximately $2.05 million a year of revenue that does not depend on water sales. The 2025 UWMP and the 2026 IRP Update provide a 20-year framework for meeting demand, including maximizing the storage of imported water in the Main San Gabriel Basin. Upper Water also continues to address long-term obligations ahead of schedule through additional discretionary payments to CalPERS and through its prefunded Section 115 pension (CEPPT) and

OPEB (CERBT) trusts. As of June 30, 2026, unrestricted net position totaled $24.14 million, equivalent to approximately 6.7 months of fiscal year 2025/26 operating expenses excluding depreciation, and designated reserves were above the target levels established by the Designated Reserve Fund Policy.

Relevant Financial Policies

Internal Control Structure

Management is responsible for establishing and maintaining an internal control structure that ensures that assets are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived, and (b) the valuation of costs and benefits requires estimates and judgments by management.

Investment Policy

Annually, the Board of Directors adopts an investment policy consistent with the requirements of the California Government Code. In order of priority, three fundamental criteria are followed by Upper Water in the investment program:

(a) *Safety of Principal* - Investments shall be undertaken in a manner that first seeks to ensure the preservation of principal in the portfolio. Each investment transaction shall be entered into after taking into consideration the quality of the issuer, the underlying security or collateral, and diversification of the portfolio.

(b) *Liquidity* - Investments shall be made so that the maturity date is compatible with cash flow needs and safety of principal.

(c) *Return on Investment* - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity and the prudent investor standard.

During fiscal year 2025/26, all funds were invested in accordance with Upper Water's investment policy.

Designated Reserve Policy

Upper Water's adopted Designated Reserve Fund Policy sets prudent levels of reserve funds to provide financial resources not only during emergencies or planned capital projects but also for scheduled and unscheduled expenses such as operation and maintenance, debt service and stabilization of rates. The Reserve Fund Policy establishes the following six designated reserves, each with its own recommended minimum, target, and maximum levels: 1) Emergency Reserve; 2) Operating Reserve; 3) Pay-go Capital Improvement and Replacement Reserve; 4) Capital Reserve; 5) Revenue Stabilization Reserve; and 6) Water Banking Reserve.

During fiscal year 2025/26, Upper Water used reserves to fund the $0.50 million additional discretionary payment to CalPERS, the $0.50 million contribution to the CEPPT, and the purchase of additional water for cyclic storage.

Budget Process and Controls

Budgets are often used as a performance tool for measuring accountability of public agencies to their stakeholders. Though not legally required to do so, Upper Water adopts a biennial budget not only as a management tool for planning and control purposes but also to demonstrate its

commitment to fiscal responsibility and transparency. Upper Water also uses the budget as a communication tool showing how the District intends to allocate its resources in support of its mission, goals and objectives.

Developing and monitoring the budget is an ongoing process. Upper Water conducts a series of budget workshops to encourage stakeholder participation and input prior to adoption of the final budget. Monthly financial statements showing budget-to-actual comparison and analysis are presented to management and the Board of Directors to facilitate review and assessment throughout the fiscal year.

Management monitors spending at the program level (sources of supply, water quality and supply, water recycling, conservation, and general and administrative), and spending that would exceed the adopted budget is brought to the Board for approval.

Water Rates

Pursuant to Water Code Section 71614 et seq., Upper Water establishes water rates and charges by ordinance of the Board of Directors. Prior to adoption of the water rates and charges, workshops are held to solicit input from all stakeholders. On June 10, 2026, the Board adopted Ordinance No. 26-2, approving water rates and charges for calendar year 2027 with Upper Water's surcharge unchanged at $103 per acre-foot. The same day, it adopted Ordinance No. 26-1, reauthorizing the water standby charge at $10 per acre, or $10 per parcel of less than one acre, for fiscal year 2026/27. The rate is unchanged from the prior year and is expected to generate approximately $2.05 million for water recycling and water conservation programs.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Upper Water for its annual comprehensive financial report for the fiscal year ended June 30, 2025. This was the 15th consecutive year Upper Water has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. Upper Water believes that the current annual comprehensive financial report continues to meet the Certificate of Achievement program requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was accomplished by the combined efforts of Upper Water staff. We appreciate the dedicated efforts and professionalism that our staff members bring to Upper Water. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of Upper Water's fiscal policies.

Respectfully submitted,

Thomas A. Love
General Manager

Albert Trinh
Finance Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Upper San Gabriel Valley Municipal Water District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

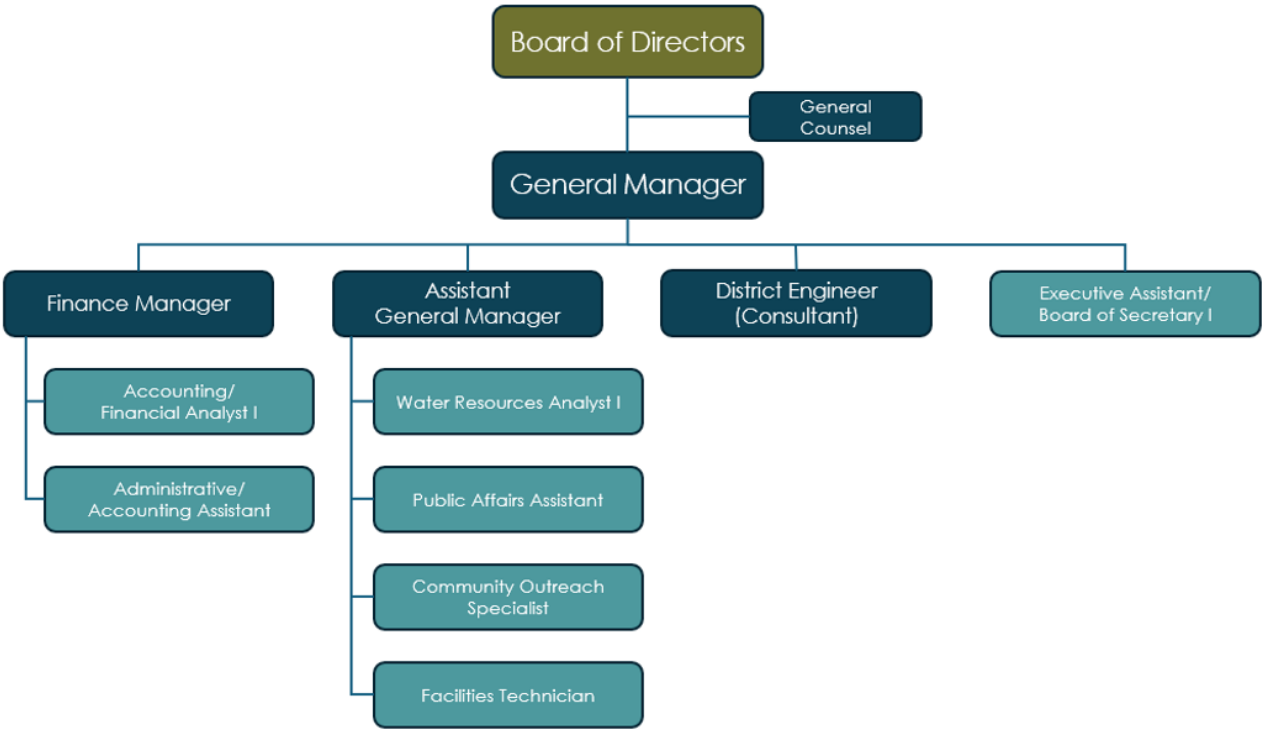
June 30, 2025

Christopher P. Morrill

Executive Director/CEO

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Organizational Chart



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Financial Section

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Independent Auditor's Report

Honorable Board of Directors
Upper San Gabriel Valley Municipal Water District
Monrovia, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Upper San Gabriel Valley Municipal Water District (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts.*

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)* and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2026, the District adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as the management's discussion and analysis and schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required *by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, CA
November 6, 2026

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance and activities of the Upper San Gabriel Valley Municipal Water District (Upper Water) for the fiscal year ended June 30, 2026. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes which follow this section.

Overview of the Financial Statements

Upper Water is a wholesale water utility enterprise and presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting. As an enterprise fund, Upper Water's basic financial statements include the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statement of net position presents information on all of Upper Water's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Upper Water is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how Upper Water's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of cash flows relates to the other financial statements by showing how changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources affected cash and cash equivalents during the fiscal year. The notes to the financial statements provide information on Upper Water's significant accounting policies and explain significant account balances and activities, certain material risks, obligations, commitments, contingencies and subsequent events, if any.

Financial Summary

Condensed Statements of Net Position

	As of June 30		Change	
	2026 (in thousands)	2025 (in thousands)	Dollar (in thousands)	Percentage
Assets				
Other assets	$ 31,182	$ 30,276	$ 906	2.99%
Capital assets, net	52,505	53,767	(1,262)	-2.35%
Total assets	83,687	84,043	(356)	-0.42%
Deferred outflows of resources	1,839	1,732	107	6.18%
Liabilities				
Other liabilities	4,847	6,104	(1,257)	-20.59%
Long-term liabilities	5,033	6,119	(1,086)	-17.75%
Total liabilities	9,880	12,223	(2,343)	-19.17%
Deferred inflows of resources	1,182	1,478	(296)	-20.03%
Net position				
Net investment in capital assets	47,900	48,467	(567)	-1.17%
Restricted	2,422	1,712	710	41.47%
Unrestricted	24,142	21,895	2,247	10.26%
Total net position	$ 74,464	$ 72,074	$ 2,390	3.32%

Condensed Statements of Revenues, Expenses and Changes in Net Position

	For the year ended June 30		Change	
	2026 (in thousands)	2025 (in thousands)	Dollar (in thousands)	Percentage
Operating revenues				
Water revenue	$ 40,430	$ 37,454	$ 2,976	7.95%
Other operating revenues	24	58	(34)	-58.62%
Total operating revenues	40,454	37,512	2,942	7.84%
Total operating expenses	44,428	43,136	1,292	3.00%
Operating income (loss)	(3,974)	(5,624)	1,650	-29.34%
Noncapital subsidies				
Intergovernmental	1,655	1,325	330	24.91%
Standby charges	4,090	4,078	12	0.29%
Total noncapital subsidies	5,745	5,403	342	6.33%
Operating income (loss) and noncapital subsidies	1,771	(221)	1,992	N/M
Other nonoperating revenues (expenses)				
Investment earnings	712	933	(221)	-23.69%
Interest expense	(93)	(105)	12	-11.43%
Total other nonoperating revenues (expenses)	619	828	(209)	-25.24%
Change in net position	2,390	607	1,783	293.74%
Net position, beginning of year	72,074	71,467		
Net position, end of year	$ 74,464	$ 72,074		

N/M = not meaningful

Detailed Analyses

As shown above, Upper Water's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $74.46 million and $72.07 million as of June 30, 2026 and 2025, respectively, an increase in net position of $2.39 million. The operating loss narrowed by $1.65 million to $3.97 million, mainly because water revenue increased $2.98 million.

Assets

Other assets increased $0.91 million, or 3.0 percent, to $31.18 million. Prepurchased water increased $3.03 million to $9.60 million. Water stored in Upper Water's cyclic storage account is reported as a current asset. Upper Water held about 10,700 acre-feet at June 30, 2026, compared with about 8,300 acre-feet at June 30, 2025. The increase reflects the 7,500 acre-feet purchased in December 2025, partly offset by 5,100 acre-feet sold from storage to producers. Restricted cash and investments held in the Section 115 pension trust increased $0.71 million to $2.42 million, reflecting the $0.50 million contribution made in December 2025 and $0.21 million of investment earnings. These increases were partly offset by decreases of $1.35 million in prepaid expenses, as MWD delivered a portion of the RCP water prepaid in December 2024; $1.04 million in unrestricted cash and investments; $0.58 million in water sales receivable; and $0.05 million in lease receivable.

Liabilities

Total liabilities decreased $2.34 million, or 19.2 percent, to $9.88 million. Other liabilities decreased $1.26 million. Unearned revenue fell $0.67 million as Watermaster's share of the RCP water was delivered, and amounts payable to MWD decreased $0.49 million.

Net Position

A substantial portion of Upper Water's net position consists of net investment in capital assets. Capital assets are used by Upper Water to provide services to its customers and are, therefore, not available for spending. Net investment in capital assets decreased $0.57 million to $47.90 million because annual depreciation of $1.26 million exceeded the $0.70 million of SRF loan principal repaid. Restricted net position, which represents the Section 115 pension trust, increased $0.71 million to $2.42 million, reflecting the $0.50 million contribution made in December 2025 and $0.21 million of investment earnings. Unrestricted net position increased $2.25 million to $24.14 million.

Operating Revenues

Water revenue increased $2.98 million, or 7.9 percent, to $40.43 million. Under the April 2025 letter agreement, Watermaster paid Upper Water $5.33 million in fiscal year 2025/26 for the gross RTS charge allocable to RDA II water, producer cyclic water, replacement water and USG-5 deliveries. In exchange, Upper Water waived its $103 per acre-foot surcharge on RDA II purchases, and surcharge revenue on untreated water decreased $1.71 million to $1.37 million. Imported water deliveries totaled 32,562 acre-feet (3,480 acre-feet treated and 29,082 acre-feet untreated), compared with 32,990 acre-feet in fiscal year 2024/25. Untreated water sales decreased $1.03 million to $25.68 million. Untreated deliveries decreased 534 acre-feet, or 1.8 percent, mainly because Watermaster's RDA II purchases decreased 3,975 acre-feet to 23,968 acre-feet. Groundwater levels in the Main San Gabriel Basin reached their highest point since 1998 after above-average rainfall, and on September 24, 2025, Los Angeles County Public Works halted

imported water deliveries to its spreading grounds after golden mussels were detected in State Water Project water. Sales of 5,100 acre-feet to producers from Upper Water's cyclic storage account partly offset the decrease. Treated water sales increased $0.28 million to $5.00 million, as MWD's full service treated rate rose from $1,395 to $1,528 per acre-foot on January 1, 2026. Treated deliveries increased 3.1 percent. Most treated water is delivered to the City of Alhambra through the USG-5 connection under the Alhambra exchange agreement, and these deliveries were relatively stable at 2,715 acre-feet, compared with 2,824 acre-feet in fiscal year 2024/25.

Operating Expenses

Total operating expenses increased $1.29 million, or 3.0 percent, to $44.43 million. Sources of supply decreased $0.75 million, or 2.3 percent, as untreated water purchases from MWD decreased $1.03 million and treated water purchases increased $0.28 million. Water quality and supply program expenses increased $1.13 million, or 21.5 percent, mainly because Upper Water's share of MWD's RTS charge increased $0.99 million to $5.58 million; engineering costs also increased $0.15 million. Conservation expenses increased $0.43 million, or 25.5 percent, mainly from higher spending on MWD Member Agency Administered programs ($0.29 million), Waterfest ($0.06 million) and school education programs ($0.04 million). These programs were partly funded by $0.52 million of conservation grants and reimbursements, which are reported as noncapital subsidies. General and administrative expenses increased $0.51 million, or 31.0 percent. The prior year included a $0.23 million credit for election costs and $0.11 million of costs capitalized to capital assets, and in fiscal year 2025/26 outside and temporary services increased $0.22 million and OPEB expense increased $0.18 million. These increases were partly offset by a $0.35 million decrease in pension expense.

Noncapital Subsidies and Other Nonoperating Revenues (Expenses)

Noncapital subsidies increased $0.34 million, or 6.3 percent, to $5.75 million. They consisted of Upper Water's standby charge ($2.10 million), the standby charge MWD levies on Upper Water's behalf ($1.99 million), property taxes ($0.98 million), conservation grants and reimbursements ($0.52 million), MWD Local Resources Program credits ($0.12 million) and state grants ($0.03 million). The increase came mainly from conservation grants and reimbursements, which rose $0.27 million. Upper Water's standby charge was $10 per acre per year, or $10 per parcel of less than one acre, and funds a portion of its water recycling and water conservation programs. MWD's standby charge partially offsets Upper Water's share of MWD's RTS charge.

Investment earnings decreased $0.22 million, or 23.8 percent, to $0.71 million. Of the decrease, $0.13 million came from fair value changes: investments recorded a $53,215 unrealized loss this year, compared with a $75,436 unrealized gain last year. The rest reflects lower interest income on lower average cash and investment balances.

Interest expense on the SRF loans decreased $0.01 million to $0.09 million as the outstanding loan balance declined.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

Capital assets, net of accumulated depreciation, decreased $1.26 million to $52.50 million because of annual depreciation of $1.26 million. There were no capital additions during the fiscal year. The following is a summary of capital assets:

	As of June 30		Change	
	2026 (in thousands)	2025 (in thousands)	Dollar (in thousands)	Percentage
Intangible utility plant	$ 657	$ 657	$ -	0.00%
Construction in progress	8,577	8,577	-	0.00%
Water recycling	52,105	52,105	-	0.00%
Building and improvements	7,569	7,569	-	0.00%
Furniture and equipment	288	292	(4)	-1.37%
Other	45	45	-	0.00%
Subtotal	69,241	69,245	(4)	-0.01%
Less accumulated depreciation	(16,736)	(15,478)	(1,258)	8.13%
Net capital assets	$ 52,505	$ 53,767	$ (1,262)	-2.35%

Construction in progress and fiscal year 2024/25 furniture and equipment are force-rounded so that net capital assets tie to the statement of net position.

For more information regarding Upper Water's capital assets, please refer to Note 4 of the Notes to the Financial Statements.

Long-Term Debt

Construction of the City of Industry Water Recycling Project was partially funded by SRF loans from the California State Water Resources Control Board (CSWRCB). As of June 30, 2026 and 2025, the loans had balances of $4.60 million and $5.30 million, respectively. Upper Water repaid $0.70 million of principal during fiscal year 2025/26. Annual debt service of $0.79 million continues through fiscal year 2032/33 and is secured by a pledge of net revenues. Net revenues covered debt service 4.80 times in fiscal year 2025/26, as shown in the statistical section. Detailed information on Upper Water's long-term debt is presented in Note 7 of the Notes to Financial Statements.

Noncurrent liabilities decreased $1.09 million. The noncurrent portion of the State Revolving Fund (SRF) loan decreased $0.71 million as scheduled repayments continued. The net pension liability decreased $0.55 million to $0.79 million for the June 30, 2025 measurement date, reflecting CalPERS investment returns and a lower proportionate share of the plan (0.01978 percent, down from 0.02773 percent). The net OPEB liability increased $0.11 million to $0.19 million, mainly because of an experience loss in the June 30, 2025 actuarial valuation. The OPEB plan is 93 percent funded. The noncurrent portion of compensated absences increased $0.06 million.

Currently Known Facts, Decisions, or Conditions

Watermaster Letter Agreement

Fiscal year 2025/26 was the second and final year of the April 2025 letter agreement between Upper Water and Watermaster. On August 26, 2026, Upper Water and Watermaster executed a new letter agreement covering full service water purchases for fiscal years 2026/27 and 2027/28. Under the new agreement, Watermaster will pay Upper Water the gross RTS charge allocable to RDA II water, producer cyclic water, replacement water and USG-5 deliveries, based on MWD's ten-year rolling average of firm demand. For fiscal year 2026/27, Watermaster's share is projected at $6.48 million of Upper Water's $6.81 million gross RTS charge. Upper Water will continue to waive its surcharge on RDA II purchases, will charge $103 per acre-foot on other purchases, and has agreed to hold the surcharge at $103 per acre-foot through calendar year 2028.

Imported Water Deliveries and Invasive Mussels

Imported water deliveries for groundwater replenishment were suspended in September 2025 after golden mussels were detected in the State Water Project system. On March 24, 2026, Los Angeles County Public Works lifted its prohibition to allow a gradual reintroduction of imported water into the County flood control system, subject to treatment, monitoring and mitigation measures. Upper Water sponsored AB 1894, which would have prevented a public agency from prohibiting replenishment deliveries made under an approved invasive mussel control plan. The bill passed the Legislature but was vetoed by the Governor on September 18, 2026. Upper Water continues to work with San Gabriel Valley water agencies on a Golden Mussel Control Plan. Groundwater levels remain high, and Watermaster's May 2026 Operating Safe Yield report, citing a 30 percent State Water Project allocation and limited RDA funding, assumed no additional imported water deliveries for replenishment through at least summer 2026. Because untreated water is sold at MWD's rate, lower untreated deliveries would reduce water revenue and sources of supply expense by similar amounts; the effect on net position would come mainly from lower surcharge revenue. Watermaster's RTS payment under the August 2026 letter agreement is based on MWD's ten-year rolling average of firm demand rather than current-year deliveries. MWD's delivery of the remaining RCP water is expected to continue through 2027.

Water Rates and Other Charges

On June 10, 2026, the Board of Directors adopted Ordinance No. 26-1, reauthorizing the water standby or availability of service charge at $10 per acre of land, or $10 for each parcel of less than one acre, within Upper Water's service area for fiscal year 2026/27. The rate is unchanged from fiscal year 2025/26, and the charge is expected to generate approximately $2.05 million to fund a portion of Upper Water's water recycling and water conservation programs. On the same date, the Board adopted Ordinance No. 26-2, approving water rates and charges for calendar year 2027, with Upper Water's surcharge unchanged at $103 per acre-foot. Upper Water's water rates for the last ten fiscal years are presented in the statistical section of this report.

Budget and Pension Assumptions

The Board of Directors adopted the biennial budget for fiscal years 2026/27 and 2027/28 on June 10, 2026. The budget includes funding for future water supply reliability studies. In November 2025, CalPERS adopted new actuarial assumptions based on its 2025 Experience Study. The new assumptions will be reflected in the net pension liability reported for fiscal year 2026/27.

Basic Financial Statements

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Statement of Net Position
June 30, 2026
(With summarized comparative data for prior year)

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	$ 5,645,324	$ 6,358,952
Investments (Note 2)	5,783,452	6,106,252
Receivables:		
Water sales	645,624	1,226,506
Leases (Note 5)	25,398	23,761
Other	824,941	640,330
Prepurchased water	9,596,417	6,568,622
Prepaid expenses	6,227,941	7,579,027
Restricted:		
Restricted cash and investments - Section 115 trust - pension	2,422,028	1,712,391
Total current assets	31,171,125	30,215,841
Noncurrent assets:		
Leases receivable (Note 5)	10,763	60,575
Capital assets, not being depreciated (Note 4)	9,233,369	9,233,369
Capital assets, net of depreciation (Note 4)	43,271,499	44,533,640
Total noncurrent assets	52,515,631	53,827,584
Total assets	83,686,756	84,043,425
Deferred outflows of resources		
Pension related (Note 8)	1,434,164	1,324,550
OPEB related (Note 10)	404,533	406,982
Total deferred outflows of resources	1,838,697	1,731,532
Liabilities		
Current liabilities:		
Accounts payable:		
Metropolitan Water District	125,309	615,519
Other	712,130	778,990
Accrued liabilities	99,213	117,437
Unearned revenue	3,136,792	3,805,716
Due to State Water Resources Control Board, current portion (Note 7)	708,119	695,564
Compensated absences, current portion (Note 6)	65,702	90,783
Total current liabilities	4,847,265	6,104,009
Noncurrent liabilities:		
Net pension liability (Note 8)	789,025	1,341,370
Net OPEB liability (Note 10)	185,942	75,168
Due to State Water Resources Control Board, net of current portion (Note 7)	3,896,455	4,604,574
Compensated absences, net of current portion (Note 6)	161,464	97,938
Total noncurrent liabilities	5,032,886	6,119,050
Total liabilities	9,880,151	12,223,059
Deferred inflows of resources		
Lease related (Note 5)	36,772	81,088
Pension related (Note 8)	613,083	805,252
OPEB related (Note 10)	531,659	591,644
Total deferred inflows of resources	1,181,514	1,477,984
Net position		
Net investment in capital assets	47,900,294	48,466,871
Restricted - Section 115 Trust	2,422,028	1,712,391
Unrestricted	24,141,466	21,894,652
Total net position	$ 74,463,788	$ 72,073,914

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Statement of Revenues, Expenses and Changes in Net Position
For the fiscal year ended June 30, 2026
(With summarized comparative data for prior year)

	2026	2025
Operating revenues		
Water revenue	$ 40,429,532	$ 37,454,142
Other operating revenues	24,146	57,763
Total operating revenues	40,453,678	37,511,905
Operating expenses		
Sources of supply	31,709,652	32,458,650
Water quality and supply program	6,364,740	5,238,308
Water recycling	834,970	889,054
Conservation	2,092,357	1,666,622
Depreciation	1,258,951	1,250,190
General and administrative	2,139,695	1,633,319
Other operating expenses	28,044	-
Total operating expenses	44,428,409	43,136,143
Operating income (loss)	(3,974,731)	(5,624,238)
Noncapital subsidies		
Intergovernmental	1,655,452	1,325,350
Standby charges	4,090,399	4,077,722
Total noncapital subsidies	5,745,851	5,403,072
Operating income (loss) and noncapital subsidies	1,771,120	(221,166)
Other nonoperating revenues (expenses)		
Investment earnings	711,396	933,230
Interest expense	(92,642)	(105,028)
Total other nonoperating revenues (expenses)	618,754	828,202
Change in net position	2,389,874	607,036
Net position		
Beginning of year	72,073,914	71,466,878
End of year	$ 74,463,788	$ 72,073,914

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows
For the fiscal year ended June 30, 2026
(With summarized comparative data for prior year)

	2026	2025
Cash flows from operating activities		
Cash received from customers	$ 40,184,884	$ 41,786,138
Cash payments to suppliers for goods and services	(45,403,237)	(49,432,098)
Cash payments to employees for services	(780,669)	(672,788)
Net cash used for operating activities	(5,999,022)	(8,318,748)
Cash flows from noncapital financing activities		
Intergovernmental subsidies	1,655,452	1,325,350
Cash received from standby charges	4,090,399	4,077,722
Net cash provided by noncapital financing activities	5,745,851	5,403,072
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	-	(112,040)
Proceeds from refunded property	3,190	-
Repayment of project finance agreements	(695,564)	(683,230)
Interest paid	(92,642)	(105,028)
Net cash used for capital and related financing activities	(785,016)	(900,298)
Cash flows from investing activities		
Cash received from sale and maturity of investments	4,790,542	2,974,962
Acquisition of investments	(5,014,820)	(3,177,048)
Investment earnings (losses)	1,258,474	833,199
Net cash provided by investing activities	1,034,196	631,113
Net change in cash and cash equivalents	(3,991)	(3,184,861)
Cash and cash equivalents		
Beginning of year	8,071,343	11,256,204
End of year	$ 8,067,352	$ 8,071,343
Reconciliation of cash equivalents and restricted cash and investments:		
Cash and cash equivalents	$ 5,645,324	$ 6,358,952
Restricted cash and investments - Section 115 trust - pension	2,422,028	1,712,391
Total cash equivalents and restricted cash and investments	$ 8,067,352	$ 8,071,343

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows
For the fiscal year ended June 30, 2026
(With summarized comparative data for prior year), (concluded)

	2026	2025
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$ (3,974,731)	$ (5,624,238)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,258,951	1,250,190
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	444,446	525,916
Prepurchased water	(3,027,795)	109,650
Prepaid expenses	1,351,086	(7,547,450)
Deferred outflows of resources	(107,165)	1,076,360
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	(575,294)	(597,233)
Unearned revenue	(668,924)	3,772,050
Compensated absences	38,445	11,332
Deferred inflows of resources	(296,470)	(60,036)
Net pension liability	(552,345)	(1,216,328)
Net OPEB liability	110,774	(18,961)
Net cash provided by (used for) operating activities	$ (5,999,022)	$ (8,318,748)
Schedule of non-cash operating, noncapital and capital related financing and investing activities		
Fair value adjustment	$ (53,215)	$ 75,436

The accompanying notes are an integral part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the entity

Upper San Gabriel Valley Municipal Water District (Upper Water), which comprises an area of approximately 144 square miles, was incorporated on January 7, 1960 under the provisions of the Municipal Water District Law of 1911, as amended, (now cited as "The Municipal Water District Law of 1911", Division 20, California Water Code) as a result of a special election held on December 8, 1959. On March 12, 1963, the voters of Upper Water elected to join the Metropolitan Water District of Southern California. On November 2, 1965, the citizens of West Covina voted to join Upper Water.

Adjudication proceedings, which established the legal determination of water rights of individual pumpers in the area in relation to the safe yield of the total water basin, were completed on December 29, 1972. The decree established a Watermaster, the Main San Gabriel Basin Watermaster, who took over the function of levying and collecting the assessments that had previously been levied and collected by Upper Water through its reimbursement contract and replenishment funds.

Upper Water's mission is to consistently meet our region's need for reliable, high quality and affordable water.

Basis of accounting and measurement focus

Upper Water is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the economic measurement focus and the accrual basis of accounting, in conformity with generally accepted accounting principles (GAAP) and the Uniform Systems of Accounts for Water Utility Districts as prescribed by the Controller of the State of California. Under this basis of accounting and measurement focus, revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they were levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Prior year summarized information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position

Sometimes Upper Water will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Net position is categorized as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* – This component of net position consists of constraints placed on resources through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Upper Water distinguishes operating revenues and expenses from noncapital subsidies and other nonoperating revenues and expenses. Operating revenues and expenses are revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues and expenses related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses. The principal operating revenues of Upper Water are water sales to customers. Operating expenses also include management, administrative expenses and depreciation of capital assets.

Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of Upper Water’s California Public Employees’ Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

Postemployment benefits other than pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of Upper Water's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risk management

Upper Water is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. It is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling, self-insurance authority, created under the provisions of California Government Code Sections 6500 et. seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

On June 30, 2026, Upper Water participated in the self-insurance program of the Insurance Authority as follows:

Property Loss – The Insurance Authority has pooled self-insurance up to $10,000,000 per occurrence and has purchased excess insurance coverage up to $500,000,000, with deductibles ranging from $2,500 to $50,000.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General, Auto and Public Officials Errors and Omissions Liability – The Insurance Authority has pooled self-insurance up to $5,000,000 and has purchased excess insurance coverage up to $55,000,000.

Cyber Liability – The Insurance Authority has pooled self-insurance up to $5,000,000 per occurrence subject to a $5,000,000 aggregate limit.

Crime – The Insurance Authority has pooled self-insurance up to $100,000 per occurrence, with $1,000 deductible.

Workers' Compensation – The Insurance Authority has pooled self-insurance up to $2,000,000 each for workers' compensation and employers' liability. The Insurance Authority purchases excess coverage up to the statutory limit of $4,000,000.

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

Cash and cash equivalents

For purposes of the statements of cash flows, cash and cash equivalents have been defined as deposits and highly liquid investments with maturity of 90 days or less at the date of purchase.

Investments

Investments are stated at fair value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale). Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Capital assets and depreciation

Capital assets are recorded at cost. If applicable, donated assets are stated at acquisition value on the date donated. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Upper Water uses differing capitalization thresholds for the classes of assets based on materiality. Upper Water's policy is to review for capitalization those expenditures greater than $10,000 that have a useful life of more than one year. Estimated service lives for Upper Water's classes of assets are as follows:

Distribution system	50 years
Building	50 years
Building improvements	10 - 15 years
Furniture and equipment	>1 - 10 years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned revenue

Unearned revenue is water revenue paid by customers, as well as rental revenue paid by a lessee in the current period but is yet to be earned by Upper Water.

Compensated absences

Upper Water's policy is to permit employees to accumulate a limited amount of earned vacation and sick leave. Accumulated vacation time is accrued at year-end to account for Upper Water's obligation to the employees for the amount owed. It is management's belief that the majority of the obligation will be utilized during the course of the next fiscal year. Vacation pay is payable to employees at the time a vacation is taken, cashed out, or upon termination of employment. Normally, an employee cannot accrue more than thirty days of vacation each year.

Active full-time employees accrue one day of sick leave per month up to a maximum of 120 accrued sick days. Sick leave is payable when an employee is unable to work because of illness or injury of employee, an immediate family member, spouse or registered domestic partner, or one other designated person. Upon retirement, an employee will be paid for 50% of unused sick leave.

Overhead absorption

Certain operating expenses are allocated to capital assets using management's allocation of manpower and service estimates that are directly related to the construction of capital assets.

Contributions for capital acquisitions/construction

Contributions for capital acquisitions/construction represent cash and capital asset additions contributed to Upper Water by federal, state, and local granting agencies.

Budgetary policies

Upper Water adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Allowance for doubtful accounts

Upper Water recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. As of June 30, 2026, all receivables were deemed collectible.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes

The County bills and collects property taxes on behalf of numerous special districts and incorporated cities, including Upper Water. Upper Water's current year tax collection is received through periodic apportionments from the County. The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on the property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Pre-purchased water

Pre-purchased water consists of imported water purchased from the Metropolitan Water District and not immediately sold to client agencies. It is valued based upon purchase cost and consumed on a first in, first out basis.

Implementation of new accounting pronouncements

The District adopted the Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*: The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

The District also adopted the Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*: The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

NOTE 2: CASH AND INVESTMENTS

Cash and investments are presented in the accompanying financial statements as follows:

Cash and cash equivalents	$	5,645,324
Investments		5,783,452
Restricted cash and investments - Section 115 Trust		2,422,028
Total cash and investments	$	13,850,804

Cash and cash equivalents consist of the following:

Imprest cash on hand	$	500
Deposits with financial institutions		832,852
Local Agency Investment Fund		4,811,972
Total cash and cash equivalents	$	5,645,324

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2026 consist of the following:

Imprest cash on hand	$	500
Deposits with financial institutions		832,852
Total cash		833,352
Local Agency Investment Fund [(1)]		4,811,972
Money market mutual funds		59,041
U.S. Agency funds		1,697,348
U.S. Treasury securities		2,568,739
U.S. Corporate funds		1,403,240
Supranational		55,084
Total unrestricted investments		10,595,424
Investment in Section 115 trust - pension		2,422,028
Total investments		13,017,452
Total cash and investments	$	13,850,804

[(1)] Upper Water is a voluntary participant in the Local Agency Investment Fund (LAIF), a special fund regulated by the California State Treasury through which each city, district or agency may invest up to $75 million. As of June 30, 2026, the total amortized cost of LAIF, including accrued interest was approximately $194 billion. Upper Water's proportionate share of that value is $4.811 million as of June 30, 2026. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. LAIF has a minimum $5,000 transaction amount in increments of $1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of $10 million or more. As regards to credit rating, LAIF is unrated as of June 30, 2026.

Investment policy

Upper Water's investment policy outlines the guidelines required to be used in effectively managing Upper Water's available cash in accordance with the California Government Code. To address interest rate risk, Upper Water's existing policy limits the maturity of investments to five years, with the exception of special trust funds which shall not be subject to this limitation. To mitigate credit risks associated with its investments, Upper Water's investment policy limits investments to large institutions and requires diversification to ensure that failure of one issuer will not significantly affect Upper Water's cash flow.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Upper Water's investments in LAIF have a weighted average maturity of 269 days, generally consistent with its cash flow and liquidity needs. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

Information about the sensitivity of the fair values of Upper Water's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Upper Water's investments by maturity.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Maturities of investments as of June 30, 2026, were as follows:

Investment Type (including LAIF)	Total	Remaining maturing (in months) 12 Months or Less	13 to 36 Months	37 to 60 Months
Local Agency Investment Fund	$ 4,811,972	$ 4,811,972	$ -	$ -
Money market mutual funds	59,041	59,041	-	-
U.S. Agency funds	1,697,348	200,767	1,496,581	-
U.S. Treasury securities	2,568,739	971,992	1,053,243	543,504
U.S. Corporate funds	1,403,240	119,719	1,164,508	119,013
Section 115 Trust	2,422,028	2,422,028	-	-
Supranational	55,084	55,084	-	-
Total	$ 13,017,452	$ 8,640,603	$ 3,714,332	$ 662,517

Concentration of credit risk

A concentration of credit risk is the risk of loss attributable to the magnitude of Upper Water's investment in a single issuer. Upper Water's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2026, there were no investments in any one issuer (other than U.S. Treasury securities, agency funds, corporate funds, and external investment pools) that represent 5% or more of total Upper Water investments.

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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial credit risk

Custodial credit risk is the risk that Upper Water will not be able to (a) recover deposits if the depositor financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

Deposits

The California Government Code requires California banks and savings and loan associations to secure a local governmental agency's (agency) deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits. The agency may waive collateral requirements for deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC).

Deposits are exposed to custodial credit risk if they are uninsured and are either:

a. Uncollateralized;
b. Collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the depositor-government's name.

As of June 30, 2026, Upper Water's deposits (bank balances) exceeded the maximum deposit insurance amount by $807,096, which is collateralized as described above.

Investments

The California Government Code authorizes Upper Water to invest in obligations of the United States Treasury, agencies, and instrumentalities; prime commercial paper; bankers' acceptances; repurchase and reverse repurchase agreements; financial futures or financial option contracts; negotiable certificates of deposit; obligations of the State of California; and obligations of local agencies within California.

Investments are exposed to custodial credit risk if they are uninsured, unregistered and held by either:

a. Counterparty;
b. The counterparty's trust department or agent but not in the government's name.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Upper Water's investment policy limits eligible investments to large institutions.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2026, were as follows:

Investment Type (including LAIF)	Total	Minimum legal rating	Standard & Poor's Rating as of year end
Local Agency Investment Fund	$ 4,811,972	N/A	Unrated
U.S. Treasury securities	2,568,739	N/A	Unrated
Money market mutual funds	59,041	A	AAA
U.S. Agency funds	1,697,348	N/A	AA+
U.S. Corporate funds	1,403,240	N/A	A
Section 115 Trust	2,422,028	N/A	Unrated
Supranational	55,084	AA	AAA
Total	$ 13,017,452		

NOTE 3: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Upper Water categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, while Level 3 inputs are significant unobservable inputs;

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.

NOTE 3: FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive market; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 inputs are unobservable inputs for an asset or liability.

The following table represents Upper Water's fair value hierarchy for its financial assets measured at fair value on a recurring basis:

		Fair value measurement using		
Investment by fair value level	Total	Level 1	Level 2	Level 3
U.S. Agency funds	$ 1,697,348	$ -	$ 1,697,348	$ -
U.S. Treasury securities	2,568,739	-	2,568,739	-
U.S. Corporate funds	1,403,240	-	1,403,240	-
Supranational	55,084	-	55,084	-
	5,724,411	$ -	$ 5,724,411	$ -
Investments not subject to fair value measurements:				
LAIF	4,811,972			
Section 115 Trust	2,422,028			
Money market mutual funds	59,041			
Total investments	$ 13,017,452			

Upper Water's investments in LAIF as of June 30, 2026 are reported at Upper Water's pro-rata share of the amortized cost provided by LAIF for the entire portfolio.

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NOTE 4: CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2026 were as follows:

	Beginning balance	Increases	Decreases	Transfers	Ending balance
Capital assets, not being depreciated					
Intangible utility plant	$ 656,874	$ -	$ -	$ -	$ 656,874
Construction in progress	8,576,495	-	-	-	8,576,495
Total capital assets, not being depreciated	9,233,369	-	-	-	9,233,369
Capital assets, being depreciated:					
Buildings and improvements	7,569,411	-	-	-	7,569,411
Water recycling	52,105,171	-	-	-	52,105,171
Furniture and equipment	291,432	(3,190)	-	-	288,242
Other	45,136	-	-	-	45,136
Total capital assets, being depreciated	60,011,150	(3,190)	-	-	60,007,960
Less accumulated depreciation for:					
Buildings and improvements	(398,544)	(159,097)	-	-	(557,641)
Water recycling	(14,868,130)	(1,072,637)	-	-	(15,940,767)
Furniture and equipment	(188,059)	(24,800)	-	-	(212,859)
Other	(22,777)	(2,417)	-	-	(25,194)
Total accumulated depreciation	(15,477,510)	(1,258,951)	-	-	(16,736,461)
Total capital assets being depreciated, net	44,533,640	(1,262,141)	-	-	43,271,499
Total capital assets, net	$ 53,767,009	$ (1,262,141)	$ -	$ -	$ 52,504,868

Depreciation expense for the year ended June 30, 2026 totaled $1,258,951. The entity also refunded property totaling $3,190 during the year.

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NOTE 5: LEASE RECEIVABLE

On February 10, 2022, Upper Water entered into a 5-year lease as lessor for the use of an office space. The agreement, which was amended on November 30, 2022 to have a commencement date of December 1, 2022, allows for additional one-year term extensions. A lease receivable in the amount of $142,398 was initially recorded. As of June 30, 2026, the value of this receivable is $36,161. The lease has an interest rate of 2.40% and requires the lessee to make fixed monthly payments of $2,166. Upper Water recognized lease revenue of $24,046 during the fiscal year. During the year ended June 30, 2026, the District amended the terms of one of its lease agreements and remeasured the lease receivable and deferred inflow of resources. The effect of the remeasurement was not significant to the financial statements. The lessee's future payment requirements are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 25,398	$ 590	$ 25,988
2028	10,763	65	10,828
	$ 36,161	$ 655	$ 36,816

Lease activity for the year ended June 30, 2026, is summarized as follows:

Deferred Inflow of Resources	Balance as of July 1, 2025	Additions	Reductions	Balance as of June 30, 2026
Office Lease	$ 81,088	$ -	$ 44,316	$ 36,772

Lease Receivable	Balance as of July 1, 2025	Additions	Reductions	Balance as of June 30, 2026
Office Lease	$ 84,336	$ -	$ 48,175	$ 36,161

NOTE 6: COMPENSATED ABSENCES

Changes in compensated absences for the year ended June 30, 2026 were as follows:

Balance at beginning of year	$ 188,721
Net change	38,445
Balance at end of year	227,166
Less current portion	65,702
Long-term portion	$ 161,464

NOTE 7: AGREEMENTS WITH STATE WATER RESOURCES CONTROL BOARD

Project finance agreements (direct borrowing)

In December 2009, Upper Water entered into four (4) project finance agreements with the California State Water Resources Control Board (CSWRCB) for a total amount of $17.02 million for the purpose of financing the planning, design, acquisition, construction, and installation of the Water Recycling Pipeline and Pump Station Project Phase IIB. Principal payments range from $75,541 to $527,409 varying by loan. These project funds shall be repaid in annual installments commencing on the date that is one year after completion of construction and payable up to 21 years at zero interest rate. In addition, Upper Water has pledged all net revenues for repayment of the debt. As of June 30, 2026, Upper Water has drawn down a total of $13,171,937 under this agreement. Construction activities funded by the CSWRCB loans were completed as of June 30, 2013.

Balance at the beginning of year	$ 5,300,138
Principal payments	(695,564)
Balance at end of year	4,604,574
Less short-term portion	(708,119)
Long-term portion	$ 3,896,455

Amounts due under the agreements, which include imputed interest, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2027	$ 708,119	$ 83,113	$ 791,232
2028	720,901	70,331	791,232
2029	733,914	57,318	791,232
2030	747,162	44,070	791,232
2031	760,649	30,583	791,232
2032-2033	933,829	19,728	953,557
Total	$ 4,604,574	$ 305,144	$ 4,909,718

Upper Water repaid $791,232 during the year ended June 30, 2026, of which $695,564 is related to principal payments and $95,668 is related to imputed interest, excluding accrued interest.

In the event of termination, Upper Water has agreed, upon demand, to immediately repay to the State Water Board an amount equal to installment payments due hereunder, including accrued interest, and all penalty assessments due. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to Upper Water to the date of full repayment by Upper Water.

NOTE 8: DEFINED BENEFIT PENSION PLAN

General information about the Pension Plan

Plan description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors a cost sharing multiple employer defined benefit pension plan. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures, and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Plan's provisions and benefits in effect as of June 30, 2026 are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates (reporting period)	17.70%	8.72%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2026 were $804,268.

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2024, rolled forward to June 30, 2025, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial methods and assumptions used to determine Total Pension Liability

The collective total pension liability for the June 30, 2025 measurement period was determined by an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal Cost Method
Asset Valuation Method:	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereaafter

[1] The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return[1,2]
Public Equity	37%	4.56%
Private Equity	17%	5.56%
Fixed Income	28%	2.53%
Real Assets	15%	3.03%
Private Debt	8%	4.93%
Strategic Leverage	(5%)	1.40%

[1] Figures are based on the 2024 Mid-Cycle Asset Liability Management Study

[2] An expected annual rate of price inflation of 2.30% was for this period.

Discount rate

The discount rate used to measure the total pension liability as of June 30, 2025 was 6.90%. This is based on the long-term expected rate of return on plan assets and is net of investment expenses but not reduced for administrative expenses. In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates to project compound (geometric) returns over the long term.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Subsequent events

Subsequent to the measurement date, the CalPERS Board of Administration adopted new actuarial assumptions based on the recommendations in the November 2025 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumptions, and various other assumptions for public agencies. These new assumptions will be effective as of the June 30, 2025, valuation date and reflected in the June 30, 2026, GASB accounting valuation reports.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate share of Net Pension Liability

The following table shows the District's proportionate share of the net pension liability over the measurement period.

	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2024 (VD)	$ 14,771,782	$ 13,430,412	$ 1,341,370
Balance at: 6/30/2025 (MD)	15,775,652	14,986,627	789,025
Net change during 2024-25	$ 1,003,870	$ 1,556,215	$ (552,345)

(VD) Valuation Date, (MD) Measurement Date

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The District's proportionate share of the net pension liability for the Plan (miscellaneous) as of the June 30, 2024 and 2025 measurement dates was as follows:

Proportion share of NPL - MD June 30, 2024	0.02773%
Proportion share of NPL - MD June 30, 2025	0.01978%
Change - Increase (Decrease)	(0.00795%)

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the proportionate share of the Net Pension Liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.9%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan's Net Pension Liability	$ 2,917,913	$ 789,025	$ (963,028)

Amortization of deferred outflows and deferred inflows of resources

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expenses.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining services lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

Pension expense and deferred outflows and deferred inflows of resources related to pensions

As of the start of the measurement period (July 1, 2024), the District's net pension liability was $1,341,370. For the measurement period ending June 30, 2025 the District recognized a pension credit of $49,860.

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of June 30, 2026, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
experience	$ 94,544	$ -
Difference between projected and actual investment earnings	-	106,764
Difference between employer's contribution and proportionate share of contributions	373,423	186,969
Change in employer's proportion	161,929	319,350
Pension contributions made subsequent to measurement date	804,268	-
Totals	$ 1,434,164	$ 613,083

The amounts above are net of outflows and inflows recognized in the 2024-25 measurement period expense. Contributions subsequent to the measurement date reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ended June 30,	Deferred outflows/(inflows) of resources, net
2027	$ 107,700
2028	(1,607)
2029	(48,524)
2030	(40,756)
2031	-
Thereafter	-

Payable to the pension plan

As of June 30, 2026, the District reported a payable of $17 for the outstanding amount of contributions to the pension plan required for the year then ended.

NOTE 9: DEFERRED COMPENSATION AGREEMENT

Upper Water offers its employees a deferred compensation plan (DC Plan) created in accordance with Internal Revenue Code Section 457. The DC Plan, available to all Upper Water employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

All amounts of compensation deferred under the DC Plan are held in trust, not controlled by the District and are not subject to the creditors of Upper Water. Accordingly, the assets and liabilities of the DC Plan are not reflected in these financial statements in accordance with GASB 84.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General information about the OPEB Plan

Plan description

Upper Water provides postretirement medical benefits to employees who retire directly from Upper Water under a single employer defined benefit postemployment benefits plan. In March 2014, the Board of Directors authorized the prefunding of OPEB through an irrevocable trust, the California Employer's Retiree Benefit Trust (CERBT). The CalPERS Board of Administration has sole and exclusive control and power over the administration and investment of the CERBT. The plan itself does not issue a separate set of financial statements. The CERBT plan does issue a separate set of financial statements that can be obtained from the CalPERS website.

Upper Water's postemployment healthcare benefits provided to certain qualified employees, directors and their dependents based on resolutions by the Board of Directors are as follows:

- A Health & Accident and Major Medical Payments Insurance Policy, as selected and approved by the Board.
- A combined maximum of up to $12,000 per calendar year, depending on date of hire and applicable plan, for retirees and their dependents for medical costs not covered by the insurance policy above and for eligible costs of dental, vision and/or hearing.

These benefits are provided to each retired employee, hired full-time before July 1, 2021, who has served Upper Water for more than ten years before terminating employment at age 55 years or older and each retired director who served in office after January 1, 1981, was elected to the board prior to January 1, 1995, has served not less than twelve years or three full terms of office and has attained the age of 50 years.

Officers and full-time employees who began service with Upper Water, on or after July 1, 2021, and has served Upper Water continuously for a period of ten (10) years or more and has reached the normal retirement age set by CalPERS while employed full-time with Upper Water, but has not yet attained the age of 65 years or eligibility for Medicare (Medicare Age) shall receive the same or equivalent medical benefits to that offered to active employees of the same tier.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Employees covered by benefit terms

As of June 30, 2025 (valuation date), the following employees were covered by the benefit terms of the Plan:

Category	Count
Active employees	11
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefit payments	-
Total	**18**

Contributions and funding policy

The Plan and its contribution requirements are established and may be amended by the Board of Directors. In March 2014, the Board of Directors authorized the execution of the prefunding agreement with the CERBT and fully funding the annual required contributions (contractually determined) for OPEB.

During fiscal year ended June 30, 2026, Upper Water paid $189,818 in retiree insurance premiums and health reimbursements. As the measurement date of June 30, 2025, the Trust account balance was $2,659,368. The Trust assets are dedicated to providing benefits to retirees and are legally protected from the creditors of Upper Water and the plan members. The Trust assets are not reported in Upper Water's financial statements.

Net OPEB Liability

Upper Water's net OPEB liability was measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2025.

Actuarial assumptions

This valuation assumes that Upper Water will fund the Plan on an ad hoc basis, in an amount sufficient to fully fund the obligation over a period not to exceed 26 years. The Normal Cost is the portion of the Actuarial Present Value of benefits allocated to a valuation year. The UAAL is the excess of the Entry Age Normal Actuarial Accrued Liability over the Fair Value of Assets.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The total OPEB liability for the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Actuarial cost method	Entry age actuarial cost method
Asset valuation method	Fair value of assets
Inflation	2.50%
Salary Increases	2.75% per year
Investment Rate of Return	6.75% per year of net expenses; based on assumed long-term return on plan assets assuming 100% funding through CERBT using the Building Block Method
Healthcare cost trend rates	4.00% per year
Mortality rates	Based on 2025 CalPERS mortality for miscellaneous and schools employees

The valuation used historic 26-year real rates of return for each class along with the assumed long-term inflation assumption to set the discount rate. It offsets the expected investment return by investment expenses of 50 basis points. The following is the assumed asset allocation and assumed rate of return for each asset class:

Asset Class	Percentage of Portfolio	Assumed Growth Return
All equities	49%	7.25%
All fixed income	23%	4.25%
Real estate investment trusts	20%	7.25%
All commodities	3%	7.25%
Treasury Inflation Protected Securities (TIPS)	5%	3.00%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 6.75%. This assumes that contributions would be sufficient to fully fund the obligation over a period not to exceed 26 years. The rate is based on the real rate of return expected for plan assets plans plus long-term inflation assumption.

Change in assumptions

Mortality tables were updated to the 2025 CalPERS Mortality for Miscellaneous and Schools Employees, resulting in a decrease of $13,117 in the total OPEB liability.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Change in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2025 (Measurement Date June 30, 2024)	$ 2,553,381	$ 2,478,213	$ 75,168
Changes for the year:			
Service cost	74,473	-	74,473
Interest on the Total OPEB Liability	170,157	-	170,157
Return on FNP	-	304,876	(304,876)
Employer Contributions as Benefit Payments	-	4,026	(4,026)
Benefit payments	(126,967)	(126,967)	-
Administrative expenses	-	(780)	780
Experience gains/losses	187,383	-	187,383
Changes in assumptions	(13,117)	-	(13,117)
Other	-	-	-
Net Changes	291,929	181,155	110,774
Balance at June 30, 2026 (Measurement Date June 30, 2025)	$ 2,845,310	$ 2,659,368	$ 185,942

Sensitivity of the net OPEB liability to changes in the discount rate

The net OPEB liability of Upper Water, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) follows:

	Discount rate 1% Lower	Valuation Discount Rate	Discount rate 1% Higher
Net OPEB Liability	$ 493,905	$ 185,942	$ (72,470)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The net OPEB liability of Upper Water, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher follows:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	$ (112,309)	$ 185,942	$ 546,246

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB expense and deferred inflows and outflows of resources related to OPEB

For the year ended June 30, 2026, Upper Water recognized OPEB income of $9,700 with details as follows:

	Total
Service cost	$ 74,473
Interest cost on Total OPEB Liability	170,157
Expected return in assets	(163,104)
Administration expense	780
Recognition of experience (gain)/loss deferrals	(112,050)
Recognition of assumption change deferrals	8,325
Recognition of investment (gain)/loss deferrals	11,719
Total OPEB Income	$ (9,700)

As of June 30, 2026, Upper Water reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
OPEB contributions subsequent to measurement date	$ 189,818	$ -
Changes in assumptions	34,089	11,197
Experience gains/losses	180,626	445,886
Investment gains/losses	-	74,576
Total	$ 404,533	$ 531,659

The amounts above are net of outflows and inflows recognized in the 2024-25 measurement period expense. Contributions subsequent to the measurement date reported with deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future pension expense as follows:

Fiscal year ended June 30:	Deferred outflows/(inflows) of resources
2027	$ (53,524)
2028	(126,155)
2029	(111,907)
2030	(69,252)
2031	28,052
Thereafter	15,842

NOTE 11: COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

Grant awards

Upper Water has received funds for specific purposes that are subject to review and audit by the grantors. Although such audits could generate expenditure disallowances under terms of the grants or contracts, management believes that any required reimbursements will not be material.

Litigation

Legal claims and lawsuits arise from time to time in the normal course of business, which, in the opinion of management, will have no material effect on Upper Water's financial position.

Construction activities

Upper Water has a variety of agreements with private contractors relating to the construction of water recycling projects. Upper Water has no commitments from open construction contracts as of June 30, 2026.

Concentrations

The major source of water supply in Upper Water's service area is groundwater pumped from the Main Basin by its producers. Water demand in excess of local supplies are met by imported water sources.

For the fiscal year ended June 30, 2026, approximately 94% of Upper Water's total water supply was purchased from MWD. Because of this reliance, any interruption in the availability of imported water from MWD whether due to hydrologic conditions, regulatory restrictions affecting State Water Project or Colorado River water deliveries, infrastructure limitations, or changes in MWD pricing policies could have a material impact on Upper Water's operations and the cost of water delivered to its customers.

Upper Water continually monitors conditions affecting imported water availability and cost and evaluates opportunities to enhance local water supply reliability. These efforts include recycled water and conservation programs, and participation in regional water reliability projects.

NOTE 12: CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2026, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. GASB 103 modifies the presentation of the statement of revenues, expenses, and changes in fund net position, including revised classifications of certain revenues and expenses as operating or nonoperating activities. As a result, lease revenues were reclassified to other operating revenues from nonoperating revenues, other operating expenses were reclassified from nonoperating expenses, and intergovernmental revenues and standby charges reported under noncapital subsidies were reclassified from nonoperating revenues (expenses).

The 2025 comparative amounts have been presented on the same basis as 2026.

The adoption of this standard had no effect on beginning net position, ending net position, or the change in net position.

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Required Supplementary Information

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Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
Last 10 Years

Measurement date	Employer's proportion of the collective net pension liability (asset)	Employer's proportionate share of the collective net pension liability [1]	Covered payroll	Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
June 30, 2016	0.023155%	2,003,628	1,191,276	168.19%	75.87%
June 30, 2017	0.023753%	2,355,668	943,618	249.64%	75.44%
June 30, 2018	0.024108%	2,323,090	1,127,628	206.02%	75.50%
June 30, 2019	0.024778%	2,539,000	1,310,022	193.81%	74.39%
June 30, 2020	0.025300%	2,752,218	1,423,225	193.38%	74.39%
June 30, 2021	0.024779%	1,583,206	1,361,709	116.27%	86.16%
June 30, 2022	0.024920%	2,348,628	1,179,439	199.13%	80.97%
June 30, 2023	0.026145%	2,557,698	1,191,332	214.69%	81.35%
June 30, 2024	0.027734%	1,341,370	1,371,111	97.83%	90.92%
June 30, 2025	0.019780%	789,025	1,449,177	54.45%	95.00%

[1] Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

Required Supplementary Information
Schedule of Pension Plan Contributions
Last 10 Years

Fiscal year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
June 30, 2017	203,040	(203,040)	$ -	943,618	21.52%
June 30, 2018	217,448	(217,448)	-	1,127,628	19.28%
June 30, 2019	270,063	(270,063)	-	1,310,122	20.61%
June 30, 2020	313,575	(313,575)	-	1,423,225	22.03%
June 30, 2021	332,348	(332,348)	-	1,361,709	24.41%
June 30, 2022	322,497	(1,322,497)	(1,000,000)	1,179,439	27.34%
June 30, 2023	357,339	(357,339)	-	1,191,332	29.99%
June 30, 2024	300,977	(1,300,977)	(1,000,000)	1,371,111	21.95%
June 30, 2025	351,515	(351,515)	-	1,449,177	24.26%
June 30, 2026	804,268	(804,268)	-	1,433,702	56.10%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2024, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2024 or 2025. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last 10 Years*

Measurement date	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability									
Service cost	$ 52,554	$ 53,999	$ 55,484	$ 77,388	$ 79,516	$ 86,658	$ 89,041	$ 72,480	$ 74,473
Interest on the Total OPEB Liability	171,159	177,712	183,972	171,028	184,605	176,090	187,316	163,264	170,157
Actual and expected experience difference	-	-	-	-	-	-	-	-	-
Experience gains/losses	-	-	(307,813)	-	(222,423)	34,994	(504,795)	-	187,383
Changes in assumptions	-	-	-	-	85,749	-	(125)	-	(13,117)
Expected less actual benefit payments	-	-	-	4,851	(38,244)	-	1,681	2,994	-
Benefit payments	(120,998)	(142,099)	(143,959)	(115,900)	(78,249)	(120,992)	(110,941)	(132,692)	(126,967)
Net change in Total OPEB Liability	102,715	89,612	(212,316)	137,367	10,954	176,750	(337,823)	106,046	291,929
Total OPEB Liability - beginning	2,480,076	2,582,791	2,672,403	2,460,087	2,597,454	2,608,408	2,785,158	2,447,335	2,553,381
Total OPEB Liability - ending (a)	2,582,791	2,672,403	2,460,087	2,597,454	2,608,408	2,785,158	2,447,335	2,553,381	2,845,310
Plan Fiduciary Net Position									
Contribution - employer	433,842	261,275	247,902	226,843	1,078,249	209,650	155,240	-	-
Employer contributions as benefit payments	-	-	-	-	-	-	-	-	4,026
Return on FNP	-	-	-	-	-	-	-	-	304,876
Net investment income	43,890	46,053	58,540	33,812	304,496	(321,928)	148,029	154,337	-
Investment gains and losses	-	1,650	(9,766)	-	-	-	(9,680)	104,129	-
Benefit payments	(120,998)	(142,099)	(104,446)	(115,900)	(78,249)	(120,992)	(110,941)	(132,692)	(126,967)
Administrative expense	(232)	(1,112)	(164)	(468)	(422)	(609)	(630)	(767)	(780)
Net change in Plan Fiduciary Net Position	356,502	165,767	192,066	144,287	1,304,074	(233,879)	182,018	125,007	181,155
Plan Fiduciary Net Position - beginning	242,371	598,873	764,640	956,706	1,100,993	2,405,067	2,171,188	2,353,206	2,478,213
Plan Fiduciary Net Position - ending (b)	598,873	764,640	956,706	1,100,993	2,405,067	2,171,188	2,353,206	2,478,213	2,659,368
Net OPEB Liability - ending (a) - (b)	$ 1,983,918	$ 1,907,763	$ 1,503,381	$ 1,496,461	$ 203,341	$ 613,970	$ 94,129	$ 75,168	$ 185,942
Plan fiduciary net position as a percentage of the total OPEB liability	23.19%	28.61%	38.89%	42.39%	92.20%	77.96%	96.15%	97.06%	93.46%
Covered-employee payroll[1]	$ 1,107,374	$ 1,294,561	$ 1,366,231	$ 1,449,600	$ 1,077,504	$ 1,465,990	$ 1,356,363	$ 1,396,210	$ 1,575,234
Net OPEB liability as a percentage of covered-employee payroll[1]	179.16%	147.37%	110.04%	103.23%	18.87%	41.88%	6.94%	5.38%	11.80%

[1] Contributions to the OPEB plan are not based on a measure of pay.

* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Required Supplementary Information
Schedule of OPEB Plan Contributions
Last 10 Years*

Fiscal year	Contractually determined contribution	Contributions in relation to the contractually determined contribution	Contribution deficiency (excess)	Covered-employee payroll[1]	Contributions as a percentage of employee covered payroll
June 30, 2018	$ 120,856	$ (240,032)	$ (119,176)	$ 1,294,561	18.54%
June 30, 2019	104,446	(247,902)	(143,456)	1,366,231	18.14%
June 30, 2020	226,843	(226,843)	-	1,449,600	15.65%
June 30, 2021	230,663	(1,078,249)	(847,586)	1,077,504	100.07%
June 30, 2022	107,828	(209,650)	(101,822)	1,465,990	14.30%
June 30, 2023	155,391	(155,240)	151	1,356,363	11.45%
June 30, 2024	83,082	(131,628)	(48,546)	1,396,210	9.43%
June 30, 2025	83,340	(256,782)	(173,442)	1,575,234	16.30%
June 30, 2026	108,064	(189,818)	(81,754)	1,433,702	13.24%

[1] Contributions to the OPEB plan are not based on a measure of pay.

Notes to schedule:

Actuarial methods and assumptions used to set actuarially determined contributions for fiscal year 2026 were from the June 30, 2025 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age actuarial cost method
Asset valuation method	Fair value of assets
Inflation	2.50%
Payroll growth	2.75% per year
Investment rate of return	6.75% per year of net expenses
Healthcare trend	4.0% per year
Retirement age	Hired 2013 and later: 2025 CalPERS 2.0%@62 rates for Miscellaneous Employees; Hired 2012 and earlier: 2025 CalPERS 2.7%@55 rates for Miscellaneous Employees
Mortality	2025 CalPERS Mortality for Miscellaneous and Schools Employees

* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Statistical Section
(Unaudited)

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This part of Upper Water's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Upper Water's overall financial health.

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Changes in Net Position
Last Ten Fiscal Years (Unaudited)
(In Thousands)

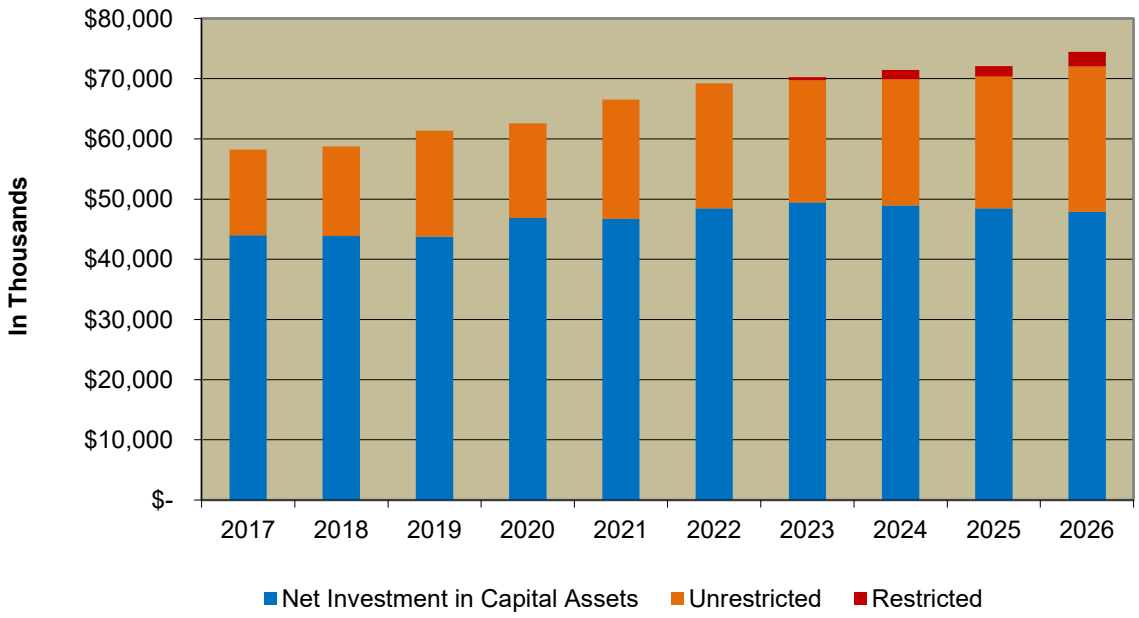
	Fiscal Year Ended June 30									
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Changes in net position:										
Operating revenues	$ 38,154	$ 22,671	$ 38,384	$ 33,388	$ 55,854	$ 48,840	$ 46,295	$ 62,497	$ 37,512	$ 40,454
Operating expenses	(39,557)	(26,900)	(39,515)	(36,290)	(56,057)	(49,888)	(49,569)	(66,087)	(41,886)	(43,170)
Depreciation and amortization	(1,100)	(1,090)	(1,111)	(1,102)	(1,107)	(1,102)	(1,179)	(1,244)	(1,250)	(1,259)
Operating income (loss)	(2,503)	(5,319)	(2,242)	(4,004)	(1,310)	(2,150)	(4,453)	(4,834)	(5,624)	(3,975)
Noncapital subsidies										
Intergovernmental	-	-	-	-	-	-	-	-	1,325	1,656
Standby charges	-	-	-	-	-	-	-	-	4,078	4,090
Total noncapital subsidies	-	-	-	-	-	-	-	-	5,403	5,746
Operating income (loss) and noncapital subsidies	(2,503)	(5,319)	(2,242)	(4,004)	(1,310)	(2,150)	(4,453)	(4,834)	(221)	1,771
Other nonoperating revenues (expenses)										
Standby charges	3,576	3,541	3,648	4,047	4,244	4,192	4,065	4,055	-	-
Nonoperating program revenues (expenses)	29	29	-	-	-	-	-	-	-	-
Investment earnings	48	132	422	353	55	(258)	376	1,034	933	712
Taxes and other income	546	586	613	724	709	733	755	921	-	-
Gain on sale of capital assets	-	-	-	-	-	-	(7)	-	-	-
Interest expense	-	-	-	-	-	-	-	-	(105)	(93)
Net nonoperating revenues (expenses)	4,199	4,288	4,683	5,124	5,008	4,667	5,189	6,010	828	619
Net income (loss) before capital contributions	1,696	(1,031)	2,441	1,120	3,698	2,517	736	1,176	607	2,390
Contributions for capital acquisition/construction	685	1,329	186	121	249	155	325	109	-	-
Changes in net position	$ 2,381	$ 298	$ 2,627	$ 1,241	$ 3,947	$ 2,672	$ 1,061	$ 1,285	$ 607	$ 2,390

Note: Beginning in fiscal year 2026, amounts are presented under GASB Statement No. 103, Financial Reporting Model Improvements. Standby charges, property taxes, conservation grants and reimbursements, and MWD Local Resources Program credits are reported as noncapital subsidies, and interest expense is reported as a nonoperating expense. Fiscal year 2025 operating expenses are restated to report interest expense separately, consistent with the basic financial statements; earlier years are presented as originally reported. Certain fiscal year 2026 amounts are force-rounded to agree with the basic financial statements.

Source: Finance and Administration Department

Net Position by Component
Last Ten Fiscal Years (Unaudited)
(In Thousands)

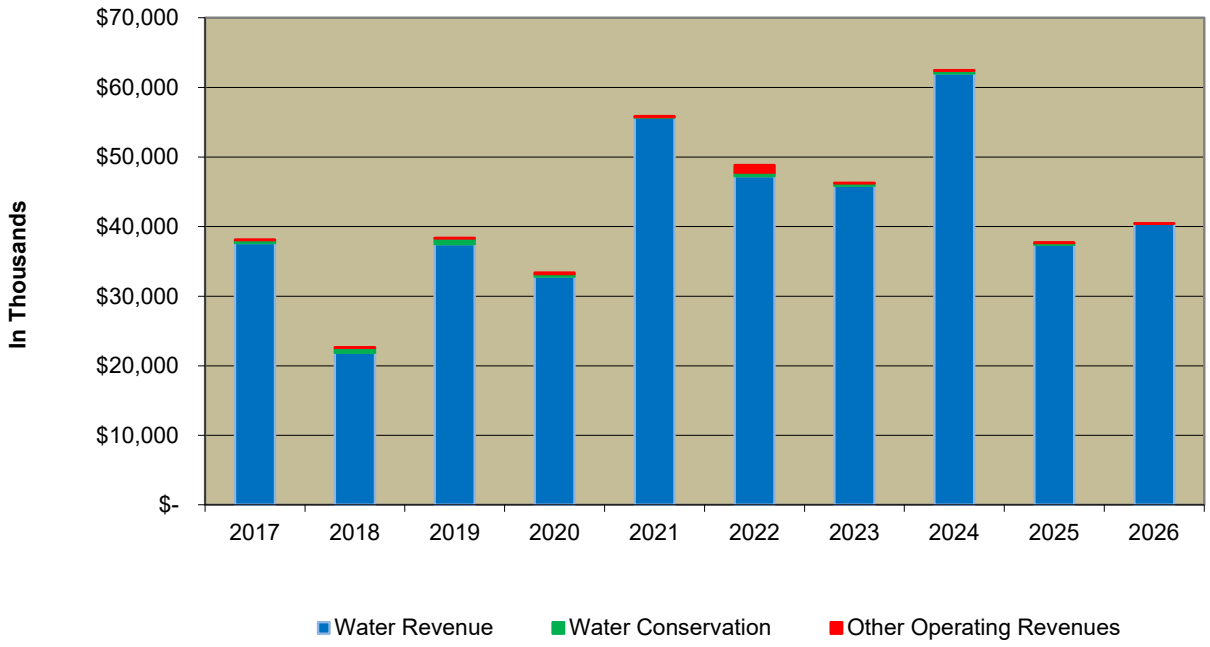
June 30	Net Investment in Capital Assets	Restricted	Unrestricted	Total
2017	$ 44,009	$ -	$ 14,237	$ 58,246
2018	43,847	-	14,872	58,719
2019	43,768	-	17,578	61,346
2020	46,885	-	15,706	62,591
2021	46,707	-	19,831	66,538
2022	48,485	-	20,725	69,210
2023	49,471	525	20,275	70,271
2024	48,922	1,563	20,982	71,467
2025	48,467	1,712	21,895	72,074
2026	47,900	2,422	24,142	74,464



Source: Finance and Administration Department

Operating Revenues by Major Source
Last Ten Fiscal Years (Unaudited)
(In Thousands)

Fiscal Year Ended June 30	Water Revenue	Water Conservation	Other Operating Revenues	Total Operating Revenues
2017	$ 37,646	$ 430	$ 78	$ 38,154
2018	21,880	713	77	22,670
2019	37,459	837	88	38,384
2020	32,810	372	206	33,388
2021	55,708	31	115	55,854
2022	47,256	507	1,077	48,840
2023	45,892	313	90	46,295
2024	62,016	377	104	62,497
2025	37,379	247	106	37,732
2026	40,430	-	24	40,454

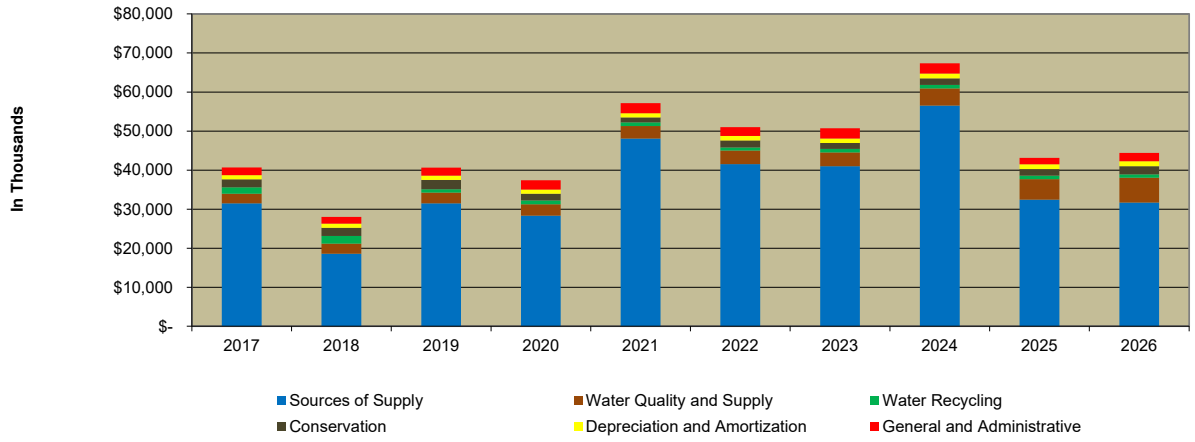


Note: Beginning in fiscal year 2026, conservation grants and reimbursements are reported as noncapital subsidies under GASB Statement No. 103 rather than as operating revenues. Prior years are presented as originally reported.

Source: Finance and Administration Department

Operating Expenses by Activity
Last Ten Fiscal Years (Unaudited)
(In Thousands)

Fiscal Year Ended June 30	Sources of Supply	Water Quality and Supply	Water Recycling	Conservation	Depreciation and Amortization	General and Administrative	Other Operating Expenses	Total Operating Expenses
2017	$ 31,502	$ 2,441	$ 1,650	$ 2,020	$ 1,100	$ 1,944	$ -	$ 40,657
2018	18,590	2,569	2,008	2,049	1,090	1,684	-	27,990
2019	31,458	2,782	883	2,335	1,111	2,057	-	40,626
2020	28,321	2,962	939	1,695	1,102	2,373	-	37,392
2021	48,111	3,217	895	1,265	1,107	2,569	-	57,164
2022	41,557	3,443	828	1,803	1,102	2,257	-	50,990
2023	41,001	3,507	936	1,487	1,179	2,638	-	50,748
2024	56,579	4,342	904	1,678	1,244	2,584	-	67,331
2025	32,459	5,238	889	1,667	1,250	1,633	-	43,136
2026	31,709	6,365	835	2,092	1,259	2,140	28	44,428



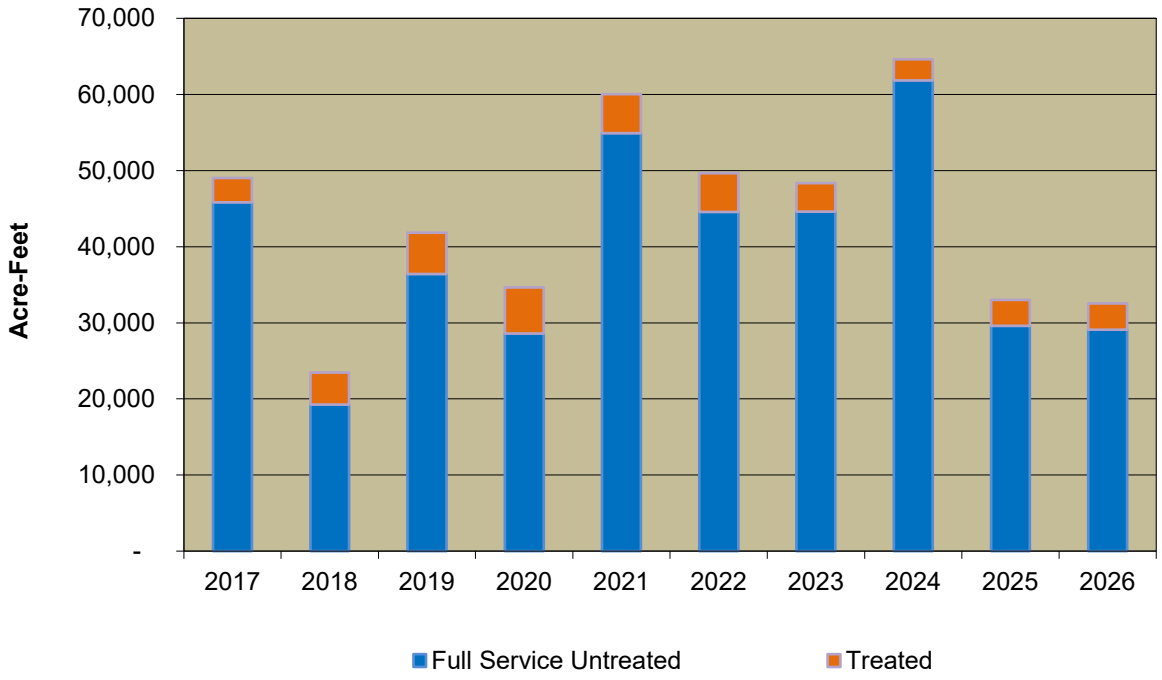
Note: Fiscal year 2025 is restated to report interest expense on the State Revolving Fund loans as a nonoperating expense, consistent with the basic financial statements. Beginning in fiscal year 2026, other operating expenses are reported separately. Fiscal year 2026 sources of supply is force-rounded so the total agrees with the statement.

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Imported Water Deliveries
Last Ten Fiscal Years (Unaudited)
(In Acre Feet)

Fiscal Year Ended June 30	Treated	Full Service Untreated	Total
2017	3,197	45,813	49,010
2018	4,204	19,273	23,477
2019	5,420	36,421	41,841
2020	6,026	28,616	34,642
2021	5,146	54,895	60,041
2022	5,069	44,582	49,651
2023	3,734	44,614	48,348
2024	2,784	61,851	64,635
2025	3,374	29,616	32,990
2026	3,480	29,082	32,562



Source: Finance and Administration Department

Imported Water Rates and Charges
Fiscal years ended June 30, 2026 and 2025 (Unaudited)

	Rate per Acre-Foot		
	MWD	Upper District Surcharge	Total
Fiscal Year Ended June 30, 2026			
July 1, 2025 to December 31, 2025			
Full Service Treated	$ 1,395	$ 103	$ 1,498
Full Service Untreated	912	103	1,015
January 1, 2026 to June 30, 2026			
Full Service Treated	$ 1,528	$ 103	$ 1,631
Full Service Untreated	984	103	1,087
Fiscal Year Ended June 30, 2025			
July 1, 2024 to December 31, 2024			
Full Service Treated Tier 1	$ 1,256	$ 103	$ 1,359
Full Service Treated Tier 2	1,455	103	1,558
Full Service Untreated Tier 1	903	103	1,006
Full Service Untreated Tier 2	1,102	103	1,205
January 1, 2025 to June 30, 2025			
Full Service Treated	$ 1,395	$ 103	$ 1,498
Full Service Untreated	912	103	1,015

Source: Finance and Administration Department

Water Rates per Acre Foot
Last Ten Fiscal Years (Unaudited)

As of June 30	Full Service Treated Tier 1	Full Service Treated Tier 2	Full Service Untreated Tier 1	Full Service Untreated Tier 2
2017	$ 1,082	$ 1,176	$ 769	$ 863
2018	1,118	1,204	798	884
2019	1,153	1,239	834	920
2020	1,181	1,268	858	945
2021	1,207	1,249	880	922
2022	1,246	1,288	902	944
2023	1,312	1,521	958	1,167
2024	1,359	1,558	1,006	1,205
2025	1,498	n/a	1,015	n/a
2026	1,631	n/a	1,087	n/a

Source: Finance and Administration Department

Treated Water Sales by Customer
Last Ten Fiscal Years (Unaudited)
(In Acre Feet)

Fiscal Year Ended June 30	Golden State Water Company	City of South Pasadena	Suburban Water Systems	Watermaster/ City of Alhambra	City of Arcadia	City of Monrovia	City of Azusa	Valley County Water District	Total
2017	22	4	294	2,877	-	-	-	-	3,197
2018	21	1,134	62	2,987	-	-	-	-	4,204
2019	125	1,577	773	2,944	1	-	-	-	5,420
2020	16	173	2,848	2,983	6	-	-	-	6,026
2021	30	246	1,884	2,986	-	-	-	-	5,146
2022	298	342	1,428	2,992	-	-	9	-	5,069
2023	4	160	802	2,768	-	-	-	-	3,734
2024	80	-	171	2,531	-	2	-	-	2,784
2025	27	3	520	2,824	-	-	-	-	3,374
2026	489	-	276	2,715	-	-	-	-	3,480

Source: Finance and Administration Department

Demographics and Economic Statistics – Los Angeles County
Last Ten Calendar Years (Unaudited)

Fiscal Year	Population (In Millions)	Real GDP Growth	Unemployment Rate
2017	10.2	3.5%	4.8%
2018	10.1	3.4%	4.8%
2019	10.2	3.6%	4.5%
2020	10.0	-4.9%	12.3%
2021	10.0 (e)	6.1%	9.0%
2022	9.8 (e)	2.4%	5.0%
2023	9.8 (e)	1.0%	5.0%
2024	9.8 (e)	1.1%	5.7%
2025	9.8 (e)	2.4%	5.7%
2026	9.8 (e)	2.2% (f)	5.9% (f)

Notes:

Upper District believes that trends shown by these data are indicative of conditions within its service area.

(e) - Estimate

(f) - Forecast

Sources:

- *Los Angeles County Economic Development Corporation's 2026 Economic Forecast*
- *Census Bureau Data and the Los Angeles Almanac*

Ten Largest Employers in Los Angeles County
June 30, 2026 (Unaudited)

Employer	Number of Employees
County of Los Angeles	121,800
Los Angeles Unified School District	97,200
University of California, Los Angeles	75,000
City of Los Angeles	61,000
Federal Government (except defense and state)	44,900
Kaiser Permanente	44,700
State of California (non-education)	36,600
University of Southern California	23,200
Northrop Grumman Corp.	18,000
Cedars-Sinai Medical Center	16,700

Source: Los Angeles Almanac (2026)

Operating and Capital Indicators - General
Last Ten Fiscal Years (Unaudited)

	Fiscal Year Ended June 30									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Service Area										
Approximate Service Area (in sq. miles)	144	144	144	144	144	144	144	144	144	144
Number of Member Agencies	26	26	26	26	26	26	26	26	26	26
Number of Cities/Communities	18	18	18	18	18	18	18	18	18	18
Active Employees (FTE)	10.5	11.5	11.5	11.5	10.5	9.5	9.5	10	10	10
Imported Water System										
Number of Service Connections	9	9	9	9	9	9	9	9	9	9
Peak System Capacity (Imported)										
Cubic feet per second	323	323	323	323	323	323	323	323	323	323
Million gallons per day	208	208	208	208	208	208	208	208	208	208
Recycled Water System										
Number of Pump Stations	2	2	2	2	2	2	2	2	2	2
Number of Reservoirs	2	2	2	2	2	2	2	2	2	2
Number of Service Connections	83	83	89	83	83	84	81	81	81	81
Length of Pipeline (in miles)	24	24	24	24	24	24	24	24	24	24

Sources: Finance and Administration Department
Government Affairs and Community Outreach Department
Planning, Engineering and Resources Department
Metropolitan Water District of Southern California

Debt Per Capita
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Total Long-term Debt	Upper Water Population (1)	Debt Per Capita
2017	$ 10,438,550	861,962	$ 12.11
2018	9,835,739	861,962	11.41
2019	9,222,047	861,962	10.70
2020	8,597,277	860,472	9.99
2021	7,961,230	860,472	9.25
2022	7,313,702	860,472	8.50
2023	6,654,484	860,472	7.73
2024	5,983,368	860,472	6.95
2025	5,300,138	860,472	6.16
2026	4,604,574	860,472	5.35

(1) Based on the most recent U.S. census numbers available.

Ratio of Annual Debt Payments to Operating Expenses
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Principal Payments	Interest Payments	Total Debt Payments	Operating Expenses	Debt Payments to Expenses Ratio
2017	$ 592,122	$ 199,110	$ 791,232	$ 40,657,233	0.02
2018	602,811	188,421	791,232	27,989,980	0.03
2019	613,692	177,540	791,232	40,625,817	0.02
2020	624,770	166,462	791,232	37,391,878	0.02
2021	636,047	155,185	791,232	57,163,968	0.01
2022	647,528	143,704	791,232	50,990,307	0.02
2023	659,218	132,014	791,232	50,748,846	0.02
2024	671,116	120,116	791,232	67,331,460	0.01
2025	683,230	108,002	791,232	43,136,143	0.02
2026	695,564	95,668	791,232	44,428,409	0.02

Source: Finance and Administration Department

Debt Coverage
Last Ten Fiscal Years (Unaudited) (In Thousands)

	Fiscal Year Ended June 30									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Changes in net position	$ 2,381	$ 298	$ 2,627	$ 1,241	$ 3,947	$ 2,672	$ 1,061	$ 1,285	$ 607	$ 2,390
Add: Interest expense	199	188	178	166	155	144	132	120	108	96
Add: Depreciation and amortization	1,100	1,090	1,111	1,102	1,107	1,102	1,179	1,244	1,250	1,259
Add (Deduct): Non-cash items (1)	(9)	(30)	(208)	(45)	-	152	41	1,033	(100)	(198)
Net revenues for coverage	$ 3,671	$ 1,546	$ 3,708	$ 2,464	$ 5,209	$ 4,070	$ 2,413	$ 3,682	$ 1,865	$ 3,547
Annual Debt Service	$ 791	$ 791	$ 791	$ 791	$ 791	$ 791	$ 791	$ 791	$ 791	$ 791
Debt Coverage	**4.64**	**1.95**	**4.69**	**3.12**	**6.59**	**5.15**	**3.05**	**4.65**	**2.36**	**4.48**

(1) Non-cash items include unrealized investment gains/losses and loss on disposition of assets.

Source: Finance and Administration Department

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Honorable Board of Directors
Upper San Gabriel Valley Municipal Water District
Monrovia, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of the Upper San Gabriel Valley Municipal Water District (the entity) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated November 6, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Tel. 909-889-0871 | www.ramscpa.net | 735 E. Carnegie Dr. Suite 100, San Bernardino, CA 92408

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 6, 2026

RAMS
CERTIFIED PUBLIC ACCOUNTANTS

November 6, 2026

To the Honorable Board of Directors
Upper San Gabriel Valley Municipal Water District
Monrovia, California

We have audited the financial statements of the Upper San Gabriel Valley Municipal Water District (the entity) as of and for the year ended June 30, 2026, and have issued our report thereon dated November 6, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 16, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated November 6, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

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Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

> Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

Significant Risks Identified

We have identified the possibility of the following significant risks:

> *Management's override of internal controls over financial reporting* – Management override of internal controls, an inherent risk according to (Generally Accepted Auditing Standards) GAAS, is the intervention by management in handling financial information and making decisions contrary to internal control policy.
>
> *Improper revenue recognition* – Improper revenue recognition, an inherent risk according to GAAS, is a presumed fraud risk related to the risk of material misstatement due to the improper recognition of revenue (recognition in incorrect period, without meeting applicable recognition criteria, etc.) and is usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The entity adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, during 2026. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the entity's financial statements are:

> Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
>
> Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

> The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.
>
> The disclosure of capital assets (and related accumulated depreciation) in the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.
>
> The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.
>
> The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.
>
> The disclosure of leases and subscription liabilities, right-to-use assets, and asset amortization in the basic financial statements is based on certain terms and assumptions in the agreements which could differ from actual amounts.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 6, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the entity's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

> Read the transmittal letter and statistical section and considered whether a material inconsistency existed between the other the information and the basic financial statements, or the other information otherwise appears to be materially misstated. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.

UPPER WATER
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Board of Directors

Anthony R. Fellow, Ph.D. Division 1
Charles M. Treviño Division 2
Ed Chavez Division 3
Katarina Garcia Division 4
Jennifer Santana Division 5

November 6, 2026

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the financial statements of Upper San Gabriel Valley Municipal Water District (the entity) which compromise the statement of financial position as of June 30, 2026, and the respective change in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements of the various opinion units are presented fairly, in all material respects, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 6, 2026:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 16, 2026, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
- The financial statements refer to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and noted to the basic financial statements.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All components of net position are properly classified and, if applicable, approved.

- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements.*
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With regard to pensions and OPEB:
  - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
  - We are unable to determine the possibility of a withdrawal liability from the CalPERS plan and are not currently contemplating withdrawing from the plan.
  - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.
- We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.
- We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events.
- With respect to preparation of the financial statements, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, a process to monitor the system of internal controls.

Information Provided

- We have provided you with:

- Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
- A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.

- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, concentrations and constraints, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), analysts, regulators, or others.
- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Use of a Specialist

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Accounting Estimates and Related Disclosures

- The significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.

- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates, if needed.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.

Thomas Love, General Manager

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MEMORANDUM

ITEM 9.b.
ACTION

DATE: November 18, 2026

TO: Board of Directors

FROM: General Manager

SUBJECT: Policy Manual Section 2.5 Board Compensation and Reimbursement

Recommendation

Staff recommends the committee approve the proposed amendments to Policy Section 2.5 – Board Compensation and Reimbursement of Upper Water's Policy Manual.

Background

Beginning in January 2026, staff has worked on updating Upper Water's Policy Manual which contains a comprehensive listing of Upper Water's current policies and serve as a resource for Directors, staff and members of the public in determining Board member conduct and provides rules and guidance for agency operations.

For policy changes to Section 2.5, an Ad-Hoc Committee was formed to review the section and determine updates to language and terms. The Ad-Hoc Committee consisted of Directors Katarina Garcia and Ed Chavez. The committee met with staff, the General Manager and District Counsel in September 2026 and October 2026 to provide feedback and direction on proposed changes.

These changes have been incorporated and consist of the following summary:

- **Meeting stipend:** updates language to $324.00 per day and now references Ordinance No. 25-2 and future Board ordinances instead of past ordinances.
- **Vehicle allowance:** amended to $378.00 per month; and proposed future adjustments will be based on the IRS standard mileage rate instead of the CPI-Fuel Index with adjustments considered during the budget review/adoption process and effective each July.
- **Communications allowance:** amended to $216.00 per month, with adjustments considered during the budget review/adoption process and effective each July.
- **IT equipment:** amended to $1,000 every four years and requires receipt of purchase for reimbursement.
- **Credit card receipts:** due monthly instead of "within 60 days," and references Policy 2.17.7 for unsupported charges.

Throughout the policy, "Upper District" is edited to "Upper Water" to reflect the agency's current name. A redlined version of the revised sections is included as Attachment 1.

Attachment

2.5 Board Member Compensation and Reimbursement

Purpose

2.5.1 Members of the Board of Directors shall receive remuneration not to exceed that which is allowed by law and as set forth by Upper ~~District~~Water resolution.

Background

2.5.2 Members of the Board of Directors are expected to attend water agency meetings, industry conferences and community events ~~functions~~ relative to the function ~~on behalf~~ of Upper Water~~District~~. For such relevant attendance,~~As such,~~ they are entitled to compensation as allowed by law and further described in this policy.

Policy

2.5.3 Protocols regarding attendance at approved compensable meetings and activities by members of the Board of Directors are set forth as follows:

(a) Members of the Board of Directors shall receive compensation for attendance at all approved compensable meetings and activities and for services rendered at the request of, or authorized by, the Board for a cumulative total ~~of~~ not to exceed ten (10) days in any calendar month as allowed under Water Code Sections 20201 and 20202. Board members shall receive compensation for no more than one compensable meeting in any calendar day.

(b) Members of the Board of Directors shall receive compensation in an amount per day of service for attendance at approved compensable meetings and activities as set forth in Ordinance No. 25-2~~Ordinance No. 91-1 as amended by ordinance 05-2~~ and pursuant to Water Code Sections 20201 and 20202.

(c) Board members will be compensated in the amount of $324.00~~200.00~~ or as hereinafter adjusted by ordinance adopted by the Board, ~~pursuant to Ordinance No. 91-1 as amended by ordinance 05-2~~ for their attendance at meetings and activities that are reasonable and necessary for the efficient and effective governance of the Upper San Gabriel Valley Municipal Water District. Except as compensated by the Main San Gabriel Basin Watermaster or the San Gabriel Basin Water Quality Authority, or otherwise limited by

this resolution, Board members will receive compensation for attendance at the following specific and general meetings:

(1) All Upper ~~District~~ Water Board and committee meetings.

(2) Meetings of city councils, chambers of commerce and governing boards of other ~~neighboring~~ regional water districts and Upper Water ~~District~~ member agencies ~~sub-agencies~~.

(3) Board meetings, hearings, committee meetings, workshops and events of Metropolitan Water District of Southern California ("MWD"), Main San Gabriel Basin Watermaster, San Gabriel Basin Water Quality Authority and San Gabriel Valley Water Association, Association of Groundwater Agencies, National Groundwater Association, California Special Districts Association, Colorado River Water Users Association, Association of California Water Agencies, American Water Works Association, Independent Cities Association, California Contract Cities Association, San Gabriel Valley Council of Governments, San Gabriel Valley Economic Partnership, Urban Water Institute.

(4) Upper Water~~District~~ sponsored events that all Board members have the opportunity to attend such as an Upper ~~District~~ Water sponsored water awareness festival, groundbreaking ceremony for an Upper ~~District~~ Water sponsored or co-sponsored project, or Upper ~~District~~ Water sponsored or co-sponsored watershed or water conservation event.

(5) Other water industry-related conferences, seminars, meetings and activities, specifically agendized and approved by the Board of Directors in a public meeting. ~~through the agenda process~~.

(6) Scheduled ~~M~~meetings where Directors discuss with their constituents and the public, the importance of water conservation, available programs and rebates for water conservation and other Upper ~~District~~ Water projects, initiatives and programs.

(d) Board members that serve as Upper ~~District~~ Water's appointed members of the Main San Gabriel Basin Watermaster and/or San Gabriel Basin Water Quality Authority will be compensated for their attendance at meetings of those agencies, by those agencies, in accordance with policies of those agencies. However, the Upper ~~District~~Water will pay its representatives to the Main San Gabriel Basin Watermaster and/or San Gabriel Basin Water Quality Authority the difference between the meeting stipend of those agencies and the then current meeting stipend of ~~the~~ Upper Water~~District~~. A stipend differential must be listed on the requesting Board member's expense report and will be counted towards that member's ten (10) compensable meetings per month limitation for the month in which the meeting was attended as set forth in Policy No. 2.~~6~~5.3 (a) of this manual. In addition, the differential stipend will be counted towards that member's one (1) meeting per day limitation for the day in which the meeting was attended as set forth in Paragraph 2.6.3 (a) of this Section.

(e) ~~Members of T~~the Board of Directors shall be reimbursed for all legitimate, reasonable and necessary expenses incurred in attending approved compensable meetings and activities when so authorized in accordance with Resolution No. 8-04-428.

(1) Directors shall be reimbursed for use of their personal vehicles for District business at the flat rate of $378.00~~26~~349.46 a month. All automobile travel (owned or rented) ~~in the State of California~~ within a 150-mile radius of ~~the~~ Upper Water's ~~District~~ headquarters is covered by the District's vehicle allowance policy. Mileage incurred for travel within these limitations is not reimbursable. The District will not pay or reimburse a Director for a car rental. Mileage incurred for travel beyond these limitations is reimbursable at the standard IRS mileage reimbursement rate except for the departing (first) and returning (last) 150 miles. ~~and rental vehicles are prohibited from being used for such travel~~. ~~Alternatively, Directors may choose to receive reimbursement for actual mileage incurred during any given month at the prevailing IRS approved rate. Directors who receive the monthly allowance shall not receive reimbursement for mileage from the District, or from any other agency. The option to receive the monthly allowance or the reimbursement for actual mileage incurred shall be at the sole discretion of each Director, and shall be made no later than the last day of the preceding month.~~ The car allowance increase amount shall be calculated annually ~~each July and increased~~ based on the ~~Consumer Price Index (CPI-U), Los Angeles Area - Fuel percentage~~ percentage change in the Internal Revenue Service mileage reimbursement rate. ~~.for the previous 12 month period.~~ The General Manager shall then give notice of ~~the CPI or~~ IRS mileage rate increase, if any, to the Board of Directors for consideration ~~implementation each July in accordance~~ with the District's annual budget review or biennial budget adoption. ~~August~~. Any increase shall be effective each July. In no event shall the car allowance be less than the previous year. As a condition of receiving the monthly vehicle allowance ~~and/or mileage reimbursement~~, Directors are required to have a valid driver's license, verifiable by staff through the Department of Motor Vehicles' (DMV) Employer Pull Notice Program. Directors are also required to maintain their own vehicle and liability insurance policy. A copy of the insurance policy shall be provided to Upper Water.~~District.~~ Directors are required to notify Upper Water~~District~~ of any change or loss of insurance coverage.

(2) Directors shall ~~also~~ be reimbursed for costs related to communications. ~~Alternatively,~~ Directors may receive a communications allowance in the performance of their official duties of $216.00~~167.41~~ per month. The covered costs include but are not limited to cellular phone expenses, internet fees, equipment or media. The communications allowance amount increase shall be calculated ~~each July and increased~~ based on ~~by~~ the CPI for all urban consumers in the Los Angeles County area for the month of April. The General Manager shall then give notice of the potential CPI rate increase to the Board of Directors for consideration ~~in~~

accordance with the District's annual budget review or biennial budget adoption. previous 12-month period. The General Manager shall then give notice of the CPI rate increase to the Board of Directors. Any increase shall be effective each August July.1st. In no event shall the communications allowance be less than the previous year. The option to receive the monthly communication allowance or the reimbursement for actual communication-related expenses in connection with District business shall be at the sole discretion of each Director and shall be made prior to January 1st for the following year.

(3) Directors will receive a reimbursablemay be reimbursed for IT equipment expenses allowance of up to $5001,000 once every four years. Directors shall submit a receipt of purchase for reimbursement up to the allowable amount. The four year period resets on the date of reimbursement.

(4) District-issued credit cards shall be used by Directors for all travel and travel-related expenses. Directors are required to submit detailed receipts supporting the credit card charges within 30 60 days. Otherwise, unsupported charges will be deducted from their next monthly reimbursement Per Policy 2.17.7, users with unsupported charges, late or lost receipts may be required to reimburse the District.

(f) All members of the Board of Directors of the Upper District are eligible to serve as a representative of the Upper DistrictWater to the MWD Board of Directors. All MWD representatives (both board members and non-members) serve at the pleasure of the Board and may be appointed, removed, or replaced at any time. A non-member of the Board of Directors of the Upper WaterDistrict may serve as a representative of the Upper WaterDistrict to the MWD Board of Directors, provided:

(1) The non-member is nominated and elected to serve by a majority (three {3} or more) of the members of the Board of Directors of the Upper WaterDistrict;

(2) The non-member is eligible to vote in Upper WaterDistrict elections;

(3) The non-member is, at the time of appointment and for all times thereafter, a resident in of the Upper DistrictWater service area;

(4) The non-member is determined by the Board of Directors of the Upper District to be qualified to act as a representative to the MWD Board of Directors;

(g) In accordance with Resolution 1-10-473, AThe non-member of the Board of Directorsthe District, if nominated and elected appointed to serve as a representative of the District to the MWD Board of Directors, shall receive as compensation/reimbursement, in accordance with Resolution 1-10-473, the following:

(1) A stipend, equal to the existing stipend of an Upper WaterDistrict Board member, to attend an MWD Board meeting or assigned committee meeting, or a meeting of the Upper WaterDistrict. The stipend shall not exceed ten (10) meetings per month or one (1) per day.

(2) Reimbursement of transportation expenses, consistent with Upper WaterDistrict Board policy, to go to and from all authorized meetings of MWD or the Upper WaterDistrict.

(h) Except as otherwise prohibited under the California Government Code or other applicable law, representatives to the MWD who are also members of the Upper WaterDistrict Board may receive compensation for up to an additional ten (10) meetings in addition to the total number of meetings authorized by Upper WaterDistrict Board Policy. A representative, who is a non-member of the Board of Directors of the Upper WaterDistrict, may be eligible to attend Upper WaterDistrict approved events, conferences and activities provided prior approval is received from the Upper Water Board of Directors. of the Upper District.

(i) Members of the Board of Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve their ability to serve as a Director of Upper Water.District operation. Except as otherwise provided within this policy, there is no limit as to the number of Directors attending a particular approved compensable meeting when it is apparent that their attendance is beneficial to the Upper WaterDistrict and only if such attendance is in compliance with the Brown Act. "Junkets" (a pleasure tour or journey taken at public expense), are not permitted under any circumstance.

(j) It is the policy of the Upper WaterDistrict to encourage Board member development and excellence of performance by reimbursing appropriate expenses incurred related to the attendance at approved compensable meetings and activities.

(k) Expenses to the Upper WaterDistrict for Board of Directors' attendance at approved compensable meetings and activities should be minimized by utilizing recommendations for transportation and housing accommodations put forth by the General Manager and by:

(1) Utilizing hotel(s) recommended by the event sponsor in order to obtain discounted rates.

(2) Directors traveling together whenever feasible and economically beneficial.

(3) Requesting reservations sufficiently in advance, when possible, to obtain discounted air fares and other transportation, hotel rates and registration fees.

(l) To the extent the Upper WaterDistrict Board has not already approved and paid costs and expenses in advance, Directors, shall use their district issued credit card for authorized travel expenses and as a condition to any reimbursement authorized under these procedures, shall provide produce and present to the Upper District, a completed an expense reimbursement report that includes satisfactory documentation and receipts evidencing or substantiating, all actual, and reasonable and necessary expenses. incurred, and not otherwise reimbursed by the Upper WaterDistrict, in the Director's performance of duties as provided herein.

(m) The Upper WaterDistrict does not prohibit a Director's spouse or other companion from traveling with the Board Member to approved compensable meetings and activities. However, the Board Member will be financiallypersonally responsible for all expenses

associated with the spouse or companion's travel reservations, cost and attendance at the meeting or activity.

(n) A Director shall not attend a conference or training event for which there is an expense to ~~the~~ Upper Water~~District~~, if it occurs after they have announced their pending resignation, after a censure by the Board, or if it occurs after an election in which it has been determined that they will not retain their seat on the Board. A Director shall not attend, at Upper Water ~~expence~~expense, a conference or training event when it is apparent that there is no significant benefit to ~~the~~ Upper Water~~District~~.

(o) Upon returning from approved seminars, workshops, conferences, or educational meetings where expenses are reimbursed by ~~the~~ Upper Water~~District~~, Directors will either prepare a written report for distribution to the Board, or make a verbal report at a regular meeting of the Board in compliance with AB 1234. Said report shall detail what was learned at the session(s) that will be of benefit to ~~the~~ Upper Water~~District~~. ~~Materials from the session(s) may be delivered to the Upper District office to be included in the Upper District library for the future use of other Directors.~~

(p) The Board shall~~is directed to~~ evaluate all related policies, all requests for compensation for attendance at~~of~~ meetings, informational and educational conferences, seminars and workshops and related expenses, to the standard of reasonable and necessary uses of public funds doctrine.

UPPER WATER
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MEMORANDUM

ITEM 9.c.
Action Item

DATE: November 18, 2026

TO: Board of Directors and Board of Directors

FROM: General Manager

SUBJECT: Proposed Amendments to Policy Section 3.5 – Vehicle Use

Recommendation

Staff recommends that the Board of Directors approve the proposed amendments to Policy Section 3.5 –Vehicle Use.

Background

Staff has completed a review of the Vehicle Use Policy (Section 3.5) and identified proposed revisions. These changes include cleanup language and limited modifications to the existing policy to better reflect current employee practices. The revisions also provide additional clarification regarding the proper use of the District vehicle and the circumstances under which reimbursement may be applicable.

Attachments

1. Redline Policy Manual - Sect 3.5 Vehicle Use (D) 9.24.26

3.5 Vehicle Use Policy

Purpose

3.5.1 To provide guidance for vehicle use of the official Upper Water~~District~~ vehicle by staff.

Background

3.5.2 The vehicle owned by the ~~Upper~~ District is to be used for approved official ~~Upper~~ District business only. The vehicle may only be operated by ~~a representative~~ an employee of the ~~Upper~~ District who has a valid California Driver's License and is covered by the Upper Water's ~~District's~~ automobile insurance policy and has completed the defensive driving training required by ACWA/JPIA. The vehicle must be operated in a lawful manner and only for the reasonable purposes for which it was designed.

Policy

3.5.3 The vehicle is intended to be used for local Upper Water ~~District~~ business only. Approved uses include:

(a) Picking up office supplies and materials.
(b) Transporting and hauling ~~Upper~~ District displays and materials to meetings and events.
(c) Transportation to local meetings, seminars and workshops.
(d) Small-group tours of local water facilities.
(e) Other uses approved in advance by the General Manager or ~~Chief Financial Officer~~Assistant General Manager.

3.5.4 Employees must track the mileage of the District vehicle~~s~~ used for approved transportation. District petty cash funds or authorized credit cards shall be used to purchase fuel and any other necessary vehicle-related supplies or services.

~~3.5.4~~3.5.5 Normally, employees will be encouraged to use the ~~Upper~~ District vehicle for ~~Upper~~ District business. However, should a personal vehicle be used for approved ~~Upper~~ District business, the ~~Upper~~ District will reimburse the employee for personal vehicle use at the ~~then~~ current Internal Revenue Service ~~Upper District~~ mileage rate unless otherwise specified by employment agreement or contract. Employees must use personal funds ~~or credit cards~~ to purchase their own gasoline or other items for their personal vehicles~~, keep track of mileage the vehicle is driven on approved Upper District business~~ and request reimbursement on the mileage alone. ~~Upper~~ District petty cash funds or credit cards may not be used for personal vehicles.

UPPER WATER
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

248 E. Foothill Blvd., Suite 200
Monrovia, CA, 91016

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MEMORANDUM

ITEM 9.d.
ACTION

DATE: November 18, 2026

TO: Board of Directors

FROM: General Manager

SUBJECT: Executive Management Personnel Manual

Recommendation

Staff recommends the committee approve the proposed changes to Upper Water's Executive Management Personnel Manual.

Background

In September 2021, the Board of Directors approved the Executive Management Personnel Manual as part of the District's 2019 Strategic Plan. Since then, the manual has served as a policy document for employees classified in the executive management tier, which is applicable to the General Manager and Assistant General Manager. All standard employment provisions in the Employee Handbook are included in the Executive Management Manual with added policy additions that relate to severance pay, administrative leave, communications and auto allowance.

The Board is currently considering changes to the Board allowances for communications and auto. It is recommended that the Board update the Executive Management Manual to be consistent with Board allowances. The following changes are proposed to the Executive Management Personnel Manual:

- **Vehicle allowance:** amended to $378.00 per month; and proposed future adjustments will be based on the IRS standard mileage rate considered during the budget review/adoption process and effective each July.
- **Communications allowance:** amended to $216.00 per month, with adjustments considered during the budget review/adoption process and effective each July.

Press Release

Metropolitan issues statement on State Water Board adoption of Bay-Delta Water Quality Control Plan

October 30, 2026

“Metropolitan and partners across the state have worked for years to develop a smarter approach to building a healthier Bay-Delta and a more reliable water future for California, recognizing that flows alone are insufficient to protect the estuary’s ecosystem and the state’s water supply. The result – the Healthy Rivers and Landscapes Program – was intended to bring together additional water, habitat restoration and science, though a new governance structure and dedicated funding, to dramatically change how the Bay-Delta is managed. Implementation of the Healthy Rivers and Landscapes Program would be a landmark achievement in moving toward collaborative, science-based decision making to improve the health of the Bay-Delta while providing reliable water for California communities and businesses.

“Metropolitan appreciates the State Water Board’s commitment to a sustainable Bay-Delta and its efforts to include in the plan an implementation pathway that does not rely primarily on flows. However, Metropolitan is disappointed in the plan adopted yesterday. Ultimately, the State Water Board did not adequately incorporate the pathway as envisioned by the Healthy Rivers and Landscapes Program.

“Metropolitan will continue its review, including the changes incorporated into the adopted plan, to determine crucial next steps, and while doing that will continue to collaborate and engage agencies and partners. Metropolitan remains committed to the principles of the HRL Program and to finding solutions together. Southern California’s water future is closely connected to the health of the Bay-Delta, and our shared goals remain as important as ever.”

POLITICS

Prop. 45 trailing in early returns; Measure would re-shape landmark state environmental law



BY ALEJANDRA REYES-VELARDE
NOVEMBER 3, 2026

Republish



Home construction on Hartzell Street in the Alphabet Streets neighborhood of Pacific Palisades on Aug. 30, 2025. Photo by Myung J. Chun, Los Angeles Times via Getty Images

IN SUMMARY

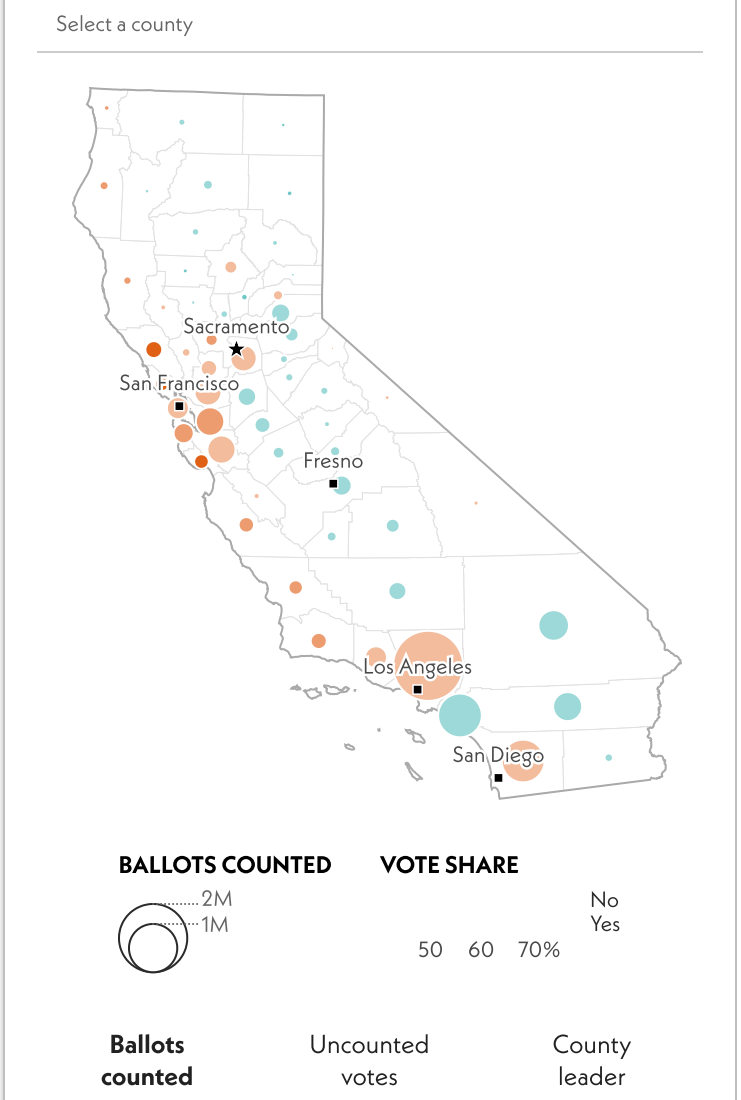
Backed by business groups and opposed by environmentalists, Prop. 45 would put deadlines on environmental reviews and lawsuits for housing, water, broadband and transit projects.

CALIF. 45 - MODIFY ENVIRONMENTAL REVIEW TO EXPEDITE PROJECTS GENERAL
BALLOT MEASURE

AP estimates 57% of votes counted

CHOICE	VOTES	PCT
No	4,010,529	54.1%
Yes	3,399,993	45.9%

Updated Nov 4, 2026 at 2:55 AM



With a little more than half the vote counted early Wednesday, voters appeared to be rejecting the idea of amending the California Environmental Quality Act.

Prop. 45, which would change the state's landmark environmental review law by setting deadlines for environmental reviews and related lawsuits on certain projects, was losing 54 percent to 46 percent.

Supporters had said the changes would reduce building costs. The California Chamber of Commerce sponsored **Proposition 45**, the Building an Affordable California Act, which would limit the length of environmental reviews for projects deemed "essential" to 365 business days and require courts to resolve litigation in 270 calendar days. Those projects include housing, water, broadband and transit developments.

Proponents said the savings from building more quickly would pass to consumers and spent $41 million campaigning for the measure. The Building a Better California political action committee was the largest donor, giving $10 million to the campaign. The organization is funded partly by current and former Google executives Sergey Brin and Eric Schmidt. Two of the largest investor owned utilities, Pacific Gas & Electric Company and Southern California Edison, together donated $4.4 million.

Environmental groups argued the measure would go too far in weakening a law meant to protect people from environmental harms. Opponents, including a coalition of environmental, health and union organizations, spent $30 million trying to stop it. Wendy Schmidt, a Democratic philanthropist, was the largest donor, giving $10 million to the campaign. The political action committee Clean and Healthy California Sponsored by Environmental Organizations contributed $7 million.

The California Democratic Party opposed the measure. The California Republican Party supported it, while county Republican groups were split.

Deborah Sivas, environmental law professor at Stanford University, said Prop. 45 would radically change current law. It would shift power "away from local governments and to developers by giving them some new tools … and limiting what courts can do in terms of reviewing decisions that agencies and local governments make," she said.

CEQA and housing

California's environmental review law, signed in 1970, requires agencies to assess the environmental impacts of developments and help mitigate them.

Over decades, developers have raised concerns about the process, arguing litigation and bureaucracy slow down construction.

State legislators have tried to fix the problem by passing laws that exempt or streamline certain projects from environmental review. In 2025, Gov. Gavin Newsom **signed laws** that exempt many urban housing projects from the full review process.

But some supporters of Prop. 45, including the California Building Industry Association and the California Council for Affordable Housing, say those changes don't go far enough.

"It's an important piece of the puzzle, but (that type of housing) does not produce quickly or at scale," said Jennifer Hernandez, an attorney who helped write the measure. "We need quicker, at scale, affordable housing."

Supporters say Prop. 45 would help California redevelop large, unused sites like malls and parking lots into housing and make it easier to build away from urban areas.

Pro-housing groups, public agencies divided

Pro-housing and local government groups usually support CEQA reform, but Prop. 45 has divided many of them.

Housing advocates in the Bay Area, including East Bay for Everyone and the Greenbelt Alliance, oppose the measure. Other Yes in My Backyard groups are neutral, including Abundant Housing Los Angeles and both California YIMBY and YIMBY Action — the movement's two flagship advocacy groups.

The split between pro-housing groups lies in whether California should keep building outward onto undeveloped land or promote construction in urban centers. Some supporters, including Oakland Democratic Assemblymember **Buffy Wicks**, have said the state needs all types of housing.

Others say building away from urban centers would make it harder to address climate change.

"We believe we can (and must) solve the housing and climate crises simultaneously. That means building communities with denser housing and alternatives to automobile dependence," wrote Max Dubler of California YIMBY in a blog post explaining the group's neutral stance on Prop. 45.

Public agencies and local governments that could benefit from the building rules were also divided.

The California Municipal Utilities Association opposes the measure. But most other groups representing local governments, including the League of California Cities and California State Association of Counties, remained neutral.

Financial impacts for Prop. 45

Prop. 45 supporters argued that streamlining development would make life more affordable for Californians, but the long-term financial benefits are unclear.

An analysis by Blue Sky Consulting Group, commissioned by the California Chamber of Commerce, estimated the measure would produce $1.5 billion in savings and additional revenues for public agencies over 10 years that would reduce overall housing costs.

But the measure would initially cost local governments and public agencies more as they adjust to the measure's rules, according to the **Legislative Analyst's Office**, a nonpartisan adviser to the Legislature.

READ NEXT



Prop 45 explained: CEQA overhaul could shift who holds power over building

OCTOBER 9, 2026



Why are pro-housing groups split on Proposition 45?

OCTOBER 26, 2026



How Prop. 45 could reshape California's fight over data centers

OCTOBER 30, 2026

Press Release

Metropolitan issues statement on State Water Board approval of water right for Sites Reservoir

Metropolitan Water District General Manager Shivaji Deshmukh issues the following statement on the State Water Resources Control Board's approval today of a water right permit for the Sites Reservoir Project:

November 4, 2026

"The water right approved today is the foundation of the Sites Reservoir Project. Metropolitan appreciates the efforts of the Administrative Hearing Officer and the State Water Board to respond to and address our recent comments, allowing the project to better deliver its intended benefits.

"With this milestone reached, we look forward to further considering this possible investment, and its potential to provide the reliability Metropolitan is seeking as we adapt to the challenges of climate change. The information released through today's decision will help Metropolitan's board evaluate how the project may fit into Metropolitan's climate adaptation objectives and the overall value of the investment.

"Metropolitan is potentially the largest investor in this project, with up to a 22% share. Since 2017, we have invested approximately $31 million into the planning, permitting and environmental review for the Sites project. The information produced through this process will also help inform our board's decision on Metropolitan's level of participation, if any, in the financing and construction of the project and will help our member agencies interested in investing in this project consider their options as well."

Governor Gavin Newsom Press Office

California expands water storage infrastructure, largest new reservoir in more than 50 years clears final permit

The 1.5 million-acre-foot Sites Reservoir will store enough water to supply more than 4.5 million homes for one year

11/05/2026

What you need to know: Under Governor Newsom's leadership, California just reached a major milestone. After decades of planning, Sites Reservoir secured its final water-right permit, driven by Governor Newsom and other state leaders who made the project a priority. The approval clears the way for construction and moves California closer to adding 1.5 million acre-feet of new water storage to prepare for a hotter, drier future.

SACRAMENTO — Governor Gavin Newsom's push to expand California's water infrastructure through the Sites Reservoir reached a major milestone as the State Water Resources Control Board approved the project's final water right permit. The decision puts California on track to build its largest new reservoir in more than 50 years — helping modernize California's water infrastructure and strengthen water reliability for generations to come.

The decision marks a major achievement in the Governor's work with other state leaders to deliver critical infrastructure after decades without construction of a comparable water storage project. By establishing appropriate conditions for diverting and storing water from the Sacramento River, the permit moves California closer to building a reservoir designed to capture water during wet periods and save it for dry years.

> *"We made Sites Reservoir a priority because California can't afford to keep waiting for the water storage we need. From 2020 to 2022, California went through its driest three-year period on record, followed by nine atmospheric rivers in just three weeks. That's the reality we're up against. The approval shows California can get big infrastructure projects moving again. Sites Reservoir is a smart investment in our future, helping ensure our communities, farms, and wildlife have the water they need when it matters most. Now it's time to get shovels in the ground."*
>
> Governor Gavin Newsom

Located in Glenn and Colusa counties, Sites Reservoir is designed to capture water from the Sacramento River during eligible high-flow periods and store it for use during prolonged dry conditions.

"Our water system was built for a climate that no longer exists," said California Secretary for Natural Resources Wade Crowfoot. "To adapt, we need to capture water during huge storms and wet winters to get us through worsening droughts — and that's exactly what Sites Reservoir will do. All regulatory approvals have now been provided and California is on the verge of breaking ground on this critical

investment for our communities, economy, and environment. This is how we secure our water future in a shifting climate."

Because it sits off the river, the reservoir will not block fish migration or spawning. The project would add 1.5 million acre-feet of water storage capacity, enough to supply more than 4.5 million homes for one year.

Once complete, Sites Reservoir will:

- Capture and store high flows from the Sacramento River during large storms and wet winters, providing flood management benefits.
- Deliver water to wildlife refuges, including the Sacramento National Wildlife Refuge Complex, Upper Butte Basin Wildlife Area, and San Luis National Wildlife Refuge.
- Provide up to 200,000 acre-feet of water for use during emergency-declared droughts.
- Create new recreational opportunities for an estimated 187,000 visitors annually.

Preparing California for a changing climate

California's water supplies are facing unprecedented pressure as rising temperatures reduce mountain snowpack and intensify swings between drought and flooding.

State projections indicate California could lose 10% of its water supply by 2040 due to hotter and drier conditions, while the reliability of the State Water Project could decline by as much as 23%. These challenges are outlined in the State Water Project Adaptation Strategy, which identifies actions to protect California's future water supplies.

Supporters of Sites Reservoir across the state are saying:

"This is a big moment for boosting our water supply," said Congressman Mike Thompson (CA-04). "I was proud to be an early champion for Sites Reservoir – appropriating the first funding for it as a State Senator – and as Congressman, securing even more funding through the Bipartisan Infrastructure Law. With the permitting process now complete, I'm looking forward to seeing construction begin as soon as possible to make this reservoir a reality."

"The approval is a major milestone for Sites Reservoir and brings us one step closer to delivering the water infrastructure California needs," said Assembly Majority Leader Cecilia Aguiar-Curry (D-Winters). "This project will create jobs, help protect the environment, and support our farms and communities. Our work with tribes and other regional stakeholders will be essential to our ultimate success. With a strong El Niño underway, we are reminded that we must capture water when it is abundant and store it for the dry years ahead. I applaud this important progress toward making Sites Reservoir a reality."

“This is an important day for Sites Reservoir and for California,” said Fritz Durst, Chair of the Sites Project Authority Board of Directors. “Sites has been decades in the making, and we are closer than ever to making it a reality. With this decision, we’re ready to move forward and turn years of planning into action.”

“Our focus has always been on developing a Sites Reservoir Project that is affordable, permittable, and buildable,” said Jerry Brown, Executive Director of the Sites Project Authority. “Reaching this point has taken sustained collaboration with our partners across California. The water right decision puts us in a strong position to move the Project toward construction.”

“Sites Reservoir turns California’s water challenges into opportunity — capturing water in wet times to sustain our communities, farms, fish and wildlife through dry years,” said David Guy, President of the Northern California Water Association. “By pairing modern infrastructure with dedicated environmental water, Sites Reservoir is an investment in a vibrant future for healthy rivers and landscapes in Northern California and a more resilient California. The State Water Board action shows a clear path forward for the Sites Project Authority to turn decades of planning into a lasting investment for California’s rivers, landscapes, and communities.”

“Sites Reservoir offers California an opportunity to turn state water policy into tangible and lasting public benefits,” said Jeff McCreary, Director of Operations for Ducks Unlimited’s western region. “Completing Sites would translate voter support and legislative direction into infrastructure that strengthens California’s resilience and serves communities, farms, and the environment.”

“Water remains a challenge for wetlands south of the Delta, and this is a dedicated public ecosystem benefit of the Sites project,” said Ric Ortega, General Manager, Grassland Water District. “The Sites water-right permit is an essential step to delivering the environmental water our wetlands need.”

“Millions of Bay Area residents can take comfort that the action by the State Water Resources Control Board will help ensure the reliability of our water supply for decades to come while also strengthening our resilience to unpredictable weather changes,” said Libby Schaaf, President and CEO of the Bay Area Council. “Thanks to the leadership of voters, the State Water Board, and Governor Newsom for fast-tracking the project, California is now prepared to break ground next year on the largest reservoir built in the state in generations. The Bay Area Council is proud of our role from the beginning in advocating for this important infrastructure investment.”

“Sites represents the kind of strategic investment California needs — capturing available water during high-flow periods and providing greater flexibility to meet future water supply and environmental needs,” said Charles Wilson, Executive Director and CEO, Southern California Water Coalition. “We appreciate the Board’s extensive work to balance water reliability with environmental protection.”

“Water reliability is economic reliability. Sites Reservoir is a critical investment in California’s future, helping protect the businesses, jobs, and communities that depend on a dependable water supply,” said Stuart Waldman, President, LA BizFed. “For Southern California businesses, the cost of continued delays

is real—greater uncertainty, higher costs, and lost opportunities for economic growth. We need to move forward with smart infrastructure investments like Sites Reservoir that strengthen our economy and protect our future."

"The approval of the Sites Reservoir water rights permit is a major step forward for California's economy, workforce, and water future," said Joshua Arce, Executive Director, California Alliance for Jobs. "Projects like Sites Reservoir don't just create good-paying construction jobs—they build the infrastructure that supports businesses, agriculture, and communities for generations. California cannot afford to let critical infrastructure remain stuck in endless delays while our water challenges continue to grow. This decision demonstrates that we can protect our environment, invest in our future, and move essential projects forward. Now it's time to get Sites Reservoir built."

Building California's water future

Under Governor Newsom's leadership, California has advanced Sites Reservoir through major state investments, streamlined environmental review, and coordination with project partners. In June, the Governor announced nearly $269 million in additional funding, bringing the project's total eligible state funding to approximately $1.36 billion.

With the water right approval, the project has cleared all regulatory approvals needed to initiate construction. Now, Sites Project Authority and participating water agencies turn to advancing financing needed to begin construction.

A record of action on water

Since taking office in 2019, Governor Newsom has advanced an ambitious approach to water management – expanding storage, investing in aging infrastructure, and preparing communities for increasingly extreme droughts and floods.

Major milestones include:

- 2019 – Expanding access to safe drinking water: Established the Safe and Affordable Drinking Water Fund, supporting efforts that have helped approximately 1 million Californians gain access to safe drinking water.
- 2020 – Creating a roadmap for water resilience: Released California's Water Resilience Portfolio, outlining 142 actions to strengthen water supplies, protect ecosystems, and prepare for climate extremes.
- 2022 – Preparing for a hotter, drier California: Launched California's Water Supply Strategy to expand water storage, recycling, and conservation while adapting to declining snowpack.
- 2023 – Capturing more stormwater: Accelerated groundwater recharge during historic storms through executive orders and streamlined permitting, helping California achieve 4.1 million acre-

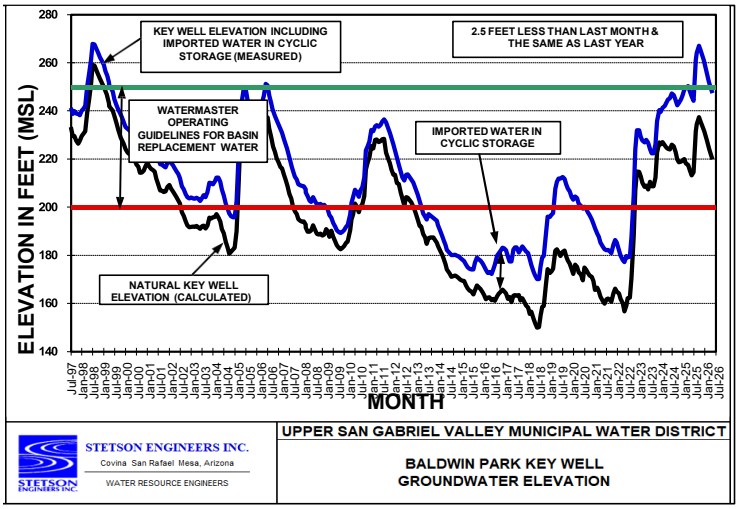
feet of managed groundwater recharge. Invested nearly $1 billion over a decade to support the Sustainable Groundwater Management Act, helping communities advance groundwater sustainability efforts as nearly 3,000 groundwater-related projects were initiated statewide to protect water supplies for future generations.

- 2023 – Building water infrastructure faster: Signed SB 149, a landmark infrastructure streamlining law, and used it to fast-track Sites Reservoir. The project went on to quickly defeat a CEQA challenge in court.
- 2024 – Bringing salmon back: Completed the largest river restoration projects in American history by removing four dams along the Klamath River in partnership with tribes, reopening 400 miles of spawning habitat. Launched California's Salmon Strategy for a Hotter, Drier Future, with nearly 70% of its 71 actions now underway and another 26% complete.
- 2026 – Advancing California's next generation of water infrastructure: Launched development of California Water Plan 2028, establishing a statewide planning target of 9 million acre-feet by 2040, and secured approximately $1.36 billion in eligible funding to advance Sites Reservoir.
- 2026: Restoring rivers and the Delta: Championed the Healthy Rivers and Landscapes Program, which the State Water Board adopted in October as part of the first major update to the Bay-Delta Plan's Sacramento/Delta protections since 1995. The program pairs increased river flows with the restoration of more than 27,000 acres of aquatic habitat.

REPORT OF THE DISTRICT ENGINEER
ON HYDROLOGIC CONDITIONS
NOVEMBER 18, 2026

11. (b)
ENGINEER'S REPORT

Baldwin Park Key Well



Groundwater Elevation
October / November 2026

	Groundwater Elevation (ft)	Difference from prior month (ft)	Difference from prior year (ft)
November 7, 2025	247.4		
October 2, 2026	249.9		
November 6, 2026	247.4	-2.5	0

Untreated Imported Water in Cyclic Storage Accounts

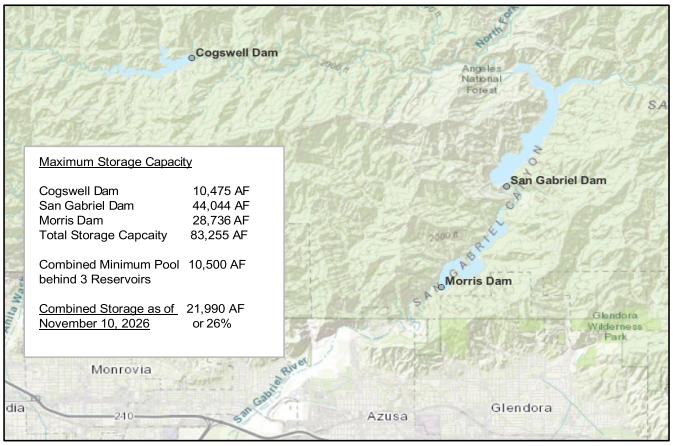
Producer Cyclic Storage		46,000 AF
MWD Cyclic Storage (For UD RDA Delivery)		127,000 AF
Upper Water Cyclic Storage		11,000 AF
Other Cyclic Storage		2,000 AF
	Total	186,000 AF*

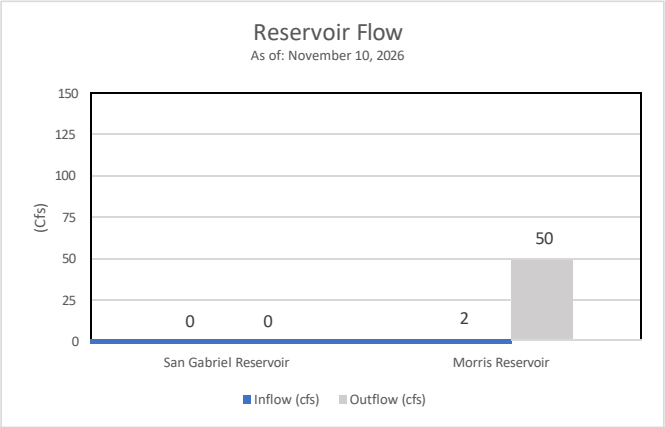
*Represents about 23 feet of groundwater elevation at the Key Well

USG-3

- Located in San Gabriel Canyon, just below Morris Dam, it represents Upper District's primary point of delivery of untreated imported water for groundwater replenishment to the San Gabriel Valley
- Typical delivery rate is about 190 cfs (or about 375 AF per day)
- On September 24, 2025, all deliveries ceased due to reported detection of Golden Mussels at Silverwood Lake by County staff.

Reservoir Storage and Releases





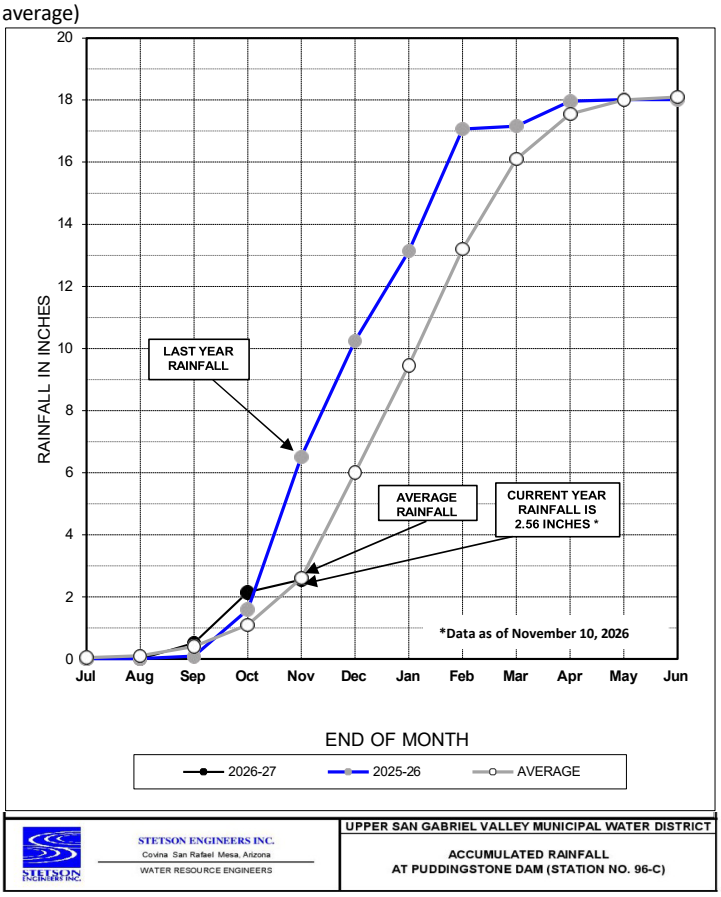
San Gabriel Canyon Spreading Grounds

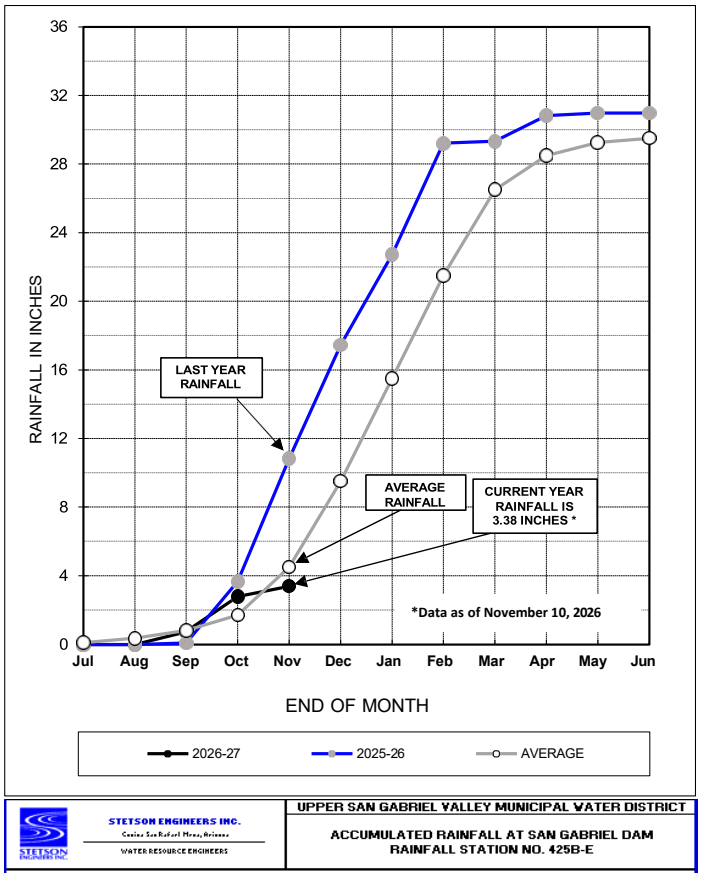
- On September 24, 2025, all deliveries ceased due to reported detection of Golden Mussels at Silverwood Lake by County staff.
- On September 15, 2026, deliveries from San Gabriel District to the San Gabriel Canyon Spreading Grounds resumed at about 40 cfs. Total to be delivered is about 16,290 AF.
- San Gabriel District delivered 2,555 acre-feet to the San Gabriel Canyon Spreading Grounds as of October 31, 2026.

REPORT OF THE DISTRICT ENGINEER
ON HYDROLOGIC CONDITIONS
NOVEMBER 18, 2026

Rainfall

• Data are readily available on a daily basis and are indicative of comparative amount of rainfall in the San Gabriel Valley (percent of average)





Water Quality

• Water Systems are required by the Division of Drinking Water (DDW) to collect water quality data from source wells and provide the results to DDW Pursuant to Title 22 (Water quality data collected through Main San Gabriel Basin Watermaster's Basinwide Groundwater Quality Monitoring Program)

- During October 2026, 46 wells were sampled under Title 22
- During September 2026, 31 wells were sampled under Title 22
- During September 2026, Stetson Engineers Inc. received no public notice of wells shut down due to contamination

UPPER WATER
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

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MEMORANDUM

ITEM 11.c.
GENERAL MANAGER'S REPORT

General Manager's Monthly Report
November 18, 2026

Work Anniversaries: Jessica Hernandez, Administrative Assistant – 3 years

Water Supply Update

Baldwin Park Key Well: 247.4 feet on 11/6/26
San Gabriel Canyon: 21,990 AF combined storage as of 11/10/26
San Gabriel Reservoir: inflow 0 cfs; release 0 cfs
Morris Reservoir: inflow 2 cfs; release 50 cfs
MWD 2026 Water Supply/Demand Balance Forecast: Surplus 304,000 AF as of 10/31/26

USG-3 deliveries during October 2026: None
MWD Cyclic Account Balance (10/31/26): 127,000 AF
Rainfall as of 11/10/26:
- 2.56" - Puddingstone Dam
- 3.38" - San Gabriel Dam

State Water Project Allocation: 45% as of 10/31/26

MWD Water Supply Conditions as of November 4, 2026, are summarized as follows:

Reservoir	Capacity	Current Storage
San Luis (SWP share)	1.06 MAF	86%, 917 TAF
Lake Oroville	3.42 MAF	43%, 1.46 MAF
Lake Powell	24.3 MAF	25%, 6.19 MAF
Lake Mead	26.1 MAF	27%, 6.93 MAF

**Storage volumes are in units of Million Acre-Feet (MAF), or Thousand Acre-Feet (TAF)*

Drought Actions
WSCP status: Level 2, 20% conservation target, 3 day/week outdoor watering summer, 2 day/week outdoor watering in winter

Water Use Efficiency

Residential Water$mart Rebates
Since July 2026 - $37,043

Commercial Water$mart Rebates
Since July 2026 - $213,152

Water Smart Home Kits
Homes Served This Month: 0

Water Use Efficiency (cont'd)

MWD Member Agency Administered Program Funding
Upper Water submitted applications on behalf of several member agencies and was awarded funding from MWD to support their water conservation and public outreach efforts. The following projects and programs were approved for funding:

- **Azusa Light & Water**
  - Outdoor Irrigation Survey & Direct Install Program: $30,000
- **La Puente Valley County Water District**
  - Education and Outreach Program: $19,500
  - Acoustic Leak Detection Sensor Project: $50,000
- **Valley County Water District**
  - Baldwin Park School Hydration Station: $1,800
  - Fixed Acoustic Leak Detection System Project: $50,000
- **Upper Water**
  - All Tap, Always Campaign: $50,000

Education and Outreach



Watershed Restoration Program
On October 24, 2026, Upper Water and the U.S. Forest Service hosted the first Watershed Restoration Program event of the fall season, with 90 volunteers in attendance. Participants included members of Scouting America, Girl Scouts, Citrus College, Cal Poly Pomona, and other community members. During the event, volunteers planted 311 Ponderosa Pine trees and collected 16 bags of trash.

The final event of the season was held on November 14, 2026. Final participation totals will be provided in the next General Manager's Report.

Landscaping Workshop
Upper Water has partnered with the UC Master Gardeners and Green Media Creations (sponsored by MWD) to provide free landscaping workshops for local communities. The workshops focus on regionally appropriate landscaping and offer residents guidance for improving their home landscapes.

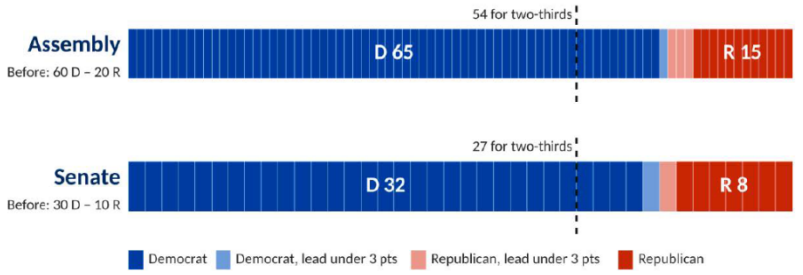
December:
- Thursday, December 3, 2026 (Online): Rain to Roots: Water for Your Garden from 6:00 p.m. – 7:00 p.m. (Green Media Creations)

California Election Results Update

As of November 9, county elections officials estimate that 3,002,342 ballots remain uncounted statewide. In the Assembly, Democrats lead in five Republican-held seats, potentially expanding their majority to 65–15 from 60–20. In the Senate, Democrats lead in two Republican-held seats (SD 36 and SD 40), which would expand their majority to 32–8 from 29–10.

In Congress, the Associated Press has called 51 of California's 52 House races: 48 for Democrats and three for Republicans, including all five Republican-held seats redrawn by Prop. 50 (CDs 1, 3, 22, 41 and 48). The lone uncalled race is CD 23, spanning parts of Kern, Los Angeles and San Bernardino counties, where Rep. Jay Obernolte (R) leads by 2.8 points. If he holds on, the delegation would shift to 48 Democrats and 4 Republicans, from 43 – 9.

California Legislature: projected makeup for 2027



Based on current leaders in California Secretary of State unofficial results as of Nov. 9, 2026, 1:58 p.m.
Senate totals include the 20 seats not on the ballot this year.

Statewide Propositions

No.	Subject	Yes Votes	Yes %	No Votes	No %	Total Counted	Est. Ballots Left	Status
1	Housing affordability bond	**6,241,686**	**60.9%**	4,003,962	39.1%	10,245,648	3,002,342	**Passing**
2	Increases rainy day fund	**6,269,284**	**61.2%**	3,967,971	38.8%	10,237,255	3,002,342	**Passing**
3	Extends high-income tax for schools and health care	**6,236,476**	**60.4%**	4,087,766	39.6%	10,324,242	3,002,342	**Passing**
4	Repeals ban on public campaign financing	5,012,422	49.6%	**5,096,943**	**50.4%**	10,109,365	3,002,342	**Failing (Close)**
5	Changes recall process for statewide officers	**5,159,426**	**51.9%**	4,777,563	48.1%	9,936,989	3,002,342	**Passing (Close)**
37	Loan program for middle-income homebuyers	**6,334,905**	**62.2%**	3,854,464	37.8%	10,189,369	3,002,342	**Passing**
38	Immunology research bond	**5,551,490**	**54.3%**	4,666,335	45.7%	10,217,825	3,002,342	**Passing**
39	Voter ID requirement	4,108,572	39.6%	**6,278,338**	**60.4%**	10,386,910	3,002,342	**Failing**
40	One-time billionaire tax	4,870,673	46.8%	**5,530,166**	**53.2%**	10,400,839	3,002,342	**Failing**
41	State spending limit and tax audits	4,637,284	45.4%	**5,577,919**	**54.6%**	10,215,203	3,002,342	**Failing**
42	Bans new state personal property taxes	**5,359,763**	**52.0%**	4,955,650	48.0%	10,315,413	3,002,342	**Passing (Close)**
43	Limits local special tax revenues	4,365,740	43.0%	**5,783,496**	**57.0%**	10,149,236	3,002,342	**Failing**
44	Community clinic spending requirement	1,817,465	17.9%	**8,311,731**	**82.1%**	10,129,196	3,002,342	**Failing**
45	Modifies environmental review	4,453,418	44.1%	**5,645,980**	**55.9%**	10,099,398	3,002,342	**Failing**

Est. Ballots Left = statewide total of county estimates of unprocessed ballots reported to the Secretary of State (Nov. 8, 5 p.m.).

Finance and Administration

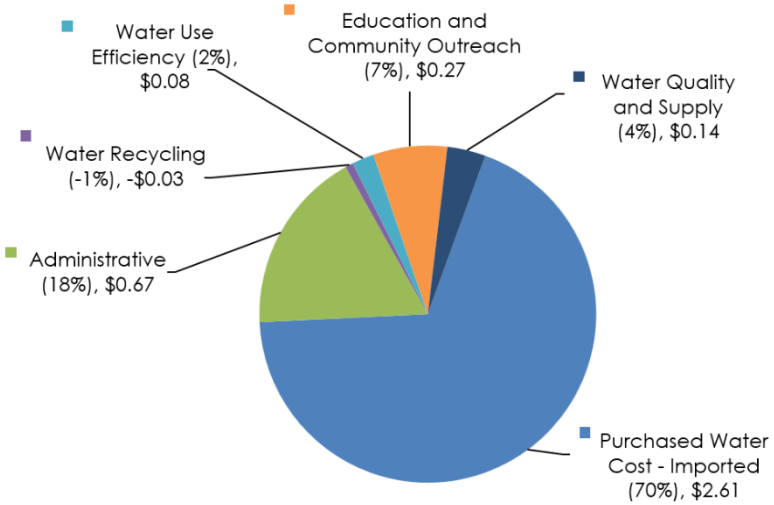
Financial Highlights through 9/30/26

- Treated water sales: 962 AF
- Untreated water sales: 0 AF
- Recycled water sales: 857 AF
- YTD net operating revenue: -$1.23M

Staffing Updates

- 10 FTE's
- 1 Temporary Employee

YTD Use of Funds as of 9/30/26 - $3.74M



Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
October 13, 2026

CONSENT CALENDAR OTHER ITEMS - ACTION

Approved Committee Assignments and appointed:

Special Committee on Weymouth Lithium Fire. The committee will sunset after the assignment is completed. The first meeting will take place on November 17, 2026, at 9:30 a.m.

Membership: Director Pressman, Chair; Directors Erdman, Fellow, Katz, Ramos, and Shepherd Romey. **(Agenda Item 6B)**

Elected Director Miller as Board Chair for a two-year term effective January 1, 2027. **(Agenda Item 6C)**

CONSENT CALENDAR ITEMS – ACTION

Awarded a $374,450 contract to The Quality Plus Group to replace the fuel dispensing system at the Hinds pumping plant. **(Agenda Item 7-1)**

Authorized an increase of $1.4 million to an agreement with IDS Group Inc. for a new not-to-exceed total amount of $1.8 million for final design to rehabilitate the heating, ventilation, and air conditioning system at the Metropolitan Headquarters Building. **(Agenda Item 7-2)**

Authorized an amendment to Agreement No. 231033 with Occu-Med LTD to provide medical screenings and exams to increase the maximum annual amount from $249,000 to $450,000 per calendar year, not to exceed the five-year limit in the original contract. **(Agenda Item 7-3)**

Authorized an increase of $100,000, to an amount not to exceed $700,000, for a contract for legal services with Hanson Bridgett LLP to provide legal advice on deferred compensation plans, other employee benefits, taxes, and CalPERS matters. **(Agenda Item 7-4)**

OTHER BOARD ITEMS - ACTION

Authorized agreements with HDR Inc., Tetra Tech, Geosyntec Consultants Inc., and Arcadis U.S. Inc., in amounts not to exceed $3 million each, in support of board-authorized Capital Investment Plan projects. **(Agenda Item 8-1)**

Awarded a $14,475,037 contract to Kiewit Infrastructure West Co. to replace the canal concrete liner at 25 locations along the Colorado River Aqueduct. **(Agenda Item 8-2)**

Adopted Ordinance No. 153, determining that the interests of Metropolitan require the use of revenue bonds in the aggregate principal amount of $500 million to finance a portion of

Metropolitan's capital expenditures and waived the full reading of Ordinance No. 153 (two-thirds vote of the Board). (Attachment 1 of the board letter posted online) **(Agenda Item 8-3)**

a. Adopted the Twenty-Seventh Supplemental Resolution to the Master Bond Resolution authorizing the issuance of up to $600 million of Water Revenue and Refunding Bonds, 2026 Series A, and providing the terms and conditions for the sale and issuance of the Bonds; and b. Approved approximately $1.3 million for the payment of the costs of issuance of the Water Revenue Bonds to be paid from bond proceeds or Metropolitan funds. **(Agenda Item 8-4)**

a. Adopted the Fifth Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of up to $300 million of Variable Rate Subordinate Water Revenue Bonds, 2026 Series B, and providing the terms and conditions for the sale and issuance of the Bonds and related transaction documents; and b. Approved approximately $0.8 million for the payment of the costs of issuance of the 2026B Bonds to be paid from bond proceeds or Metropolitan funds. **(Agenda Item 8-5)**

a. Approved the draft of Appendix A (Attachment 1) attached to this board letter posted online; b. Authorized the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and c. Authorized distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale and/or remarketing of bonds. **(Agenda Item 8-6)**

Authorized a two-year agreement with Electric & Gas Industries Association to administer Metropolitan's regional consumer conservation incentive programs, for a not-to-exceed amount of $4,200,000. Fees paid to the contractor under this agreement are budgeted under the approved budgets for Metropolitan's conservation program budget for the current Budget Biennium. **(Agenda Item 8-7)**

Authorized an increase of maximum amount payable under contract with Energy Security Agency, Inc. for consulting services by $200,000 for an amount not-to-exceed $450,000. **(Agenda Item 8-8)**

Approved Resolution to hire retired annuitant and waive 180-day waiting period. **(Agenda Item 8-10)**

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

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

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

Summary Report for the San Gabriel Basin Water Quality Authority October 21, 2026

The Board of Directors discussed the following items:

- The Board unanimously approved Change Order No. 1 to ABC Liovin Inc. in the amount of $180,128.25 for additional well drilling costs associated with the Whitmore Site Groundwater Remediation Facility Project, increasing the contract's not-to-exceed amount to $761,468.25. All project costs are reimbursable under the Proposition 1 Implementation Grant.
- The Board received updates on groundwater remediation efforts, including proposed treatment improvements to address containment concerns in the El Monte Operable Unit (EMOU) and progress on treated water reinjection in the Puente Valley Operable Unit (PVOU), pending EPA review.
- The Board received an update on proposed federal legislation to increase the San Gabriel Basin Restoration Fund authorization from $125 million to $250 million and eliminate the 10-year limit on operations and maintenance funding.

A closed session was held pursuant to Government Code 54956.9 Section(d)(4) – Conference with Legal Counsel re: Initiation of Litigation (settlement opportunities with potential defendants) – two (2) matters.

Summary Report for the Main San Gabriel Basin Watermaster Regular Board Meeting October 7, 2026

- Watermaster has reviewed and authorized the following:

    - The Board received an overview of the Three-Year Purchased Water Plan for FY 2026–27 through 2028–29, outlining anticipated imported water needs and coordination with responsible agencies. Following discussion, the Board unanimously approved a motion to receive and file the plan.

    - Watermaster approved the application for a water treatment facility at Hall Well No. 2 to remove hexavalent chromium, subject to the conditions outlined in the staff report - the motion carried.

    - Watermaster approved the application for a water treatment facility at Mission View Well No. 2 and Mariposa Well No. 3 to remove polyfluoroalkyl substances, subject to the conditions outlined in the staff report - the motion carried.

    - Executive Officer Kelly Gardner reported on the resumption of imported water deliveries to the Canyon Spreading Basins, effective September 15, 2026, and provided updates on Los Angeles County Flood Control District activities.