

**To: Board of Directors**  
**From: Melanie Richardson, Interim CEO**

## **Weeks of February 20, 2026 – March 5, 2026**

### **Board Executive Limitation Policy EL-7:**

*The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.*

<b>Item</b>	<b>IN THIS ISSUE</b>
<u>1</u>	<b>2026 Central Valley Project Initial Allocation</b>
<u>2</u>	<b>Second Quarter Fiscal Year 2025-26 Financial Status Update</b>

### **1. 2026 Central Valley Project Initial Allocation**

On February 26, 2025, the U.S. Bureau of Reclamation (Reclamation) announced that the initial Central Valley Project (CVP) allocations for Agricultural contracts and Municipal and Industrial (M&I) contracts would be 15% and 65%, respectively. These CVP allocations correspond to approximately 90,000 acre-feet of supplies for Valley Water. The California Department of Water Resources (DWR) has maintained the State Water Project (SWP) allocation at 30%, which corresponds to 30,000 acre-feet of SWP supplies.

These allocations account for the average precipitation California has experienced in the start of the 2026 water year, Lake Shasta and Lake Oroville storage levels near the seasonal average, and a conservative assumption that the state will experience dry conditions for the rest of the water year. Additionally, statewide snowpack is below average, which has prevented further increases in allocation. Reclamation and DWR will continue to monitor precipitation and snowpack conditions throughout the winter and update the CVP and SWP allocations as additional information becomes available.

For further information, please contact Vincent Gin at (408) 630-2633.

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### **2. Second Quarter Fiscal Year 2025-26 Financial Status Update**

Valley Water's second quarter Fiscal Year 2025-26 closed on December 31, 2025. The second quarter financial status update presentation summarizes cash and investment balances, the debt portfolio and includes a comparison, and analysis, of the budget to actual status of revenues and expenditures for all funds as of December 31, 2025.

The presentation was provided to the Board Audit Committee on February 18, 2026 and has been submitted to the Clerk of the Board as a Non-Agenda item for your reference.

For further information, please contact Darin Taylor at (408) 630-3068.

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