Board of Directors

REGULAR MEETING

August 11, 2026, at 6:00 p.m.

3021 Fullerton Road, Rowland Heights, CA 91748 · 562.697.1726 · RWD.org

AGENDA
Regular Meeting of the Board of Directors
3021 Fullerton Road
Rowland Heights, CA 91748
August 11, 2026 -- 6:00 PM

Agenda materials are available for public review at https://www.rwd.org/agendas-minutes/. Materials related to an item on this Agenda submitted after distribution of the Agenda packet are available for public review at the District office located at 3021 Fullerton Road, Rowland Heights, CA 91748.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS
Anthony J. Lima, President
Vanessa Hsu, Vice President
Robert W. Lewis
Szu Pei Lu-Yang
John Bellah

ADDITION(S) TO THE AGENDA

PUBLIC COMMENT ON NON-AGENDA ITEMS
Any member of the public wishing to address the Board of Directors regarding items not on the agenda within the subject matter jurisdiction of the Board should do so at this time. With respect to items on the agenda, the Board will receive public comments at the time the item is opened for discussion, prior to any vote or other Board action. A three-minute time limit on remarks is requested.

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Gabriela Palomares, Executive Services Manager, at (562) 383-2323, or writing to Rowland Water District, at 3021 Fullerton Road, Rowland Heights, CA 91748. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Anyone requesting a disability-related accommodation should make the request with adequate time prior to the meeting in order for the District to provide the requested accommodation.

Any member of the public wishing to participate in the meeting, who requires a translator to understand or communicate in English, should arrange to bring a translator with them to the meeting.

DIRECTOR REMOTE PARTICIPATION PURSUANT TO GOV. CODE §54953(f)
- Notifications Due to Just Cause
- Requests Due to Emergency Circumstances

1. CONSENT CALENDAR

All items under the Consent Calendar are considered to be routine matters, status reports, or documents covering previous Board instruction. The items listed on the Consent Calendar will be enacted by one motion unless separate discussion is requested.

1.1 Approval of Minutes of the Regular Board Meeting held on July 14, 2026
Recommendation: The Board of Directors approve the Minutes as presented.

1.2 Approval of Minutes of the Special Board Meeting held July 28, 2026
Recommendation: The Board of Directors approve the Minutes as presented.

1.3 Demands on General Fund Account for July 2026
Recommendation: The Board of Directors approve the demands on the general fund account as presented.

1.4 Investment Report for June 2026
Recommendation: The Board of Directors approve the Investment Report as presented.

1.5 Water Purchases for June 2026 - *For information only.*

1.6 California Reservoir Conditions – *For information only.*

Next Regular Board Meeting: September 8, 2026

2. ACTION ITEMS

This portion of the Agenda is for items where staff presentations and Board discussions are needed prior to formal Board action.

2.1 Review and Approve Directors' Meeting Reimbursement for July 2026
Recommendation: The Board of Directors approve the Meeting Reimbursement as presented.

2.2 Approve Change in the Mileage Reimbursement Rate from 72.5 Cents to 76 Cents, Effective July 1, 2026
Recommendation: The Board of Directors approve the IRS mileage reimbursement rate as presented.

2.3 Declare 2014 Ford F-150 (VIN 1FTMF1CM4EKD94182; License No. 1437202) as Surplus Property
Recommendation: The Board of Directors approve the surplus of the 2014 Ford F-150.

3. INFORMATION ITEMS

4. PUBLIC RELATIONS

4.1 Community Relations and Education Report — Dusty Moisio

4.2 Communications Outreach — CV Strategies

5. DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS

(*Including items that may have arisen after posting of the agenda)*

5.1 ACWA Fall Conference, Anaheim, CA (December 1-3, 2026)

6. LEGISLATIVE INFORMATION

7. REVIEW OF CORRESPONDENCE

7.1 National Safety Council 2025 Occupational Excellence Achievement Award

8. COMMITTEE & ORGANIZATION REPORTS *(verbal reports)*

8.1	Joint Powers Insurance Authority (JPIA)	Directors Lu-Yang/Hsu
8.2	Three Valleys Municipal Water District (TVMWD)	Directors Lima/Bellah
8.3	Association of California Water Agencies (ACWA)	Directors Lewis/Bellah
8.4	Puente Basin Water Agency (PBWA)	Directors Lewis/Lima
8.5	Project Ad-Hoc Committee	Directors Lima/Lu-Yang
8.6	P-W-R Joint Water Line Commission	Directors Lima/Bellah
8.7	Rowland Heights Community Coordinating Council (RHCCC)	Directors Lu-Yang/Bellah
8.8	California Special District Association (CSDA) SGV Chapter	Director Bellah
8.9	Local Agency Formation Commission (LAFCO)	Director Lewis

9. OTHER REPORTS AND COMMENTS

9.1	Finance Report	Mrs. Malner
9.2	Operations Report	Mr. Davidson
9.3	Project Updates	Mr. Moisio
9.4	Personnel Report	Mr. Coleman

10. ATTORNEY'S REPORT Mr. Joseph Byrne

11. CLOSED SESSION

a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)
Name of case: San Juan Water District et al. v. State Water Resources Control Board, Sacramento County Superior Court, Case No. 25WM000238. Rowland Water District is a party in the case.

12. RECONVENE/REPORT ON CLOSED SESSION

General Manager and Directors' Comments

Future Agenda Items

Late Business

No action shall be taken on any items not appearing on the posted agenda, except upon a determination by a majority of the Board that an emergency situation exists, or that the need to take action arose after the posting of the agenda.

ADJOURNMENT

Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
July 14, 2026 – 6:00 p.m.
3021 Fullerton Road
Rowland Heights, CA 91748

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS
President Anthony J. Lima
Vice President Vanessa Hsu
Director Robert W. Lewis
Director Szu Pei Lu-Yang
Director John Bellah

ABSENT: None

OTHERS PRESENT:
Joseph Byrne, Partner, Best, Best & Krieger
Mike Ti, Three Valleys Municipal Water District
Jody Roberto, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
Erin LaCombe, CV Strategies

ROWLAND WATER DISTRICT STAFF
Dusty Moisio, Assistant General Manager
Myra Malner, Director of Finance
Allen Davidson, Director of Operations
Gabriela Palomares, Executive Services Manager
Elisabeth Mendez, Compliance & Safety Manager

ADDITION(S) TO THE AGENDA – None.

PUBLIC COMMENT ON NON-AGENDA ITEMS – None.

DIRECTOR REMOTE PARTICIPATION PURSUANT TO GOV. CODE §54953(f)
- Notifications Due to Just Cause – None.
- Requests Due to Emergency Circumstances – None.

1. CONSENT CALENDAR
Upon motion by Director Lewis, seconded by Director Lu-Yang, the Consent Calendar was approved unanimously (5-0) as follows:

1.1 Approval of Minutes of Regular Board Meeting held on June 9, 2026

1.2 Demands on General Fund Account for June 2026

1.3 Investment Report for May 2026

1.4 Water Purchases for May 2026

1.5 California Reservoir Conditions

The Board acknowledged the upcoming July 28, 2026, Special Board meeting, and August 11, 2026, Regular Board meeting.

2. ACTION ITEMS

2.1 Review and Approve Directors' Meeting Reimbursements for June 2026
Upon motion by Director Lima, seconded by Director Lewis, the Board unanimously approved the Directors' Meeting Reimbursement Report. (Motion carried 5-0)

2.2 Adopt Resolution No. 7-2026, Amending the District's Personnel Rules and Regulations
Assistant General Manager Dusty Moisio presented proposed amendments to the District's Personnel Rules and Regulations. He explained that the revisions were recommended by Association of California Water Agencies (ACWA) Joint Powers Insurance Association (JPIA) to clarify and update provisions within Section 3 – Compensation, Hours, and Benefits.

Following discussion, upon motion by Director Lewis, seconded by Director Lu-Yang, the Board unanimously adopted Resolution No. 7-2026, amending the District's Personnel Rules and Regulations by the following roll call vote:

Ayes: Bellah, Hsu, Lewis, Lima, Lu-Yang
Noes: None
Abstain: None
Absent: None

(Motion carried 5-0)

2.3 Consider Sponsorship Request from the Rowland Heights Buckboard Day's Parade 2026 Sponsorship
The Board considered the District's participation in the 2026 Rowland Heights Buckboard Days Parade.

Following discussion, upon motion by Director Lu-Yang, seconded by Director Lewis, the Board approved the District's participation in the Rowland Heights Buckboard Day's Parade at the Event sponsorship level. (Motion carried 5-0)

2.4 Consider Sponsorship Request from the Rowland Heights Community Coordinating Council
The Board considered a sponsorship request from the Rowland Heights Community Coordinating Council (RHCCC).

Following discussion, upon motion by Director Lu-Yang, seconded by Director Lewis, the Board approved a monetary donation to the RHCCC at an amount of $1,000 in support of future RHCCC hosted community events.
(Motion carried 5-0)

3. INFORMATIONAL ITEMS

3.1 Elisabeth Mendez, Compliance & Safety Manager, reported that the District has implemented CivicPlus' DocAccess software on its website to improve the accessibility of online documents and support compliance with the U.S. Department of Justice's 2024 updates to the Title II regulations of the Americans with Disabilities Act (ADA). As this presentation was an informational item, no Board action was taken.

3.2 Director Lewis reported that ACWA Region 8 is seeking candidates to fill one vacancy on its Board. He noted that, because he currently serves on the Region 8 Board, another representative of the District would not be eligible to submit a nomination while Director Lewis continues to serve in the Region 8 position. As this was an informational item, no Board action was taken.

4. PUBLIC RELATIONS

4.1 Community Relations and Education Update – Nothing to report.

4.2 Communications Outreach (CV Strategies)

Erin LaCombe of CV Strategies provided an update regarding ongoing communications initiatives, including preparation of District press releases and support related to the CSDA Annual Conference and the District's history video production.

5. DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS (INCLUDING ITEMS THAT MAY HAVE ARISEN AFTER THE POSTING OF THE AGENDA) – Nothing to report.

6. LEGISLATIVE INFORMATION – Assistant General Manager Dusty Moisio provided a legislative update on SB 1001 (Archuleta): Water utility workers: identification card program.

Following Mr. Moisio's report, Three Valleys Municipal Water District Chief Administrative Officer Kirk Howie reported on AB 1994 (Rubio) and SB 872 (McNerney) concerning the Delta Levees and Canal Subsidence Fund.

7. REVIEW OF CORRESPONDENCE – Nothing to report.

8. COMMITTEE REPORTS

8.1 Joint Powers Insurance Authority – Director Lu-Yang spoke on matters associated with the JPIA Executive Committee and California Water Insurance Fund (CWIF).

8.2 Three Valleys Municipal Water District (TVMWD) – President Lima reported on business matters from TVMWD meetings held on June 3, and June 17, 2026.

8.3 Association of California Water Agencies – Director Lewis reported on the ACWA Region 8 June 26, 2026, candidate forum.

8.4 Puente Basin Water Agency (PBWA) – The next meeting is scheduled for August 6, 2026.

8.5 Project Ad-Hoc Committee – Nothing to report.

8.6 P-W-R Joint Waterline Commission – Nothing to report.

8.7 Rowland Heights Community Coordinating Council (RHCCC) – Nothing to report.

8.8 California Special District Association (CSDA) SGV Chapter – Director Bellah announced that the CSDA SGV Chapter meeting will be held on July 27, 2026, with Senator Bob Archuleta serving as the guest speaker.

8.9 Local Agency Formation Commission – As a matter of information, Director Lewis announced that he has been reappointed as the Special District Voting Member to the Local Agency Formation Commission (LAFCO). His new term will expire on May 6, 2030.

9. **OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

9.1 **Finance Report**

Director of Finance Myra Malner presented a year-to-date Financial Dashboard containing comparative graphs of Revenue and Expense by Category and Consumption by Class through May 2026 and answered questions posed by Board members.

9.2 **Operations Report**

Director of Operations Allen Davidson presented the monthly Operations Report and provided updates regarding field operations activities, water quality monitoring, leaks, fire hydrant maintenance, and other departmental activities.

Field Operations Activity Summary

- Water Samples – 257
- Site Inspections – 92
- Service Orders Completed – 496
- Meters Replaced – 1
- Modules Replaced – 68
- Dig Alerts – 391
- Leaks – 4
- System Valves Replaced – 0
- Air Releases Inspections – 25
- Fire Hydrant Repairs – 2
- Recycled Water Inspections – 18

9.3 **Project Update –** Assistant General Manager Dusty Moisio provided an update on recent District headquarter facility upgrades.

9.4 **Personnel Report –** Assistant General Manager Dusty Moisio reported on organizational changes and administrative updates.

10. **ATTORNEY'S REPORT –** Nothing to report.

11. **CLOSED SESSION –** The Closed Session item listed on the agenda was not considered and no Closed Session was convened.

a. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)
Name of case: San Juan Water District et al. v. State Water Resources Control Board, Sacramento County Superior Court, Case No. 25WM000238. Rowland Water District is a party in the case.

12. **RECONVENE/REPORT ON CLOSED SESSION**

The Closed Session item listed on the agenda was not considered and no Closed Session was convened.

General Manager's and Directors' Comments – Assistant General Manager Dusty Moisio reported on the June 4, 2026, Puente Basin Water Agency (PBWA) Commission meeting, noting that the Commission approved a Professional Consultant Services Agreement with Engineering Solutions Services (ESS) to provide grant support services for PBWA and its member agencies. He added that staff is evaluating potential projects that may be eligible for future grant funding.

Future Agenda Item(s) – None.

Late Business – None.

There being no further business, Director Lima adjourned the meeting at 7:09 p.m.

______________________	Attest: ___________________
ANTHONY J. LIMA	DUSTY MOISIO
Presiding Director	Assistant General Manager

RESOLUTION NO. 7-2026

ROWLAND WATER DISTRICT
RESOLUTION OF THE BOARD OF DIRECTORS
ADOPTING AMENDMENTS TO THE PERSONNEL RULES AND REGULATIONS

WHEREAS, Rowland Water District (the "District") is organized and operates pursuant to the County Water District Law, commencing with Section 30000 of the California Water Code (the "County Water District Law"); and

WHEREAS, the District seeks to enroll in the Association of California Water Joint Powers Insurance Authority (ACWA JPIA) Medical Incentive Rate Program which provides discounted Incentive Rates to employees; and

WHEREAS, staff and Legal Counsel have identified certain, minor changes to be made to the District's Personnel Rules and Regulations to ensure the terms remain consistent with the Medical Incentive Rate Program requirements and eligibility; and

WHEREAS, staff and Legal Counsel have reviewed the proposed amendments to the District's Personnel Rules and Regulations to ensure they remain consistent with Board direction and compliant with legal requirements; and

WHEREAS, the Board of Directors of the District desires to adopt the proposed amendments to the Personnel Rules and Regulations as described in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Rowland Water District as follows:

Section 1. The Board of Directors hereby adopts the amendments to the Section 3 of the Personnel Rules and Regulations set forth in Exhibit "A" hereto.

Section 2. The Board of Directors hereby determines that this Resolution is exempt from CEQA because it does not have a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines, § 15378(a), (b)(2).) Further, even if the adoption of the regulations were to constitute a project for purposes of CEQA, it is exempt pursuant to State CEQA Guidelines section 15061(b)(3), on grounds it can be seen with certainty that the adoption of the regulations will not result in causing a significant effect on the environment.

ADOPTED at a regular meeting of the Board of Directors of the Rowland Water District held on July 14, 2026, by the following roll call vote:

AYES: None
NOES: None
ABSTAIN: None
ABSENT: None

ANTHONY J. LIMA
President

Attest:

TOM COLEMAN
General Manager

I certify that the forgoing Resolution is a true and correct copy of the Resolution of the Board of Directors of the Rowland Water District adopted on July 14, 2026.

TOM COLEMAN
General Manager

SECTION 3. COMPENSATION, HOURS AND BENEFITS

3.1 Determination of Compensation

Upon recommendation of the General Manager, the Board shall periodically review and establish compensation levels for all district employees.

3.2 Hours of Operation

The Board has adopted an alternative work schedule, which consists of nine-hour work days Monday through Thursday of each week from 7:00 A.M. to 4:30 P.M.; eight-hour work days on alternate Fridays from 7:00 A.M. to 3:30 P.M. and the remaining Fridays, the District will be closed. The designated Fair Labor Standards Act (FLSA) work week shall begin at 12:01 p.m. on Friday and end at 12:00 noon the following Friday.

The District reserves the right to modify an employee's regular work schedule to meet service demands, respond to operational requirements, complete time-sensitive projects, or address emergency conditions. A modified work schedule may include adjustments to start and end times, shift assignments, or workdays within the established workweek.

3.3 Overtime

The District is subject to the federal FLSA standard for overtime. All employees who are classified as "non-exempt employees," as defined under applicable laws or regulations, will be eligible for overtime pay. Exempt employees are not entitled to overtime pay. Overtime is typically defined under federal law as hours worked by non-exempt employees in excess of forty (40) hours in a workweek. As a public employer, the District is largely exempt from the state overtime regulations. Overtime must be approved by a supervisor/manager in advance before it is worked. Please note that only actual hours worked in a given workday or work week apply in calculating overtime. In other words, sick leave, vacation, holidays, or other paid time off is not considered hours worked for purposes of calculating overtime.

Overtime may be required of employees when deemed to be in the best interest of the District. The provision of a reliable water supply is a vital service to the community and as such requires the availability of District personnel at all times. Consequently, employees will be required to respond to emergency calls, accept periodic overtime assignments, and perform any and all duties deemed necessary by the District. Lacking a bona fide excuse satisfactory to the District, a failure to report when called could constitute cause for termination. No overtime is due when an employee works only the regularly scheduled hours under the alternative workweek.

3.3.1 Emergency Overtime

Emergency or unscheduled overtime work must be authorized by the employee's immediate Supervisor, who shall report the event to the General Manager as soon as practical, but no later than the next workday. The Supervisor shall report employee name(s), hours worked, location of emergency and the reason for the overtime costs. In emergency situations whereby prior authorization cannot be obtained and immediate action is necessary, the employee shall notify his/her supervisor after the overtime is worked, but no later than the end of the employee's next scheduled working day, that he/she worked the emergency overtime and the reasons why he/she could not obtain prior authorization before working the overtime.

3.3.2 Scheduled Overtime

Overtime, other than emergency overtime, shall be scheduled by the Supervisor. Scheduled overtime may be authorized by the Supervisor only after prior approval of the General Manager.

3.3.3 Payment for Overtime

a. Overtime is time worked in excess of forty (40) hours in the FLSA work week, as that week is defined in Section 3.2, or in excess of the full-time employee's regularly scheduled day. Overtime is generally paid at time and a half their regular rate of pay. Pursuant to District policy, the District will pay double an employee's regular rate of pay for hours worked beyond twelve (12) hours in a single workday.

b. Holiday hours, sick leave, and vacation hours shall not be considered hours worked for purposes of computing overtime pay.

c. When an employee is called back to work after returning home or is called to work on a day when he/she would normally be off duty, or is called to work on a shift to which he/she is not assigned, he/she shall be paid at their overtime rate for all hours worked in excess of the full-time employee's regularly scheduled worked day or hours worked in excess of forty (40) hours per week.

d. Each Supervisor shall maintain a daily record of all overtime worked by employees in their section.

3.4 Compensation for Stand-by (Production)

In the event a Telemetry alarm condition occurs, the stand-by person is to access the telemetry system from home using a laptop computer or iPad provided by the District; and, if possible, resolve the problem. An employee will be compensated for actual time worked by an employee to address a telemetry alarm from the employee's residence. This time will be compensated at the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

If the alarm condition cannot be resolved from home, the stand-by person is required to come into the District. The employee is entitled to a minimum of two (2) hours of reporting time pay at the employee's regular rate for reporting to work a second time in a 24-hour period, or actual time worked, whichever is greater. Actual time worked will be compensated at either the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

On closed Fridays, weekends and holidays, the employee on Stand-by shall access the Telemetry system from the employee's residence at least three times per day, morning afternoon and evening, to make sure the District's facilities are operating properly. Employees shall be compensated for each check at a rate of one-half hour of the employee's regular rate or for actual time worked, whichever is greater.

3.5 Compensation for Stand-By (Distribution)

If an employee is required to report to work a second time in one workday, the employee will be paid for at least two hours of reporting pay at the employee's regular rate, or for time actually worked, whichever is greater. Actual time worked will be compensated at either the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

3.6 Compensation for Stand-By (Facilities Security)

Time spent by an employee to address a security alarm from the employee's residence will be paid at a minimum of one-half hour at the employee's regular rate or actual time worked, whichever is greater. This time will be compensated at the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

If the alarm condition cannot be resolved from home and a stand-by person is required to come to the District, the employee is entitled to a minimum of two (2) hours of reporting time pay at the employee's regular rate for reporting to work a second time in a 24-hour period, or actual time worked, whichever is greater. Actual time worked will be compensated at either the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

3.7 Pay Day

Employees shall be compensated twice a month on the business days nearest the 15th and the last day of the month.

3.8 Health, Dental, Vision Insurance, and Employee Assistance Program (EAP) Benefits

For all full-time District employees who have successfully completed the original probationary period, or where otherwise required by law, the District will pay the full cost of health insurance coverage for the employee and his or her spouse and dependent(s) in accordance with a group plan provided for by the District. District paid health insurance is subject to the discretion of the Board of Directors, and the plan may be changed or the District may pay less than the full cost of coverage. The District shall provide such benefits by the sixtieth (60th) day of employment, regardless of the employee's probationary status. The District also provides a group dental, vision and employee assistance program (EAP), and pays all of the premiums for the employee and dependent(s) at the discretion of the Board of Directors. The District can modify the group dental, vision and EAP or pay less than the total cost of coverage.

a. Eligibility and Enrollment

Unless otherwise required by law, eligible full-time employees shall become eligible for medical, dental, vision and EAP insurance coverage on the first day of the month following sixty (60) days of continuous employment in accordance with the eligibility requirements established by the applicable benefit plans.

All employees who are eligible for enrollment in medical, dental, vision and EAP insurance coverage shall be enrolled in a District-approved Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA)-sponsored medical plan. The District does not offer cash-in-lieu benefits or other compensation in lieu of enrollment in District-sponsored medical coverage.

The District currently offers only medical plans sponsored through ACWA JPIA. Employees shall be limited to the medical plan options made available by the District through the ACWA JPIA program.

b. District Contributions

Subject to approval by the Board of Directors, the District currently contributes toward the cost of health, dental, vision, and EAP benefits for eligible employees and their eligible dependents.

The Board of Directors reserves the right, subject to applicable law, to modify District contribution levels, benefit plans, insurance carriers, coverage options, employee premium sharing, and eligibility requirements at any time.

Nothing in this section shall be construed as creating a vested right to any particular benefit plan, insurance carrier, level of coverage, or District contribution amount.

c. Eligible Dependents

For purposes of enrollment in District-sponsored benefit plans, an eligible dependent may include:

1. A legal spouse.

2. Children up to their twenty-sixth (26^{th}) birthday, including natural children, stepchildren, adopted children, and children placed in the employee's home for adoption.

3. Unmarried children who were enrolled in coverage before age twenty-six (26) and who are incapable of self-sustaining employment due to a physical or mental condition. A physician must certify such condition in writing within sixty (60) days of the request for coverage continuation, subject to carrier approval and continuing eligibility requirements.

4. Children who are eligible for coverage pursuant to a valid Qualified Medical Child Support Order (QMCSO) or other legally enforceable court order.

5. Grandchildren who satisfy the requirements established by the District and the applicable carrier, including completion of a Dependent Grandchild Affidavit demonstrating shared residence, parenting responsibility, financial responsibility, and tax dependency status.

6. Any other individual required to be covered under applicable federal or state law or the governing benefit plan documents.

For an eligible dependent to receive coverage, the employee must provide documentation satisfactory to the District and the insurance carrier, which may include a marriage certificate, birth certificate, adoption records, court order, tax documentation, or other supporting documentation as required.

d. Employee Responsibility

Employees are responsible for notifying Human Resources in writing within thirty (30) calendar days of any event affecting dependent eligibility, including but not limited to:

- Divorce;
- Legal separation, if applicable under the plan;
- A dependent child exceeding the maximum age limit;

- Loss of dependent status;
- Death of a covered dependent; or
- Any other event affecting eligibility for coverage.

Failure to timely notify the District may result in the employee being responsible for any premiums, claims, administrative costs, or other expenses incurred as a result of the ineligible coverage, to the extent permitted by law.

e. Benefit Changes and Mid-Year Changes

Employees may enroll in, waive, or change benefit elections during the District's annual open enrollment period.

Outside of open enrollment, benefit changes are permitted only when allowed by applicable law, Internal Revenue Service regulations, carrier requirements, or plan provisions, including but not limited to the following qualifying events:

- Marriage or divorce;
- Birth, adoption, or placement for adoption of a child;
- Death of a dependent;
- Gain or loss of other group health coverage;
- Change in employment status affecting eligibility;
- Court orders requiring coverage changes;
- Changes in dependent eligibility status; or
- Other qualifying events recognized by the District's benefit plans.

Employees requesting a mid-year benefit change must notify Human Resources and provide any required documentation within thirty (30) calendar days from the effective date of coverage. Requests submitted after the applicable deadline may be denied until the next open enrollment period.

Questions regarding eligibility, enrollment, benefits, covered services, exclusions, and claims shall be governed by the applicable plan documents, insurance contracts, and carrier requirements, which shall control in the event of any conflict with this Personnel Rules and Regulations section.

3.9 Life Insurance

The District provides a life insurance benefit to all full-time District employees who have successfully completed six months of employment. As of the time the policy was drafted, general full-time District employees and Board of Directors are provided a maximum of $50,000.00 life insurance benefit. General full-time District employees and Board of Directors are able to purchase an additional $50,000 of life insurance at their expense at the District rate. Managers and Directors are allowed to purchase an additional $100,000 of life insurance at their expense at the District rate and the General Manager is allowed an additional $150,000.

3.10 Long Term Disability Benefits

The District provides long term disability insurance to all full-time District employees, who have successfully completed the original probationary period, at the discretion of the Board of Directors and subject to change. The District currently pays all of the premiums for long-term disability insurance; however the District reserves the right to modify the plan or the District's contribution

3.11 Retirement Benefits

The District participates in the California Public Employees Retirement System (CalPERS). The following policy is intended as a guideline only. Employees should refer to CalPERS for information regarding specific retirement entitlements. Generally, for current employees hired BEFORE January 1, 2013 and for new employees previously members of CalPERS who have not had a break in service of greater than six (6) months the District pays 100% of the contributions, both employer and employee contribution required by the plan. The District's contract with CalPERS provides employees with a 2.5% at 55, single highest year compensation retirement benefit. Social Security deductions are made from the employee's salary.

The table below provides information on the benefit formula, final compensation period and the employer and employee contribution rates effective January 1, 2013 for any employee hired AFTER January 1, 2013 who has not been a member of CalPERS or after a break in service of greater than six (6) months:

Benefit Formula	2% at Age 62
Final Compensation Period	36 consecutive months highest average pensionable compensation

Employer Contribution Rate	50% of the normal cost of the pension benefit
Employee Contribution	50% of the normal cost of the pension benefit
Social Security Deductions	Social Security deductions are made from the employee's salary and reimbursed by the District

3.12 Retiree Health Benefits

a. **Eligibility**. Current full-time employees hired BEFORE January 1, 2013, and new employees previously members of CalPERS since BEFORE January 1, 2013 who have not had a break in service of greater than six (6) months, are eligible for post-retirement medical, dental, and vision benefits, if, at the time of retirement, they have been employed by the District for a minimum continuous period of fifteen (15) years and have attained a minimum age of fifty (50) years. All other employees hired AFTER January 1, 2013 are eligible for post-retirement medical, dental, and vision benefits, if, at the time of retirement, they have been employed by the District for a minimum continuous period of fifteen (15) years and have attained a minimum age of fifty-seven (57) years.

An employee may also be eligible for retiree medical, dental, and vision benefits if, at the time of retirement from the District, the employee has at least twenty-five (25) years of service in the water utility industry, has been employed by the District for a minimum continuous period of five (5) years, and has attained a minimum age of fifty (50) years.

For purposes of this benefit, "retirement from the District" means the employee's effective retirement date is within 120 days of separation from employment with the District and the employee receives either a service or disability retirement allowance from CalPERS resulting from his or her service to the District.

b. Enrollment Requirements and Continuation of Coverage

Employees who intend to participate in District-sponsored retiree medical, dental, or vision benefits must enroll in the applicable retiree benefit plan during the open enrollment period immediately preceding their retirement date, unless otherwise permitted by the applicable carrier or plan administrator.

To qualify for retiree benefits, there shall be no lapse in coverage between active employee coverage and retiree coverage. An employee must transfer directly from active employee status to retired status and commence retiree coverage immediately upon termination of active employee coverage.

Except as otherwise required by law or expressly authorized under a documented District leave policy, an employee may not transition from active employee coverage to COBRA continuation coverage and subsequently enroll in District-sponsored retiree coverage.

For purposes of this section, an employee shall be deemed retired only if the employee satisfies all eligibility requirements contained herein and enrolls in retiree coverage within the timeframes established by the District and the applicable benefit plans.

If a retiree voluntarily or involuntarily loses eligibility for District-sponsored retiree coverage, or is removed from the retiree benefit plan for any reason, the retiree shall not be eligible for reinstatement unless otherwise required by law.

c. **Coverage for Employee and Spouse**. If the qualifying terms are met by an employee in section (a), the District will pay the full cost for the retiree for medical, dental, and vision insurance. The District will provide the same medical, dental, and vision insurance benefits for the spouse of a retired eligible employee that meets the qualifications under section (a). The spousal benefits are provided until the death of the spouse, divorce from the retiree, or remarriage/marriage of either party.

Where an employee was eligible for retirement and the above-stated spousal benefits but passes away prior to retirement, the District will provide retiree health benefits to the surviving spouse of the deceased employee until the surviving spouse's death or remarriage. This benefit shall only be available to a surviving spouse if he or she was married to the eligible employee for at least one year prior to the employee's death.

d. **Coverage for Dependents**. The District shall provide group medical insurance benefits at District expense for dependent children of retired eligible employees who are eligible for benefits for his or her spouse pursuant to paragraph (b). Dependent children mean unmarried children of the qualifying employee under nineteen (19) years of age and unmarried children between the ages of nineteen (19) and twenty-six (26) years who are IRS dependents of retired eligible employees.

Where an employee was eligible for retirement and the above-stated coverage for dependents but passes away prior to retirement, the District will provide the retiree health benefits to the surviving dependents of the deceased employee, so long as they would have qualified for such benefits except for the employee's passing and so long as they remain dependents of a surviving spouse who is covered pursuant to paragraph (b). This benefit shall cease upon coverage by any other source.

e. Retiree Benefit Plan Changes

Subject to applicable law and carrier requirements, the following benefit election rules shall apply to retirees and their covered dependents:

1. A retiree may voluntarily disenroll from District-sponsored retiree medical, dental, or vision coverage at any time. A retiree who voluntarily disenrolls shall not be eligible to reenroll at a later date.

2. A retiree may remove an enrolled dependent from coverage at any time. A dependent who is voluntarily removed from coverage shall not be eligible for reenrollment at a later date, except as provided in subsection (4) below or as otherwise required by law.

3. If a retiree is enrolled in an HMO plan and permanently relocates outside of the plan's service area, the retiree may be permitted to transfer to a District-approved PPO plan or other available retiree plan that provides coverage in the retiree's new geographic area. If the retiree subsequently returns to reside within the HMO service area and remains otherwise eligible, the retiree may reenroll in the HMO plan during a period permitted by the carrier.

4. A retiree may add a dependent who was not previously enrolled only if:
   a. The District's written benefit policies permit the addition;
   b. The dependent experiences a qualifying HIPPA event recognized under applicable law and plan requirements; and
   c.The dependent provides satisfactory proof of continuous health coverage from the date coverage under the District's plan terminated through the requested enrollment date.

5. A retiree may elect to transfer from a retiree medical plan with a higher monthly retiree premium cost to a retiree medical plan with a lower monthly retiree premium cost at any time permitted by the applicable carrier. A retiree who makes such an election may not subsequently transfer back to the higher-cost plan unless otherwise required by law or permitted by the carrier.

f. **Coverage Upon Medicare Eligibility**. The District's coverage shall become secondary to Medicare or any other similar state or federal program providing such benefits upon the employee's eligibility for Medicare or any other similar state or federal program.

g. **Substitution of Coverage**. The Board of Directors retains sole discretion to substitute other major medical, vision and dental coverage for the coverages currently provided.

The District reserves the right to interpret and administer retiree benefit eligibility and enrollment requirements consistent with applicable law, carrier contracts, ACWA JPIA requirements, and Board-adopted policies.

3.13 Deferred Compensation

Employees are eligible to participate in the offered deferred compensation plans. This is a voluntary program which can provide for future additional benefits and offer income tax advantages for employees. Information about the plan can be obtained at the District's headquarters.

3.14 Payment at Separation

Any full-time employee who resigns, is laid off for lack of work, lack of funds, reorganization, retires under the provisions of the Public Employee's Retirement Law, or enters upon an extended military leave without pay, shall be paid for all of his/her accumulated vacation leave and accumulated earned compensatory time. In addition, retirees shall be paid 50% for hours earned up to 352 hours of unused sick leave or 176 hours maximum. Rate of compensation for sick leave payout shall be current hourly rate.

If the employee should die, his/her estate shall be entitled to his/her pay for accumulated vacation, compensatory time, and 50% for hours earned up to 352 hours of unused sick leave or 176 hours maximum.

3.15 Travel Allowance

3.15.1 Definitions

"District-related business" for purposes of this policy shall mean any meeting, conference, workshop, seminar, work assignment, or other activity which a District employee is directed or authorized by his or her supervisor to attend or perform as a part of his or her duties for the District.

"Meals and miscellaneous expenses" for purposes of this policy shall not include alcoholic beverages.

3.15.2 Business Travel – Non-Exempt Employees

Travel arrangements for District-related business shall be coordinated in advanced and approved by the General Manager or designee. For non-exempt employees, business travel associated with conferences and similar events should, whenever reasonable practicable, be scheduled during the employee's regular working hours.

Consistent with applicable federal and state wage and hour laws, travel time that occurs during an employee's regular working hours is considered compensable time. Travel occurring outside of an employee's regular working hours is generally not compensable, except as required by law or when expressibly authorized in advance by the General Manager. Non-exempt employees shall not work outside of their regular scheduled hours, including performing conference-related duties or travel that would result in overtime, unless prior written approval is obtained from the General Manager. Any approved overtime will be compensated in accordance with applicable law and District policy.

3.15.3 Mileage

Employees shall be reimbursed for mileage driven when they use their personal vehicles to travel on District-related business. Reimbursement shall be paid at the rate established by the Internal Revenue Service, for actual miles driven while engaged in District-related business. Mileage driven for side trips for personal reasons shall not be reimbursed. The mileage reimbursement rate is intended to cover the cost of gasoline, vehicle maintenance, wear and tear, repairs, and vehicle insurance and no separate reimbursement shall be allowed for such items. Mileage reimbursement shall be allowed only when determined by the supervisor that use of the employee's own vehicle for travel is the most efficient means of travel to the specific location. If the supervisor determines that another means of travel would be more cost-effective, the employee shall not be entitled to reimbursement for the difference between the mileage rate and the cost of less expensive travel if he or she elects to use his or her own vehicle. District employees who receive an automobile allowance shall not be entitled to reimbursement for mileage or other expenses incurred in the use of their personal vehicle for District business.

3.15.4 Meals

Employees shall be entitled to reimbursement for the reasonable cost of the employee's meals while the employee is out of the District on District-related business during normal meal times. Reimbursement for meals shall include actual expense for meals for the employee, but shall not include food, beverage, or entertainment of spouses or guests, unless such expense is authorized in advance by the General Manager. All meal expenses shall be itemized and supported by receipts, except that a receipt shall not be required if the individual expense is less than $10.00. When the District pays for meals, which are included in a conference or seminar registration packet, the cost of outside meals will not be reimbursed.

3.15.5 Miscellaneous Expenses

Miscellaneous travel expenses, including, but not limited to telephone calls, shuttles, vans, taxies, car rental charges, parking fees, lodging, baggage handling, and tips shall be reimbursed to the extent that they are necessarily and reasonably incurred by the employee while traveling on District-related business. No reimbursement shall be made for expenses incurred in connection with spouses or guests, for entertainment or special activities provided in conjunction with conferences, or similar expenses not related to District business. Receipts shall be provided for all expenses and all expenses shall be itemized, except that a receipt shall not be required if the individual's itemized expense is less than $10.00.

3.15.6 Maximum Reimbursements

Except in exceptional circumstances, (as determined by the General Manager) the maximum reimbursement for meals shall be $150 per day and the maximum reimbursement for expenses for which the employee does not provide a receipt shall be $25.00 per day.

3.16 Educational Reimbursement

The District shall reimburse up to $7,500.00 per year, and not to exceed $37,500 in total, of expenses actually incurred by a full-time permanent District employee for tuition, books, materials, parking, and other necessary and reasonable expenses of enrolling in and completing a qualifying course or courses. Qualifying courses are those which are directly related to improving the employee's job skills or knowledge with respect to his or her current position, or which qualify him or her for advancement to a higher job classification.

3.16.1 Qualification for Reimbursement

In order to qualify for reimbursement, the course or courses must meet the following criteria.

a. The course must pertain to a subject that will materially advance the employee's job skills or job-related knowledge or provide the employee with a job-related certification related to the employee's current position or to a position with the District to which the employee seeks promotion.

b. The course must be provided by an accredited college, university, trade school, or other institution which is recognized to provide quality education or training and is qualified to issue the certificate or degree sought.

c. The employee must complete the course with a grade of "C" or better if letter grades are given. If letter grades are not given, the employee must maintain a passing score necessary to qualify for any certificate for which the course is given.

d. Prior to registering or enrolling for a course, the employee must provide the General Manager with the course description and a schedule of tuition, fees and costs for which reimbursement is requested, and obtain the prior written approval of the General Manager for the amount of reimbursable costs.

e. By participating in the Educational Reimbursement Program, the employee commits to continue as a District employee for at least four (4) years after completing the course for which reimbursement is provided. In the event, the employee voluntarily leaves District employment less than four (4) years after completing the course for which reimbursement was provided, the employee shall refund to the District the entire amount paid by the District for reimbursement of costs for those courses completed less than four (4) years prior.

f. Any employee choosing to participate in the Educational Reimbursement Program must first enter into an agreement with the District that is consistent with this policy. The agreement will make clear and the employee must acknowledge that he or she understands that a portion of the reimbursement of $2,250 in any year is taxable income and is the responsibility of the employee. If no such agreement is entered into between the employee and the District, the District will have no obligation to provide any reimbursement described in the policy.

3.16.2 Reimbursable Costs

Subject to the maximum limit, the District shall reimburse 100% of costs actually and necessarily incurred by the employee for tuition, registration, parking permits, and other required fees and charges for a qualifying course(s), provided the employee obtained the prior approval of the General Manager. The District shall reimburse the costs of texts, publications, and other materials purchased by the employee which are required for a qualifying course. The total reimbursement to any individual employee under the Educational Reimbursement Program shall not exceed $7,500.00 per fiscal, and under no circumstances may exceed $37,500 in total. Reimbursement may be conditioned on the employee representing that he or she commits to remaining in the employ of the District for at least four (4) years from the date of finishing the course(s). The employee shall be entitled to retain any books and materials purchased for a qualifying course.

3.16.3 Request for Reimbursement

In order to receive reimbursement, the employee must submit a request with receipts for reimbursable costs, along with proof of completion of the eligible course with a grade of "C" or better, or a passing grade or score for courses which do not give letter grades. Reimbursement will be made within thirty-days of submittal of a request, provided the employee has met all requirements for eligibility.

3.17 Certification and Membership Fees

The District will pay for certification and membership fees for programs which improve the employees' knowledge and abilities as they relate to the District, provided the employee has obtained advance approval for the expense.

The General Manager shall have full responsibility in determining the necessity of said certification and memberships.

3.18 Boot Allowance

The District requires field employees to wear safety-toed shoes or suitable work boots. The District will provide an allowance/reimbursement for the cost of such shoes or boots to field employees. The allowance for safety-toed shoes or boots shall be $450.00 per year for each employee, at a maximum of two pairs per year. The District shall reserve the right to increase the annual boot allowance up to 3% each year contingent upon the Consumer Price index as published by the US Department of Labor – Bureau of Labor Statistics. Any resulting increase shall be effective July 1st of each year. Such allowance shall also include in-soles and other related items that increase the life expectancy of the boot or as recommended by the District's Workers' Compensation carrier. An employee is not required to utilize their allowance but is expected to purchase new safety footwear as necessary. The Compliance and Safety Manager will authorize the purchase and review the safety boot/shoe specifications to determine if they meet the ANSI requirements/ratings. Upon authorization the employee will be given a boot voucher; however, if the employee elects to not use the voucher provided reimbursement shall be paid to the employee upon submission of receipts for authorized boot expenses.

Minutes of the Special Meeting
of the Board of Directors of the Rowland Water District
July 28, 2026 – 6:00 p.m.
3021 Fullerton Road
Rowland Heights, CA 91748

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS
President Anthony J. Lima
Vice President Vanessa Hsu
Director Robert W. Lewis
Director Szu Pei Lu-Yang
Director John Bellah

ABSENT: None.

OTHERS PRESENT: None.

ROWLAND WATER DISTRICT STAFF
Tom Coleman, General Manager
Dusty Moisio, Assistant General Manager
Myra Malner, Director of Finance
Allen Davidson, Director of Operations

ADDITION(S) TO THE AGENDA – None.

PUBLIC COMMENT ON NON-AGENDA ITEMS – None.

DIRECTOR REMOTE PARTICIPATION PURSUANT TO GOV. CODE §54953(f)
- Notifications Due to Just Cause – None.
- Requests Due to Emergency Circumstances – None.

1. ACTION ITEMS

1.1 Board Development Workshop Facilitated by Jim Uhl, Breaking the Chain Consulting 2026

The Board participated in a leadership development session facilitated by Jim Uhl of Breaking the Chain Consulting.

2. CLOSED SESSION – None.

3. RECONVENE/REPORT ON CLOSED SESSION

General Manager's and Directors' Comments – None.

Future Agenda Item(s) – None.

Late Business – None.

There being no further business, Director Lima adjourned the meeting at 8:07 p.m.

______________________	Attest: ____________________
ANTHONY J. LIMA	TOM COLEMAN
Presiding Director	General Manager

Report Criteria:
Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
36335						
07/26	07/07/2026	36335	910	ACWA	SPONSORSHIP-LEADESHIP FORUM EXECUTIVE E	3,000.00
	Total 36335:					3,000.00
36336						
07/26	07/07/2026	36336	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	66,699.31
07/26	07/07/2026	36336	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	671.25
07/26	07/07/2026	36336	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	62.00
07/26	07/07/2026	36336	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	4,400.41
07/26	07/07/2026	36336	1000	ACWA JPIA	RETIREES HEALTH BENEFITS	17,625.24
07/26	07/07/2026	36336	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	10,102.12
	Total 36336:					99,560.33
36337						
07/26	07/07/2026	36337	1050	ACWA JPIA	WORKERS' COMP QUARTERLY PREMIUM	14,425.87-
07/26	07/07/2026	36337	1050	ACWA JPIA	WORKERS' COMP QUARTERLY PREMIUM	14,425.87
07/26	07/07/2026	36337	1050	ACWA JPIA	PROPERTY INSURANCE RENEWAL-4/1/26-3/31/27	138,163.08-
07/26	07/07/2026	36337	1050	ACWA JPIA	PROPERTY INSURANCE RENEWAL-4/1/26-3/31/27	138,163.08
	Total 36337:					.00
36338						
07/26	07/07/2026	36338	62704	ALEXANDRO ZARAGOZA	TOTAL EXPENSES-BOOT ALLOWANCE	226.22
	Total 36338:					226.22
36339						
07/26	07/07/2026	36339	6966	CINTAS	UNIFORM RENTAL	1,625.76
07/26	07/07/2026	36339	6966	CINTAS	UNIFORM RENTAL	1,601.69
07/26	07/07/2026	36339	6966	CINTAS	UNIFORM RENTAL	1,676.40
07/26	07/07/2026	36339	6966	CINTAS	UNIFORM RENTAL	1,601.69
	Total 36339:					6,505.54
36340						
07/26	07/07/2026	36340	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	10,989.00
	Total 36340:					10,989.00
36341						
07/26	07/07/2026	36341	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM-CIP	6,454.90
	Total 36341:					6,454.90
36342						
07/26	07/07/2026	36342	383	CLA-VAL- GRISWOLD INDUSTRIES	PS2 CLA-VAL SERVICE	12,307.02
	Total 36342:					12,307.02
36343						
07/26	07/07/2026	36343	1900	CLINICAL LAB OF S B	WATER SAMPLES	2,479.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 36343:						2,479.00
36344						
07/26	07/07/2026	36344	62439	CVSTRATEGIES	COMMUNICATION SERVICES-ARTICLES	3,830.00
07/26	07/07/2026	36344	62439	CVSTRATEGIES	COMMUNICATION SERVICES-STRATEGIC SUPPOR	2,040.00
07/26	07/07/2026	36344	62439	CVSTRATEGIES	COMMUNICATION SERVICES-BOARD SUPPORT	940.65
07/26	07/07/2026	36344	62439	CVSTRATEGIES	COMMUNICATION SERVICES-CCR	7,685.00
07/26	07/07/2026	36344	62439	CVSTRATEGIES	COMMUNICATION SERVICES-SB 1001	1,112.50
07/26	07/07/2026	36344	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PHOTOGRAPHY	1,031.90
07/26	07/07/2026	36344	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PRESS RELEASES	2,812.50
07/26	07/07/2026	36344	62439	CVSTRATEGIES	COMMUNICATION SERVICES-VIDEO	6,094.40
Total 36344:						25,546.95
36345						
07/26	07/07/2026	36345	62824	ERIC CHAMBERLIN	VENOMOUS SNAKE AWARENESS TRAINING	1,650.00
Total 36345:						1,650.00
36346						
07/26	07/07/2026	36346	62792	ESMERALDA MALNER	TOTAL EXPENSES-D2 RENEWAL	60.00
Total 36346:						60.00
36347						
07/26	07/07/2026	36347	2300	FEDERAL EXPRESS	POSTAGE	168.24
Total 36347:						168.24
36348						
07/26	07/07/2026	36348	62624	HASA INC	CHEMICALS FOR RCS	2,788.96
07/26	07/07/2026	36348	62624	HASA INC	CHEMICALS FOR RCS	599.04
07/26	07/07/2026	36348	62624	HASA INC	CHEMICALS FOR RCS	559.76
Total 36348:						3,947.76
36349						
07/26	07/07/2026	36349	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	1,063.15
Total 36349:						1,063.15
36350						
07/26	07/07/2026	36350	62777	J DE SIGIO CONSTRUCTION INC	COLIMA VALVE REPLACEMENT	73,824.69
Total 36350:						73,824.69
36351						
07/26	07/07/2026	36351	62748	JOEL DOUGLASS	TOTAL EXPENSES-CROSS CONNECTION SPECIALI	140.00
Total 36351:						140.00
36352						
07/26	07/07/2026	36352	233	MCCALL'S METER SALES & SVC	FIELD METER TEST-JLV1, JLV2 PM22	1,060.00
Total 36352:						1,060.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
36353						
07/26	07/07/2026	36353	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR WBS	204.64
07/26	07/07/2026	36353	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	128.13
Total 36353:						332.77
36354						
07/26	07/07/2026	36354	62932	NAZ ELECTRIC AND CONTROLS INC	RES 7 REHAB	7,416.35
Total 36354:						7,416.35
36355						
07/26	07/07/2026	36355	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	2,439.52
07/26	07/07/2026	36355	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	440.86
07/26	07/07/2026	36355	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	399.60
Total 36355:						3,279.98
36356						
07/26	07/07/2026	36356	62691	SJ LYONS CONSTRUCTION INC	ADDTL WORK: RECIRCULATION PUMP, DOOR & WI	14,071.44
Total 36356:						14,071.44
36357						
07/26	07/07/2026	36357	62936	SOCAL #1 DETAILING & MOBILE WAS	TRUCKS INTERIOR & EXTERIOR WASH-SERVICE	730.00
07/26	07/07/2026	36357	62936	SOCAL #1 DETAILING & MOBILE WAS	TRUCKS INTERIOR & EXTERIOR WASH-SERVICE	300.00
Total 36357:						1,030.00
36358						
07/26	07/07/2026	36358	5900	SOCALGAS	GAS UTILITY BILL	56.73
Total 36358:						56.73
36359						
07/26	07/07/2026	36359	62895	STAPLES	OFFICE SUPPLIES	896.99
Total 36359:						896.99
36360						
07/26	07/07/2026	36360	62836	STETSON ENGINEERS INC.	ANNUAL ASSESSMENT	397.50
Total 36360:						397.50
36361						
07/26	07/07/2026	36361	62850	VALLEY VISTA SERVICES INC	TRASH SERVICE	284.35
Total 36361:						284.35
36362						
07/26	07/07/2026	36362	1050	ACWA JPIA	WORKERS' COMP QUARTERLY PREMIUM	14,425.87
Total 36362:						14,425.87
36363						
07/26	07/13/2026	36363	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	453,648.00
07/26	07/13/2026	36363	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	2,696.71

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
07/26	07/13/2026	36363	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	3,418.92
07/26	07/13/2026	36363	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	2,067.55
07/26	07/13/2026	36363	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	7,676.18
07/26	07/13/2026	36363	62558	PUENTE BASIN WATER AGENCY	MWD LRP CREDIT MAY 2026	4,020.00-
Total 36363:						465,487.36
36364						
07/26	07/13/2026	36364	4750	PWR JT WATER LINE COMMISSION	PM 15 Water Use	289,060.24
07/26	07/13/2026	36364	4750	PWR JT WATER LINE COMMISSION	PM 21 Water Use	511,434.97
07/26	07/13/2026	36364	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	7,753.72
07/26	07/13/2026	36364	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	2,175.35
07/26	07/13/2026	36364	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	3,593.89
Total 36364:						814,018.17
36365						
07/26	07/14/2026	36365	62622	AKM CONSULTING ENGINEERS	WATERMAIN RELOCATION	3,923.00
Total 36365:						3,923.00
36366						
07/26	07/14/2026	36366	62840	AM-TEC TOTAL SECURITY INC	REPAIR STARLINK CELL COMMUNICATOR	150.00
Total 36366:						150.00
36367						
07/26	07/14/2026	36367	3375	ANTHONY J. LIMA	MILEAGE REIMBURSEMENT	114.55
Total 36367:						114.55
36368						
07/26	07/14/2026	36368	62554	APPLIED TECHNOLOGY GROUP	EMERGENCY RADIOS	360.00
07/26	07/14/2026	36368	62554	APPLIED TECHNOLOGY GROUP	FINANCE CHARGE	5.40
07/26	07/14/2026	36368	62554	APPLIED TECHNOLOGY GROUP	FCC FREQUENCY PROTECTION SERVICE CONTR	740.00
Total 36368:						1,105.40
36369						
07/26	07/14/2026	36369	400	AT&T MOBILITY	MOBILE PHONES, IPADS	1,717.18
Total 36369:						1,717.18
36370						
07/26	07/14/2026	36370	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-GENERAL LITIGATION	120.00
07/26	07/14/2026	36370	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-REAL PROPERTY	732.80
07/26	07/14/2026	36370	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-GENERAL COUNSEL	4,473.07
Total 36370:						5,325.87
36371						
07/26	07/14/2026	36371	62810	BREAKING THE CHAIN CONSULTING	2 DAY COACHING/CONSULTING	6,000.00
Total 36371:						6,000.00
36372						
07/26	07/14/2026	36372	62940	BSK ASSOCIATES	WATER SAMPLES	710.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 36372:						710.00
36373						
07/26	07/14/2026	36373	62700	CITIZENS TRUST C/O CITIZEN BUSIN	TRUSTEES FEES	2,558.06
Total 36373:						2,558.06
36374						
07/26	07/14/2026	36374	62047	COUNTY OF LOS ANGELES	LAFCO OPERATING EXPENSES	12,084.44
Total 36374:						12,084.44
36375						
07/26	07/14/2026	36375	62439	CVSTRATEGIES	COMMUNICATION SERVICES-ARTICLES	1,130.00
07/26	07/14/2026	36375	62439	CVSTRATEGIES	COMMUNICATION SERVICES-BOARD SUPPORT	1,190.65
07/26	07/14/2026	36375	62439	CVSTRATEGIES	COMMUNICATION SERVICES-CCR	2,248.79
07/26	07/14/2026	36375	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PRESS RELEASES	2,147.50
07/26	07/14/2026	36375	62439	CVSTRATEGIES	COMMUNICATION SERVICES-STRATEGIC SUPPOR	1,620.00
07/26	07/14/2026	36375	62439	CVSTRATEGIES	COMMUNICATION SERVICES-VIDEO	3,482.50
Total 36375:						11,819.44
36376						
07/26	07/14/2026	36376	62747	EAGLE AERIAL SOLUTIONS	WATERVIEW CI MODULE YR 1	9,769.00
Total 36376:						9,769.00
36377						
07/26	07/14/2026	36377	2550	FRONTIER	INTERNET ACCESS	799.00
Total 36377:						799.00
36378						
07/26	07/14/2026	36378	330	FUEL PRO INC	D/O INSPECTION	250.00
Total 36378:						250.00
36379						
07/26	07/14/2026	36379	62812	GROWING ROOTS LLC	MONTHLY PLANT CARE	375.00
Total 36379:						375.00
36380						
07/26	07/14/2026	36380	62624	HASA INC	CHEMICALS FOR RCS	2,543.46
07/26	07/14/2026	36380	62624	HASA INC	CHEMICALS FOR RCS	520.48
07/26	07/14/2026	36380	62624	HASA INC	CHEMICALS FOR RCS	461.55
07/26	07/14/2026	36380	62624	HASA INC	CHEMICALS FOR RCS	307.70
07/26	07/14/2026	36380	62624	HASA INC	CHEMICALS FOR RCS	2,651.48
07/26	07/14/2026	36380	62624	HASA INC	CHEMICALS FOR RCS	474.65
07/26	07/14/2026	36380	62624	HASA INC	CHEMICALS FOR RCS	968.84
Total 36380:						7,928.16
36381						
07/26	07/14/2026	36381	379	HIGHROAD INFORMATION TECHNOL	MANAGED IT SERVICES	7,865.00
07/26	07/14/2026	36381	379	HIGHROAD INFORMATION TECHNOL	MAINTENANCE, SUPPORT AND SOFTWARE RENE	13,469.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
	Total 36381:					21,334.00
36382						
07/26	07/14/2026	36382	62863	HIGH-TECH SYSTEMS	SERVICE CALL-ALARM PANEL	450.00
	Total 36382:					450.00
36383						
07/26	07/14/2026	36383	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	1,201.95
07/26	07/14/2026	36383	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	831.80
07/26	07/14/2026	36383	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	852.84
	Total 36383:					2,886.59
36384						
07/26	07/14/2026	36384	244	INFOSEND INC	BILLING SERVICE	14.89
07/26	07/14/2026	36384	244	INFOSEND INC	BILLING SERVICE	1,864.13
	Total 36384:					1,879.02
36385						
07/26	07/14/2026	36385	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	660.00
	Total 36385:					660.00
36386						
07/26	07/14/2026	36386	62233	JOHN BELLAH	MILEAGE REIMBURSMENT	69.60
	Total 36386:					69.60
36387						
07/26	07/14/2026	36387	62835	LOWE'S	TOOLS & SUPPLIES	1,211.20
	Total 36387:					1,211.20
36388						
07/26	07/14/2026	36388	62664	M & J TREE SERVICE	MAINTENANCE SERVICE-6 SITES	6,834.00
07/26	07/14/2026	36388	62664	M & J TREE SERVICE	MONTHLY MAINTENANCE-WBS	600.00
07/26	07/14/2026	36388	62664	M & J TREE SERVICE	CLEAR WEEDS BOTH SIDES OF FENCE-DISTRICT	900.00
07/26	07/14/2026	36388	62664	M & J TREE SERVICE	CUT BACK BRANCHES-GRANBY	600.00
	Total 36388:					8,934.00
36389						
07/26	07/14/2026	36389	62573	MANAGED MOBILE INC	FLEET MAINTENANCE MANAGEMENT FEE	55.00
	Total 36389:					55.00
36390						
07/26	07/14/2026	36390	189	NOBEL SYSTEMS	UPDATES TO DISTRICT'S GIS DATA	2,460.00
	Total 36390:					2,460.00
36391						
07/26	07/14/2026	36391	62933	ONTARIO REFRIGERATION SERVICES	MAINTENANCE-FILTERS	800.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
	Total 36391:					800.00
36392						
07/26	07/14/2026	36392	62649	OPARC	PAINTING FIRE HYDRANTS	2,930.90
	Total 36392:					2,930.90
36393						
07/26	07/14/2026	36393	62918	ORANGE COUNTY WINWATER WORK	SERVICE LINE REPLACEMENTS	1,949.11
	Total 36393:					1,949.11
36394						
07/26	07/14/2026	36394	62945	PACIFIC FLEET SERVICES INC	SERVICE TRUCK 28	1,809.82
	Total 36394:					1,809.82
36395						
07/26	07/14/2026	36395	62550	PRIME SYSTEMS INDUSTRIAL AUTOM	SCADA PROGRAMMING SUPPORT	8,798.12
07/26	07/14/2026	36395	62550	PRIME SYSTEMS INDUSTRIAL AUTOM	COI SCADA PROGRAMMING SUPPORT	1,865.25
	Total 36395:					10,663.37
36396						
07/26	07/14/2026	36396	3360	ROBERT LEWIS	MILEAGE REIMBURSEMENT	47.85
	Total 36396:					47.85
36397						
07/26	07/14/2026	36397	62502	S & J SUPPLY COMPANY, INC	JONES 4060 FIRE HYDRANTS	16,745.00
07/26	07/14/2026	36397	62502	S & J SUPPLY COMPANY, INC	JONES 4040 FIRE HYDRANTS	4,840.00
07/26	07/14/2026	36397	62502	S & J SUPPLY COMPANY, INC	TAX	2,104.54
07/26	07/14/2026	36397	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR RC	1,383.82
	Total 36397:					25,073.36
36398						
07/26	07/14/2026	36398	62931	SG CREATIVE LLC	DOOR HANGER EDIT & SOCIAL MEDIA IMAGE DES	480.00
	Total 36398:					480.00
36399						
07/26	07/14/2026	36399	62534	SHRED IT C/O STERICYCLE INC	SHREDDING SERVICE	247.42
	Total 36399:					247.42
36400						
07/26	07/14/2026	36400	62691	SJ LYONS CONSTRUCTION INC	Remodel Women's Operations Restroom	8,550.00
07/26	07/14/2026	36400	62691	SJ LYONS CONSTRUCTION INC	OFFICE LAB REMODEL	3,559.30
07/26	07/14/2026	36400	62691	SJ LYONS CONSTRUCTION INC	Remodel Women's Operations Restroom	3,244.25
07/26	07/14/2026	36400	62691	SJ LYONS CONSTRUCTION INC	ADDTL WORK: INSTALL SLOAN TOILET & INSTALL	5,795.00
	Total 36400:					21,148.55
36401						
07/26	07/14/2026	36401	62813	SOUTHLAND CIVIL ENGINEERING & S	PROFESSIONAL SERVICES THROUGH 6/30/26	900.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 36401:						900.00
36402						
07/26	07/14/2026	36402	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	448.60
Total 36402:						448.60
36403						
07/26	07/14/2026	36403	2900	VULCAN MATERIAL COMPANY	COLD MIX	2,899.70
Total 36403:						2,899.70
36404						
07/26	07/01/2026	36404	62971	WATER RESOURCES ECONOMICS LL	LA HABRA HCWD & RWD WHEELING STUDY-THRO	1,065.00-
07/26	07/14/2026	36404	62971	WATER RESOURCES ECONOMICS LL	LA HABRA HCWD & RWD WHEELING STUDY-THRO	1,065.00
Total 36404:						.00
36405						
07/26	07/15/2026	36405	24701	GRAINGER	TOOLS & SUPPLIES	191.40
Total 36405:						191.40
36406						
07/26	07/15/2026	36406	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	1,095.32
07/26	07/15/2026	36406	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	2,713.02
Total 36406:						3,808.34
36407						
07/26	07/15/2026	36407	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	1,444.50
Total 36407:						1,444.50
36408						
07/26	07/15/2026	36408	1476	BUSINESS CARD (VISA)	MEMBERSHIP	130.50
07/26	07/15/2026	36408	1476	BUSINESS CARD (VISA)	MISC EXPENSES	2,525.17
Total 36408:						2,655.67
36414						
07/26	07/27/2026	36414	62903	CALIFORNIA WATER EFFICIENCY PAR	AI-ASSISTED CII CLASSIFICATION PILOT PROGRA	3,700.00
07/26	07/27/2026	36414	62903	CALIFORNIA WATER EFFICIENCY PAR	ADMINISTRATIVE FEE	200.00
Total 36414:						3,900.00
36415						
07/26	07/27/2026	36415	62980	CIVIC PLUS, LLC	DOCACCESS SUBSCRIPTION	8,200.00
Total 36415:						8,200.00
36416						
07/26	07/27/2026	36416	1900	CLINICAL LAB OF S B	WATER SAMPLES	3,780.00
Total 36416:						3,780.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
36417						
07/26	07/27/2026	36417	62624	HASA INC	CHEMICALS FOR RCS	655.92
07/26	07/27/2026	36417	62624	HASA INC	CHEMICALS FOR RCS	298.44
07/26	07/27/2026	36417	62624	HASA INC	CHEMICALS FOR RCS	2,079.27
Total 36417:						3,033.63
36418						
07/26	07/27/2026	36418	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	2,090.00
07/26	07/27/2026	36418	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	968.31
07/26	07/27/2026	36418	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	873.87
Total 36418:						3,932.18
36419						
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.02
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.02
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.02
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.02
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.02
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.02
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.02
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.02
07/26	07/27/2026	36419	62834	HPS WEST, INC.	1" SONATA ALLEGRO POLY FIXED	510.04
Total 36419:						4,590.20
36420						
07/26	07/27/2026	36420	2975	INDUSTRY LIFT INC	EQUIPMENT MAINTENANCE	250.37
Total 36420:						250.37
36421						
07/26	07/27/2026	36421	62435	INDUSTRY PUBLIC UTILITY	PUMPING POWER-PUMPSTATION 2A	3,514.10
Total 36421:						3,514.10
36422						
07/26	07/27/2026	36422	244	INFOSEND INC	INSERT-WATER QUALITY REPORT	665.00
07/26	07/27/2026	36422	244	INFOSEND INC	BILLING SERVICE	1,904.81
Total 36422:						2,569.81
36423						
07/26	07/27/2026	36423	62680	JOHNNY NAZAROFF	TOTAL EXPENSES-BOOT ALLOWANCE	450.00
Total 36423:						450.00
36424						
07/26	07/27/2026	36424	62856	KEITH FOUTS	TOTAL EXPENSES-BOOT ALLOWANCE	59.80
Total 36424:						59.80
36425						
07/26	07/27/2026	36425	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	1,066.28
07/26	07/27/2026	36425	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR RES	91.51

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 36425:						1,157.79
36426						
07/26	07/27/2026	36426	62735	MUTUAL OF OMAHA	LIFE INSURANCE	598.50
07/26	07/27/2026	36426	62735	MUTUAL OF OMAHA	SHORT/LONG TERM DISABILITY	1,686.84
07/26	07/27/2026	36426	62735	MUTUAL OF OMAHA	DIRECTORS LIFE INSURANCE	66.50
Total 36426:						2,351.84
36427						
07/26	07/27/2026	36427	62181	ONE TOUCH OFFICE TECHNOLOGY	CONTRACT-RICOH/MPC6004	1,321.51
Total 36427:						1,321.51
36428						
07/26	07/27/2026	36428	4500	PETTY CASH	MISC EXPENSES	568.07
Total 36428:						568.07
36429						
07/26	07/27/2026	36429	62550	PRIME SYSTEMS INDUSTRIAL AUTOM	SCADA PROGRAMMING SUPPORT-WORK PERFOR	2,090.25
07/26	07/27/2026	36429	62550	PRIME SYSTEMS INDUSTRIAL AUTOM	COI SCADA PROGRAMMING SUPPORT-WORK PER	450.00
Total 36429:						2,540.25
36430						
07/26	07/27/2026	36430	62771	PUBLIC WATER AGENCIES GROUP	EMERGENCY PREPAREDNESS PROGRAM	2,195.00
07/26	07/27/2026	36430	62771	PUBLIC WATER AGENCIES GROUP	QUARTERLY ASSESSMENT	910.00
Total 36430:						3,105.00
36431						
07/26	07/27/2026	36431	62981	RHCCC	SPONSORSHIP-COMMUNITY PICNIC AND ACTIVITI	1,000.00
Total 36431:						1,000.00
36432						
07/26	07/27/2026	36432	62880	RYAN BERNAL	TOTAL EXPENSES-BOOT ALLOWANCE	382.49
Total 36432:						382.49
36433						
07/26	07/27/2026	36433	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	1,210.50
07/26	07/27/2026	36433	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	1,053.18
Total 36433:						2,263.68
36434						
07/26	07/27/2026	36434	62046	SGV REGIONAL CHAMBER OF COMM	ANNUAL MEMBERSHIP	350.00
Total 36434:						350.00
36435						
07/26	07/27/2026	36435	62691	SJ LYONS CONSTRUCTION INC	Remodel Women's Operations Restroom	7,013.50

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 36435:						7,013.50
36436						
07/26	07/27/2026	36436	2180	SWRCB-DWOCP	D4 RENEWAL-DAVID TAPIA	105.00
Total 36436:						105.00
36437						
07/26	07/27/2026	36437	382	W A RASIC CONSTRUCTION CO INC	JOB 21TX88-FULLERTON RD GRADE SEP	125,980.86
07/26	07/27/2026	36437	382	W A RASIC CONSTRUCTION CO INC	JOB 21TX88-FULLERTON RD GRADE SEP	29,702.21
Total 36437:						155,683.07
36438						
07/26	07/27/2026	36438	62971	WATER RESOURCES ECONOMICS LL	LA HABRA HCWD & RWD WHEELING STUDY	1,155.00
Total 36438:						1,155.00
36439						
07/26	07/27/2026	36439	62974	WEST COAST SAND & GRAVEL INC	HAUL OFF CLEAN DIRT	675.00
Total 36439:						675.00
36440						
07/26	07/27/2026	36440	7950	WESTERN WATER WORKS SUPPLY	SUPPLIES FOR HYDRANTS	3,014.51
Total 36440:						3,014.51
504228						
07/26	07/03/2026	504228	1476	BUSINESS CARD (VISA)	CONFERENCE & MEETING EXPENSES	35.98
07/26	07/03/2026	504228	1476	BUSINESS CARD (VISA)	MISC EXPENSES	918.08
Total 504228:						954.06
7032026						
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	MISC EXPENSES	3,111.55
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	CONFERENCE & MEETINGS	2,570.37
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	OFFICE SUPPLIES	1,212.08
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	VEHICLE EXPENSE	459.32
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	EQUIPMENT EXPENSE	700.58
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	MAINTENANCE & OPERATION	445.01
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	IT SUPPORT	2,089.24
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	SEMINAR & TRAINING	2,542.42
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	MEMBERSHIP DUES	130.50
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	RESTROOM REMODEL	7,914.49
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	GOTO CONNECT	716.10
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	SPECTRUM	899.00
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	CENTRAL COMMUNICATION	579.41
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	STARLINK	110.00
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	STARLINK	125.00
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	CHATGPT (2)	40.00
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	DIRECTV	109.99
07/26	07/03/2026	703202	1070	AMERICAN EXPRESS	SURVEY MONKEY (ANNUAL)	3,312.00
Total 7032026:						27,067.06

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
7102026						
07/26	07/10/2026	710202	6300	STATE OF CALIFORNIA-EDD	UNEMPLOYMENT INSURANCE	294.00
Total 7102026:						294.00
7152026						
07/26	07/15/2026	715202	5800	SO CALIFORNIA EDISON	PUMPING POWER	36,036.45
07/26	07/15/2026	715202	5800	SO CALIFORNIA EDISON	OFFICE POWER	3,305.97
Total 7152026:						39,342.42
7212026						
07/26	07/21/2026	721202	62849	HAYES AUTOMATION INC.	WATER QUALITY TESTING SUPPLIES	3,827.18
Total 7212026:						3,827.18
Grand Totals:						2,041,198.93

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11505-0	297,534.40	.00	297,534.40
222100	157,673.95	2,198,872.88-	2,041,198.93-
51310-0	1,254,143.21	.00	1,254,143.21
51410-1	5,661.44	.00	5,661.44
51410-2	4,872.06	.00	4,872.06
51410-3	3,418.92	.00	3,418.92
51410-5	15,429.90	.00	15,429.90
51410-6	.00	4,020.00-	4,020.00-
51510-0	18,888.40	.00	18,888.40
52310-0	39,550.55	.00	39,550.55
54209-0	1,383.82	.00	1,383.82
54210-0	3,574.70	.00	3,574.70
54211-0	1,053.18	.00	1,053.18
54212-0	4,090.88	.00	4,090.88
54213-0	691.51	.00	691.51
54215-0	33,842.89	.00	33,842.89
54216-0	10,888.37	.00	10,888.37
54217-0	22,791.47	.00	22,791.47
54218-0	14,622.27	.00	14,622.27
54219-0	804.64	.00	804.64
56210-0	3,354.14	.00	3,354.14
56211-0	2,558.06	.00	2,558.06
56214-0	2,109.07	.00	2,109.07
56215-0	611.00	.00	611.00
56216-0	168.24	.00	168.24
56217-0	232.00	.00	232.00
56218-0	5,325.87	.00	5,325.87
56218-2	3,105.00	.00	3,105.00
56219-0	6,769.73	.00	6,769.73
56220-0	15,239.24	.00	15,239.24
56221-0	42,511.39	.00	42,511.39
56223-0	2,606.35	.00	2,606.35
56226-0	13,469.00	.00	13,469.00

GL Account	Debit	Credit	Proof
56310-0	138,163.08	138,163.08-	.00
56311-0	28,851.74	14,425.87-	14,425.87
56312-0	21,275.90	.00	21,275.90
56320-0	10,192.42	.00	10,192.42
56411-0	66,699.31	.00	66,699.31
56413-0	4,400.41	.00	4,400.41
56414-0	294.00	.00	294.00
56415-0	671.25	.00	671.25
56416-0	598.50	.00	598.50
56417-0	17,625.24	.00	17,625.24
56418-0	1,686.84	.00	1,686.84
56419-0	62.00	.00	62.00
56421-0	10,168.62	.00	10,168.62
56510-0	12,084.44	.00	12,084.44
56710-0	950.95	.00	950.95
56812-0	8,246.78	.00	8,246.78
57310-0	27,846.50	1,065.00-	26,781.50
57312-0	2,597.01	.00	2,597.01
57314-0	2,745.01	.00	2,745.01
57315-0	6,969.00	.00	6,969.00
57320-0	305.00	.00	305.00
57321-0	5,137.18	.00	5,137.18
Grand Totals:	2,356,546.83	2,356,546.83-	.00

Report Criteria:
Report type: GL detail

Check Number	Check Issue Date	Payee	Check Amount
35680	07/23/2026	DING CHEN	-919.46

Sequence	Source	Description	GL Account	Amount
1		Void - PROJECT REFUND	24110-0	-919.46

Check Number	Check Issue Date	Payee	Check Amount
36409	07/27/2026	BRILLIANT INTERNATIONAL LLC	2,394.10

Sequence	Source	Description	GL Account	Amount
1		CREDIT REFUND-ACCT #1062-05	15210-0	622.51
2		CREDIT REFUND-ACCT #1886-04	15210-0	1,127.77
3		CREDIT REFUND-ACCT #2900-02	15210-0	643.82

Check Number	Check Issue Date	Payee	Check Amount
36410	07/27/2026	ONYX PAVING COMPANY INC	2,233.82

Sequence	Source	Description	GL Account	Amount
1		DEPOSIT REFUND-18902 ELIZONDO ST	22810-0	2,062.94
2		CREDIT REFUND-18902 ELIZONDO ST	15210-0	170.88

Check Number	Check Issue Date	Payee	Check Amount
36411	07/27/2026	PK CONSTRUCTION	2,061.65

Sequence	Source	Description	GL Account	Amount
1		DEPOSIT REFUND-18500 JELLICK	22810-0	2,061.65

Check Number	Check Issue Date	Payee	Check Amount
36412	07/27/2026	SEQUEL CONTRACTORS INC	2,915.90

Sequence	Source	Description	GL Account	Amount
1		DEPOSIT REFUND-1505 ALBATROSS RD-CONST.	22810-0	2,456.85
2		CREDIT REFUND-15005 ALBATROSS RD	15210-0	459.05

Check Number	Check Issue Date	Payee	Check Amount
36413	07/27/2026	PING CHEN	919.46

Sequence	Source	Description	GL Account	Amount
1		PROJECT REFUND-18234 MADONNA	24110-0	919.46

Grand Totals: 9,605.47

ROWLAND WATER DISTRICT
CASH AND INVESTMENTS
As of June 30, 2026

Description / Type	Term	Shares / Units Held	Purchase Price	Current Price	Maturity Date	Current Yield	Current Value	% of Portfolio
Cash								
Citizens Business Bank							$ 3,436,343	
Total Cash							**$ 3,436,343**	
Local Agency Investment Fund (LAIF)	N/A					3.82%	$ 4,199,154	15.91%
California Class (CA Class)	N/A					3.79%	$ 512,758	1.94%
Citizens Trust Investments (US Bank Custodian)								
Fed'l Home Loan Mtg. Corp. - B2B6	4 Year	1,000,000	99.7800	98.8430	10/15/2029	3.79%	$ 988,430	3.74%
Fed'l Home Loan Mtg. Corp. - CXW4	5 Year	300,000	99.4500	97.9370	3/19/2031	3.88%	$ 293,811	1.11%
Fed'l National Mtg. Assn. - C5D3	4 Year	900,000	100.0000	99.3460	11/13/2029	3.84%	$ 894,114	3.39%
Fed'l National Mtg. Assn. - AX89	3 Year	400,000	99.5500	99.6790	7/21/2028	4.11%	$ 398,716	1.51%
Fed'l National Mtg. Assn. - CWV3	5 Year	300,000	100.0000	99.2870	3/27/2031	4.23%	$ 297,861	1.13%
Fed'l National Mtg. Assn. - AXH7	5 Year	1,000,000	99.6000	98.6530	10/9/2030	3.80%	$ 986,530	3.74%
Fed'l National Mtg. Assn. - CFW0	5 Year	500,000	99.9250	98.8740	1/7/2031	4.07%	$ 494,370	1.87%
Fed'l National Mtg. Assn. - APH6	5 Year	500,000	99.9700	99.5230	8/27/2030	4.08%	$ 497,615	1.89%
Fed'l Home Loan Banks - KNJ1	2 Year	300,000	95.6000	95.7980	10/27/2027	0.87%	$ 287,394	1.09%
Fed'l Home Loan Banks - P6M2	5 Year	200,000	100.0000	99.3000	9/30/2026	1.03%	$ 198,600	0.75%
Fed'l Home Loan Bank - QJD6	4 Year	200,000	99.7190	99.1900	10/27/2026	1.51%	$ 198,380	0.75%
Fed'l Home Loan Bank - 9RS1	3 Year	400,000	100.0000	98.8850	3/12/2029	3.74%	$ 395,540	1.50%
Fed'l Home Loan Bank - 8E32	5 Year	1,000,000	99.7600	98.4070	10/28/2030	3.81%	$ 984,070	3.73%
Fed'l Home Loan Bank - 7WX8	3 Year	1,200,000	100.0000	99.2800	10/2/2028	3.83%	$ 1,191,360	4.51%
Fed'l Home Loan Bank - 7WY6	4 Year	800,000	100.0000	99.3540	10/2/2029	3.92%	$ 794,832	3.01%
Fed'l Home Loan Bank - 8YP1	4 Year	500,000	99.8500	98.8750	12/28/2029	3.94%	$ 494,375	1.87%
Fed'l Home Loan Bank - 9RR3	5 Year	400,000	100.0000	98.8170	3/17/2031	3.97%	$ 395,268	1.50%
Fed'l Home Loan Bank - AJS7	3 Year	500,000	100.0000	99.3540	1/30/2029	4.03%	$ 496,770	1.88%
Fed'l Home Loan Bank - AC47	5 Year	700,000	100.0000	98.4960	4/16/2031	4.08%	$ 689,472	2.61%
Fed'l Home Loan Bank - AJ81	5 Year	500,000	100.0000	99.0640	4/29/2031	4.16%	$ 495,320	1.88%
Fed'l Home Loan Bank - AJ81	5 Year	300,000	99.4500	99.0640	4/29/2031	4.16%	$ 297,192	1.13%
Fed'l Home Loan Bank - 6CN4	5 Year	200,000	100.0000	98.8210	5/3/2030	4.17%	$ 197,642	0.75%
Fed'l Home Loan Bank - BAX3	1 Year	500,000	100.0000	99.9510	6/23/2027	4.15%	$ 499,755	1.89%
Fed'l Home Loan Bank - 5MR6	5 Year	400,000	99.9590	99.2290	3/20/2030	4.28%	$ 396,916	1.50%
Fed'l Home Loan Bank - 72H6	5 Year	500,000	100.0000	100.0170	7/15/2030	4.30%	$ 500,085	1.89%
Fed'l Home Loan Bank - AQD2	5 Year	500,000	100.0000	99.8310	5/14/2031	4.51%	$ 499,155	1.89%
Fed'l Home Loan Bank - 4RC7	3 Year	500,000	100.0000	100.2940	7/27/2029	4.49%	$ 501,470	1.90%
Fed'l Home Loan Bank - 4P70	5 Year	500,000	100.0000	100.0650	1/10/2030	4.60%	$ 500,325	1.90%
Apple Inc. - 3DU1	5 Year	400,000	91.0880	90.4450	5/11/2030	1.82%	$ 361,780	1.37%
Apple Inc. - 3BZ2	2 Year	300,000	94.5180	99.8440	8/4/2026	2.45%	$ 299,532	1.13%
Apple Inc. - 3CJ7	3 Year	200,000	96.8220	99.4600	2/9/2027	3.37%	$ 198,920	0.75%
Applied Matls Inc - 2AT2	5 Year	400,000	98.8900	97.5760	1/15/2031	4.10%	$ 390,304	1.48%
Applied Matls Inc - 2AS4	4 Year	200,000	100.5370	101.1320	6/15/2029	4.75%	$ 202,264	0.77%
Applied Matls Inc - 2AS4	4 Year	200,000	100.0650	101.1320	6/15/2029	4.75%	$ 202,264	0.77%
Applied Matls Inc - 2AS4	4 Year	200,000	102.9740	101.1320	6/15/2029	4.75%	$ 202,264	0.77%
Caterpillar Financial Services - UAJ9	4 Year	200,000	103.2490	101.2140	2/27/2029	4.79%	$ 202,428	0.77%
Emerson Elec Co - 1BQ6	4 Year	200,000	90.3290	94.3740	12/21/2028	2.12%	$ 188,748	0.72%
Emerson Elec Co - 1BQ6	4 Year	400,000	94.7290	94.3740	12/21/2028	2.12%	$ 377,496	1.43%
Florida Pwr & Lt Co - 1GP6	5 Year	300,000	102.5340	100.2770	5/15/2030	4.61%	$ 300,831	1.14%
Florida Pwr & Lt Co - 1GN1	3 Year	200,000	99.6340	100.0640	5/15/2028	4.40%	$ 200,128	0.76%
Florida Pwr & Lt Co - 1GN1	3 Year	200,000	100.4060	100.0640	5/15/2028	4.40%	$ 200,128	0.76%
Home Depot Inc - 6BN1	2 Year	200,000	93.7730	99.6200	9/15/2026	2.13%	$ 199,240	0.75%
Home Depot Inc - 6CW0	4 Year	200,000	100.7790	101.3200	4/15/2029	4.84%	$ 202,640	0.77%
Home Depot Inc - 6CW0	4 Year	200,000	103.3300	101.3200	4/15/2029	4.84%	$ 202,640	0.77%
Honeywell International - 6BL9	2 Year	150,000	94.6540	99.4180	11/1/2026	2.51%	$ 149,127	0.56%
John Deere Capital Corporation - EXB0	4 Year	200,000	101.1140	101.2390	7/14/2028	4.89%	$ 202,478	0.77%
Paccar Financial Corp - RT71	4 Year	300,000	101.2070	100.6340	5/8/2030	4.52%	$ 301,902	1.14%
Texas Instruments - 8CE2	3 Year	400,000	100.6293	100.2030	2/8/2027	4.59%	$ 400,812	1.52%
Texas Instruments - 8CG7	4 Year	200,000	99.9590	100.6930	2/8/2029	4.57%	$ 201,386	0.76%
Texas Instruments - 8CK8	5 Year	200,000	102.2880	99.9750	5/23/2030	4.50%	$ 199,950	0.76%
Toyota Mtr Corp - TNJ0	5 Year	400,000	103.0850	100.5900	5/15/2030	4.77%	$ 402,360	1.52%
Toyota Mtr Corp - TLB9	3 Year	200,000	101.5440	101.6670	9/11/2028	5.16%	$ 203,334	0.77%
Cash Reserve Account						3.52%	$ 825,583	3.13%
Total Citizens Trust Investments							**$ 21,683,907**	**82.15%**
Total Investments							**$ 26,395,819**	**100.00%**
Total Cash & Investments							**$ 29,832,163**	

Market values determined on last business day of the month. All listed investments comply with the District's Statement of Investment Policy as established in Resolution 2-2007. The District's available cash and investment portfolio provides sufficient cash flow and liquidity to meet all normal obligations for at least a six-month period of time.

NOTE: All interest values show above are based on annual rates of return.

ROWLAND WATER DISTRICT
PROFIT & LOSS (Unaudited)
June 2026

		Jun-26	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD (Unaudited)
1	**OPERATING REVENUE**						
2	Water Sales	$ 1,618,108	$ 18,062,615	$ 18,459,100	$ 396,485	98%	$ 18,163,247
3	Meter Charges	1,219,602	13,765,705	13,484,000	(281,705)	102%	12,722,423
4	Customer Fees	15,068	447,425	421,400	(26,025)	106%	1,212,547
5	Contract Income	23,850	220,151	224,600	4,449	98%	252,085
6	RWD Labor Sales/Reimbursements	53,562	288,322	191,800	(96,522)	150%	312,913
7	Capacity Fees	1,301	63,201	50,000	(13,201)	126%	81,089
8	Flow Tests	2,845	21,670	19,200	(2,470)	113%	20,150
9	Return Check Fees	775	6,345	6,900	555	92%	5,500
10	Uncollectable	-	-	(63,900)	(63,900)	0%	(22,928)
11	**TOTAL OPERATING REVENUE**	**2,935,110**	**32,875,434**	**32,793,100**	**(82,334)**	**100%**	**32,747,026**
12	**NON-OPERATING REVENUE**						
13	Property Taxes	154,886	661,736	467,100	(194,636)	142%	677,987
14	Interest Income	61,588	931,722	600,000	(331,722)	155%	923,673
15	Miscellaneous Income	2,089	63,765	25,000	(38,765)	255%	147,063
16	**TOTAL NON-OPERATING REVENUE**	**218,563**	**1,657,223**	**1,092,100**	**(565,123)**	**152%**	**1,748,723**
17	**TOTAL REVENUES**	**3,153,673**	**34,532,657**	**33,885,200**	**(647,457)**	**102%**	**34,495,749**
18	**OPERATING EXPENSES**						
19	Source of Supply						
20	Water Purchases	1,295,541	13,434,713	13,844,800	410,087	97%	12,135,011
21	Pumping Power	37,228	452,449	578,100	125,651	78%	510,962
22	Fixed Charges	29,382	486,465	470,800	(15,665)	103%	351,852
23	Chemicals	22,545	187,994	97,000	(90,994)	194%	98,198
24	Total Source of Supply	1,384,696	14,561,621	14,990,700	429,079	97%	13,096,023
25	Maintenance of Water System	49,150	961,396	763,700	(197,696)	126%	977,876
26	Service Contracts	22,293	445,095	461,700	16,605	96%	414,918
27	Assessments	0	211,226	328,200	116,974	64%	392,881
28	Vehicle Expense	21,347	173,196	173,600	404	100%	155,879
29	Tools & Supplies	4,807	43,809	50,200	6,391	87%	52,486
30	Equipment Expense	701	43,873	45,500	1,627	96%	77,343
31	Maintenance & Operations	1,845	76,991	60,300	(16,691)	128%	83,546
32	Engineering	8,813	132,044	250,000	117,956	53%	259,261
33	Water Tests	3,780	40,793	32,000	(8,793)	127%	27,670
34	Conservation	-	79,723	80,000	277	100%	61,256
35	Community Outreach	14,393	247,745	152,300	(95,445)	163%	158,209
36	**TOTAL OPERATING EXPENSES**	**1,511,825**	**17,017,511**	**17,388,200**	**370,689**	**98%**	**15,757,348**
37	**ADMINISTRATIVE EXPENSES**						
38	Liability Insurance	-	436,212	335,400	(100,812)	130%	284,744
39	IT Support Services	11,948	157,664	144,300	(13,364)	109%	147,364
40	IT Licensing	6,096	282,038	328,300	46,262	86%	343,376
41	Director Expense	13,619	162,512	200,900	38,388	81%	159,433
42	Bank / Management Fees	26,357	330,310	345,600	15,290	96%	309,918
43	Legal Fees	7,521	179,347	200,000	20,653	90%	164,937
44	Compliance	5,087	166,911	177,100	10,189	94%	173,205
45	Auditing & Accounting	-	24,850	35,000	10,150	71%	25,950

ROWLAND WATER DISTRICT
PROFIT & LOSS (Unaudited)
June 2026

		Jun-26	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD (Unaudited)
46	Utility Services	13,524	117,908	137,600	19,692	86%	117,910
47	Dues & Memberships	131	64,541	75,200	10,659	86%	59,405
48	Conference & Meetings	2,681	67,543	76,000	8,457	89%	72,246
49	Office Expenses	2,109	22,397	41,600	19,203	54%	30,551
50	Seminars/Training	10,192	86,170	114,300	28,130	75%	99,273
51	Miscellaneous Expense	5,994	161,380	160,200	(1,180)	101%	155,910
52	**TOTAL ADMINISTRATIVE EXPENSES**	**105,260**	**2,259,780**	**2,371,500**	**111,720**	**95%**	**2,144,222**
53	**PERSONNEL EXPENSES**						
54	Wages						
55	Operations	100,154	1,229,465	1,432,300	202,835	86%	1,188,556
56	Distribution	115,637	1,411,267	1,588,700	177,433	89%	1,378,840
57	Administration	153,281	1,902,510	2,083,000	180,490	91%	1,828,037
58	Total Wages	369,071	4,543,241	5,104,000	560,759	89%	4,395,433
59	Payroll Taxes	26,955	311,507	363,900	52,393	86%	297,501
60	Workers Compensation	14,204	55,036	109,100	54,064	50%	83,573
61	Unemployment	294	5,296	6,400	1,104	83%	4,258
62	CalPERS	50,364	853,430	937,000	83,570	91%	726,871
63	OPEB Contributions	-	-	-	-	0%	-
64	EE & Retiree Health Insurance	92,991	1,062,211	1,095,900	33,689	97%	949,481
65	**TOTAL PERSONNEL EXPENSES**	**553,879**	**6,830,721**	**7,616,300**	**785,579**	**90%**	**6,457,118**
66	**TOTAL EXPENSES**	**2,170,963**	**26,108,012**	**27,376,000**	**1,267,988**	**95%**	**24,358,688**
67	**NET INCOME / (LOSS) - BEFORE DEBT SERVICE & CAPITAL EXPENDITURES**	**982,709**	**8,424,645**	**6,509,200**	**(1,915,445)**	**129%**	**10,137,060**
68	Less: Total Debt Service	-	(2,439,197)	(2,439,200)	3	100%	(2,605,787)
69	Less: Capital Expenses (Current Year)	(261,378)	(2,479,266)	(3,689,700)	1,210,434	67%	(2,254,538)
70	**CASH INCREASE / (DECREASE)**	**$ 721,331**	**$ 3,506,182**	**$ 380,300**	**$ 3,125,882**		**$ 5,276,735**

**No assurance is provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States are not included.*

Rowland Water District

Profit & Loss Analysis and Variance Report

June 2026

1. **OPERATING REVENUE**
2. Water Sales – volumetric water sales revenue from all customer types including residential, commercial, public, industrial, recycled and construction. YTD is at 98%.
3. Meter Charges – the fixed monthly base rate charged to water customers each month (includes all customer types). YTD is at 102%.
4. Customer Fees – various fees conditionally charged to customers such as penalties, new service connections, reconnections, backflow administration, cross connections, connections and recycled water checks/inspections. These types of fees are unpredictable in nature and can often trend over/under expected budget. YTD is at 106%.
5. Contract Income – contains revenues from cell tower lease contracts. YTD is at 98%.
6. RWD Labor Sales/Reimbursements – water sold on construction invoices, City of Industry labor sales and Puente Basin Water Agency (PBWA) and Pomona-Walnut-Rowland Joint Water Line Commission (PWR JWLC) treasurer fees. The frequency and amounts of these revenues are unknown and can occasionally trend over/under budget due to their unpredictable nature. YTD is at 150%.
7. Capacity Fees – fees imposed on any property or person requesting a new, additional or larger connection to the District's potable water system (fees vary by meter size). These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is at 126%.
8. Flow Tests – fire flow tests performed by District personnel to measure the volume of water available at a specific hydrant ($350 per test). YTD is at 113%.
9. Return Check Fees – customers are charged a fee when the District is paid with insufficient funds checks and checks are returned by the bank. These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is currently at 92%.
10. Uncollectable – the District analyzes customer receivables at the end of each year and recognizes an expense equal to the estimated amount of cash that may not be collected. Uncollectable expense will be zero until assessed at the year-end audited financial statements.
11. **TOTAL OPERATING REVENUE**
12. **NON-OPERATING REVENUE**
13. Property Taxes – includes tax contributions from the County of Los Angeles. YTD is at 142% since the bulk of receipts happen between December and May each year and can cause YTD% to trend over/under expected budget %.

Rowland Water District

Profit & Loss Analysis and Variance Report

June 2026

14. Interest Income – includes interest and dividends received on District investments. YTD is high at 155%, reflecting stronger-than-anticipated investment performance compared to the budget.
15. Miscellaneous Income – includes income from various sources such as recycling and refunds. YTD is high at 255% due to ACWA JPIA's risk control grant and underground tank program refund.
16. **TOTAL NON-OPERATING REVENUE**
17. **TOTAL REVENUES**
18. **OPERATING EXPENSES**
19. **SOURCE OF SUPPLY**
20. Water Purchases – Includes variable costs of potable water from Three Valleys Municipal Water District (TVMWD) and California Domestic Water Company (CalDomestic), and recycled water purchases from City of Industry and Walnut Valley Water District (WVWD). YTD is at 97%.
21. Pumping Power – the cost of electricity used for pumping water. YTD is at 78%.
22. Fixed Charges – includes fixed charges from TVMWD and CalDomestic. YTD is at 103%.
23. Chemicals – the cost of chemicals used to treat water sold to customers. YTD is high at 194% due to additional chemicals for the Joint Line Chloramine Boosting System.
24. **TOTAL SOURCE OF SUPPLY**
25. Maintenance of Water System – the costs of repairs and maintenance on elements of the District water system such as main lines, services, meters, reservoirs, valves, hydrants, and telemetry system. YTD is at 126% due to system leaks.
26. Service Contracts – includes costs for services such as billing printing and mailing, bulk paper shredding, copier leasing and services, landscaping, janitorial, uniforms, security system monitoring and maintenance, Caselle maintenance and support, Harmony renewal and other services. YTD is at 96%.
27. Assessments – operating costs billed to RWD for their share of PWR JWLC, which is billed quarterly, and PBWA, which is billed monthly. YTD can trend over/under budget due to the timing of billing. YTD is at 64%.
28. Vehicle Expense – includes repair and maintenance costs for District vehicles as well as the cost of fuel. YTD can trend over/under budget due to the timing of truck maintenance and fuel purchases. YTD is at 100%.

Rowland Water District

Profit & Loss Analysis and Variance Report

June 2026

29. Tools & Supplies – small tools and supplies used in the field. YTD can trend over/under budget due to the timing of tools and supplies. YTD is at 87%.
30. Equipment Expense – various costs incurred related to District equipment. YTD can trend over/under budget due to the timing of equipment expenses. YTD is at 96%.
31. Maintenance & Operations – various costs incurred for District maintenance and operations not directly related to the water system. YTD is high at 128% due to system leaks.
32. Engineering – general engineering costs related to District operations. YTD can trend over/under budget due to the timing of engineering expenses. YTD is at 53%.
33. Water Tests – laboratory testing and sampling of District water. YTD is high at 127% due to timing of water tests billing and budgeting method used.
34. Conservation – water conservation programs and efforts. YTD is at 100%.
35. Community Outreach – costs related to public relations and community outreach. YTD is high at 163% due to community outreach efforts for the Prop 218 notice and the Consumer Confidence Report.
36. **TOTAL OPERATING EXPENSES**
37. **ADMINISTRATIVE EXPENSES**
38. Liability Insurance – coverage through ACWA JPIA for the District insurance package. YTD is high at 130% due to timing of insurance bill received and budgeting method used.
39. IT Support Services – information technology support services. YTD is at 109%.
40. IT Licensing – includes costs for various software licenses. YTD is at 86%.
41. Director Expense – costs for director compensation and benefits. YTD is at 81% of budget.
42. Bank/Management Fees – includes various banking fees, Paymentus and InvoiceCloud fees (for processing customer payments) and investment administrative fees. YTD is at 96%.
43. Legal Fees – legal costs related to RWD, PBWA and Public Water Agencies Group (PWAG). YTD is at 90%.
44. Compliance – includes costs for State Water Resources Control Board (SWRCB) compliance, LA County property taxes, various employee certifications, District permits, and maintenance costs for equipment compliance. YTD is at 94%.
45. Auditing & Accounting – includes consulting services for complex accounting matters and annual audit assurance services related to District financial reporting. YTD is at 71%.

Rowland Water District

Profit & Loss Analysis and Variance Report

June 2026

46. Utility Services – costs related to office electricity, office phones, gas and district cell phones. YTD is at 86%.
47. Dues & Memberships – costs for district memberships, dues and subscriptions to various agencies such as the Water Education Foundation, Association of California Water Agencies, Urban Water Institute, California Special Districts Association and American Water Works Association. YTD is at 86%.
48. Conference & Meetings – conference attendance and meeting expenses. YTD is at 89%.
49. Office Expenses – costs for office supplies, postage, printing and stationery. YTD is at 54%.
50. Seminars/Training – employee seminars and training. YTD is at 75%.
51. Miscellaneous Expense – includes costs for travel, books & subscriptions, and miscellaneous general expenses. YTD is at 101%.
52. **TOTAL ADMINISTRATIVE EXPENSES**
53. **PERSONNEL EXPENSES**
54. **WAGES**
55. Operations – wages expense (regular, standby, OT) attributable to Operations. YTD is at 86%.
56. Distribution – wages expense (regular, standby, OT) attributable to Distribution. YTD is at 89%.
57. Administration – wages expense (regular) attributable to Administration. YTD is at 91%.
58. **TOTAL WAGES**
59. Payroll Taxes – employer payroll taxes paid by the District. YTD is trending at 86%.
60. Workers Compensation – the District is billed quarterly for workers compensation insurance which can occasionally cause this line item to trend over/under expected budget. YTD is at 50%.
61. Unemployment – state unemployment insurance is paid quarterly which can cause this line to occasionally trend over/under expected budget. YTD is at 83%.
62. CalPERS – includes retirement costs for employee pension plans through the California Public Employee Retirement System. Contributions are made monthly and an annual payment is made at the beginning of each fiscal year for the plan's unfunded accrued liability. YTD is at 91%.

Rowland Water District

Profit & Loss Analysis and Variance Report

June 2026

63. <u>OPEB Contributions</u> – includes retirement costs for other post-employment benefits that provides medical, dental and vision coverage. There will be no OPEB contributions for the current fiscal year as the Public Agency Retirement Services (PARS) trust is fully funded.

64. <u>EE & Retiree Health Insurance</u> – includes the cost of health, dental, vision, life, and disability insurance for current employees as well as health insurance for retired employees. YTD is at 97%.

65. **TOTAL PERSONNEL EXPENSES**

66. **TOTAL EXPENSES**

67. **NET INCOME / (LOSS) BEFORE DEBT SERVICE & CAPITAL EXPENSES** – Financially, the District has performed as expected through June 2026.

68. <u>Less: Total Debt Service</u> – includes interest and principal payments on outstanding District debt as well as related administrative expenses. Interest payments on outstanding debt are made twice per year (December/June).

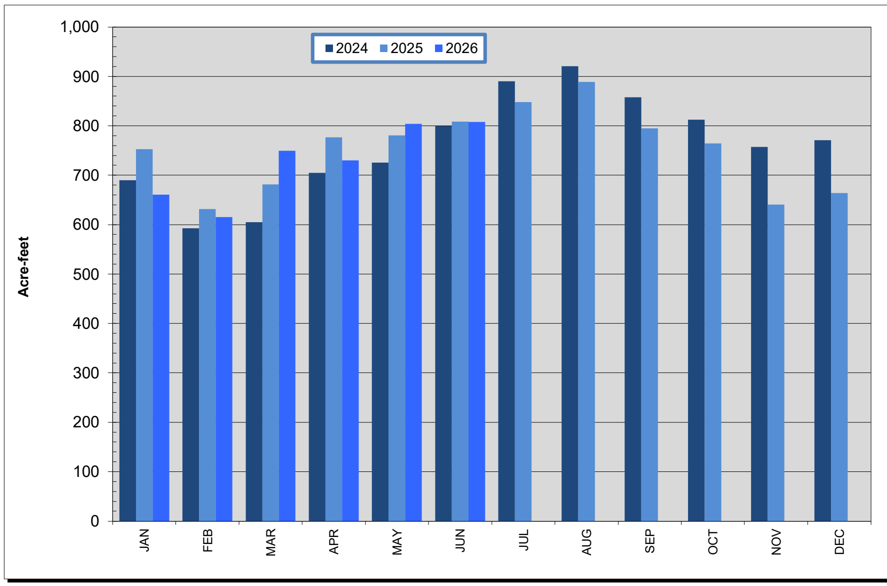
69. <u>Less: Capital Expenses (Current-Year)</u> – includes expenses related to current-year district projects and capital assets, excluding projects funded by bond proceeds (debt). YTD is at 67%.

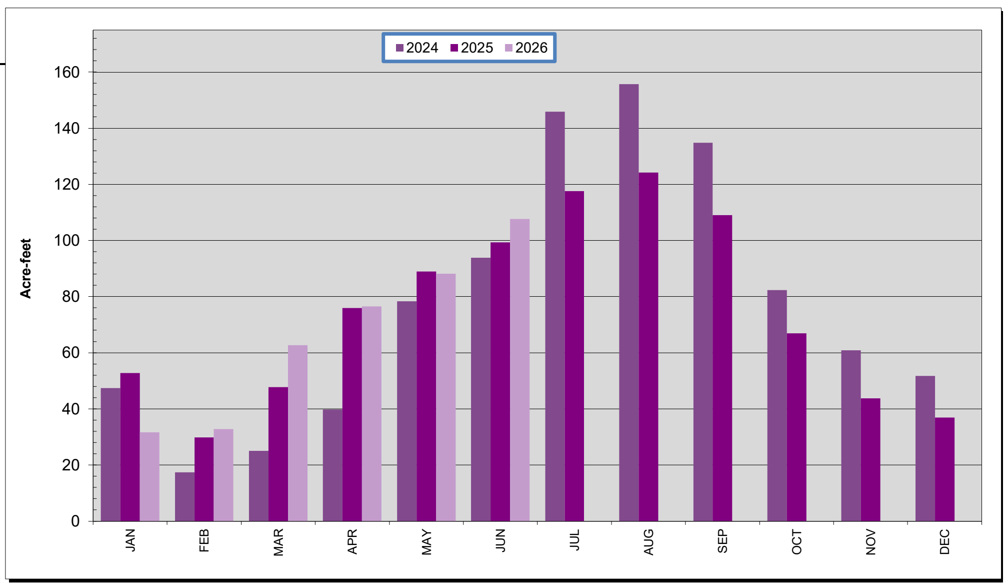
70. **CASH INCREASE / (DECREASE)**

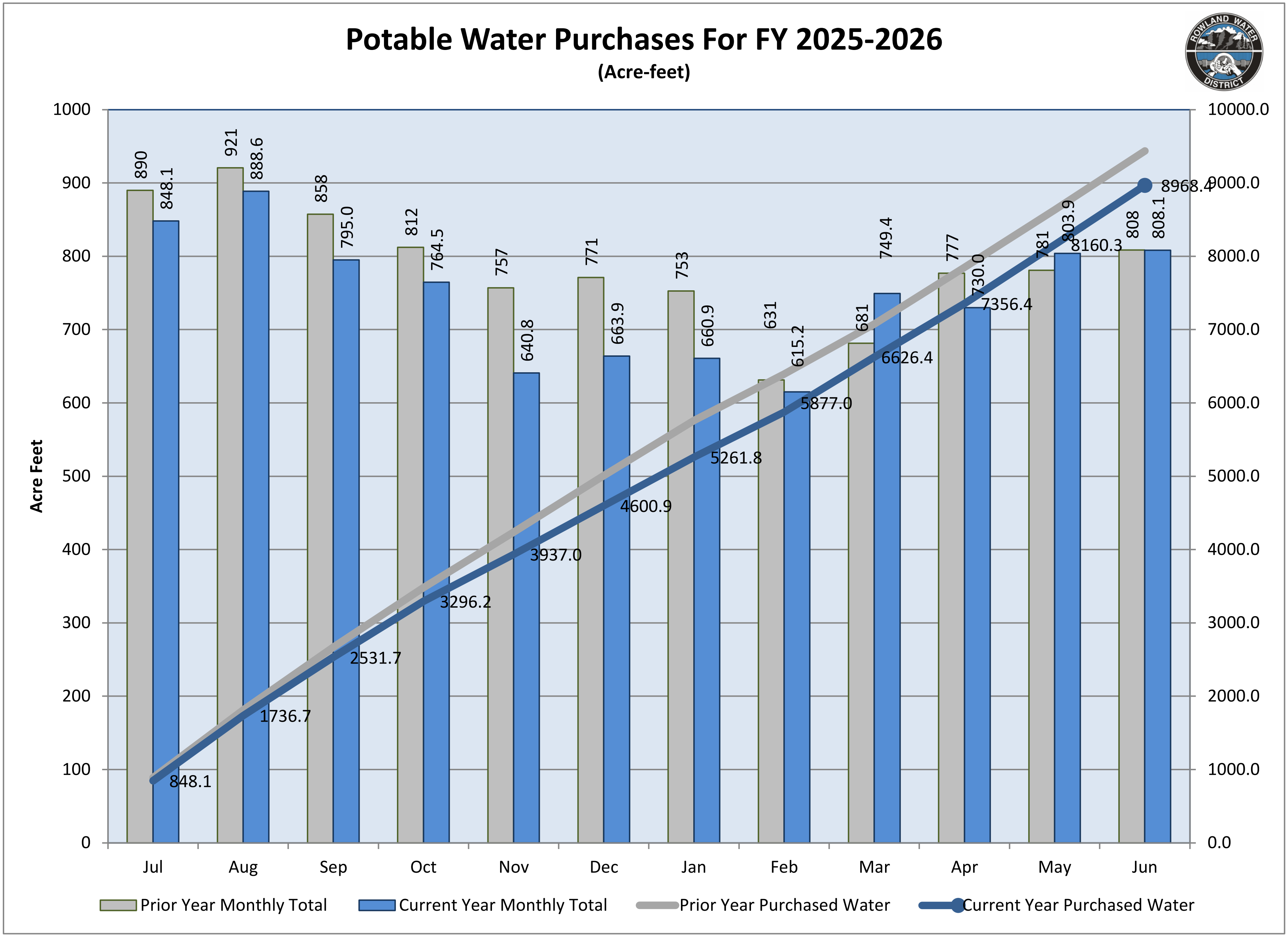
Water Purchases for CY 2025
(Acre-feet)

	POTABLE SYSTEM						
	WBS	LHH	PM-9	PM-22	JWL		TOTAL
					PM-15	Miramar	
JAN	0.0	0.0	0.0	276.4	93.6	290.9	660.9
FEB	0.0	0.0	0.0	234.8	109.5	270.9	615.2
MAR	0.0	0.0	0.0	286.2	288.8	174.4	749.4
APR	0.0	0.0	0.0	251.7	150.1	328.2	730.0
MAY	0.0	0.0	0.0	290.8	185.3	327.8	803.9
JUN	0.0	0.0	0.0	256.0	267.8	284.3	808.1
JUL							0.0
AUG							0.0
SEP							0.0
OCT							0.0
NOV							0.0
DEC							0.0
TOTAL	**0.0**	**0.0**	**0.0**	**1,595.9**	**1,095.1**	**1,676.5**	**4,367.5**

	RECYCLED SYSTEM							
	Well 1	Wet Well	WVWD	Industry	Potable Make-up	Nogales Dewatering	Fullerton Dewatering	TOTAL
JAN	2.6	13.0	1.0	0.0	0.0	15.0	0.0	31.6
FEB	15.4	2.3	0.0	1.9	0.0	13.2	0.0	32.8
MAR	17.8	25.1	1.0	3.9	0.0	14.9	0.0	62.7
APR	14.7	13.4	1.0	34.4	0.0	13.0	0.0	76.5
MAY	12.2	32.0	1.0	29.7	0.0	13.2	0.0	88.1
JUN	6.0	27.3	2.0	60.0	0.0	12.4	0.0	107.7
JUL								0.0
AUG								0.0
SEP								0.0
OCT								0.0
NOV								0.0
DEC								0.0
TOTAL	**68.7**	**113.1**	**6.0**	**129.9**	**0.0**	**81.7**	**0.0**	**399.4**





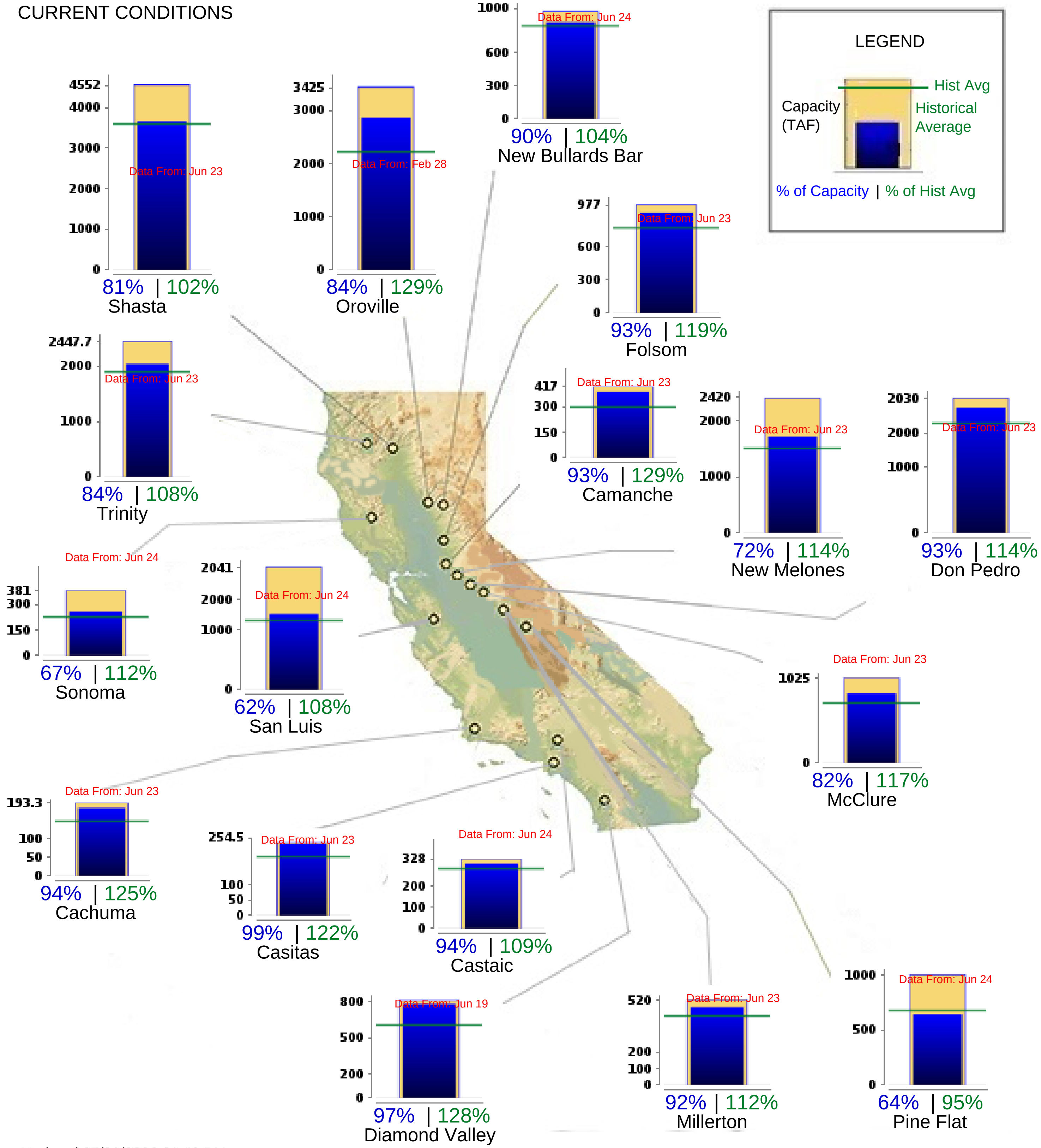


Potable Water Purchases For FY 2025-2026
(Acre-feet)
ROWLAND WATER DISTRICT
Acre Feet
1000
900
800
700
600
500
400
300
200
100
0
10000.0
9000.0
8000.0
7000.0
6000.0
5000.0
4000.0
3000.0
2000.0
1000.0
0.0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
890
848.1
921
888.6
858
795.0
812
764.5
757
640.8
771
663.9
753
660.9
631
615.2
681
749.4
777
730.0
781
803.9
808
808.1
848.1
1736.7
2531.7
3296.2
3937.0
4600.9
5261.8
5877.0
6626.4
7356.4
8160.3
8968.4
Prior Year Monthly Total
Current Year Monthly Total
Prior Year Purchased Water
Current Year Purchased Water

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - July 20, 2026

CURRENT CONDITIONS



Updated 07/21/2026 01:48 PM

DIRECTOR REIMBURSEMENTS

July 2026 Board of Director Meetings and Activities

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments *(Submit an expense report if claiming mileage and/or meal reimbursement)*
Anthony J. Lima					
	7/7/2026	RWD Project Meeting	$230.00		
	7/14/2026	RWD Board Meeting	$230.00		
	7/28/2026	RWD Special Board Meeting	$230.00		
	7/31/2026	RWD Board Team Building	$230.00		
		TOTAL PAYMENT	**$920.00**		
John Bellah					
	7/14/2026	RWD Board Meeting	$230.00		
	7/27/2026	CSDA SGV Chapter Meeting		X	
	7/28/2026	RWD Special Board Meeting	$230.00		
	7/31/2026	RWD Board Team Building	$230.00		
		TOTAL PAYMENT	**$690.00**		
Robert W. Lewis					
	7/8/2026	LAFCO		X	
	7/14/2026	RWD Board Meeting	$230.00		
	7/27/2026	CSDA SGV Chapter Meeting	$230.00		
	7/28/2026	RWD Special Board Meeting	$230.00		
	7/31/2026	RWD Board Team Building	$230.00		
		TOTAL PAYMENT	**$920.00**		
Szu Pei Lu-Yang					
	7/7/2026	RWD Project Meeting	$230.00		
	7/14/2026	RWD Board Meeting	$230.00		
	7/28/2026	RWD Special Board Meeting	$230.00		
	7/31/2026	RWD Board Team Building	$230.00		
		TOTAL PAYMENT	**$920.00**		
Vanessa Hsu					
	7/14/2026	RWD Board Meeting	$230.00		
	7/28/2026	RWD Special Board Meeting	$230.00		
	7/31/2026	RWD Board Team Building	$230.00		
		TOTAL PAYMENT	**$690.00**		

APPROVED FOR PAYMENT:

Tom Coleman

Tom Coleman

Board Meeting: August 11, 2026

INTERNAL REVENUE
BULLETIN

Bulletin No. 2026–29
July 13, 2026

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

ADMINISTRATIVE

This Announcement advises the public that the Internal Revenue Service is revising the optional standard mileage rates for substantiating the costs of operating an automobile for business, medical or moving purposes. These revised rates are effective beginning July 1, 2026. This Announcement modifies Notice 2026-10.

ESTATE TAX, GIFT TAX

This is a revenue procedure that provides a safe harbor for individual taxpayers who (i) make contributions to Trump accounts established under § 530A of the Internal Revenue Code and (ii) satisfy certain specified conditions. If the conditions are satisfied, contributions to Trump accounts will be treated as completed gifts that are not future interests in property and to which the annual per-donee gift tax exclusion applies. As a result, taxpayers within the scope of the revenue procedure will not be required to file gift tax returns reporting such contributions.

EXCISE TAX

This Notice of Determinations adds 2 chemical substances to the list of taxable substances under § 4672 subject to the tax imposed by § 4671.

EXEMPT ORGANIZATIONS

Revocation of IRC 501(c)(3) Organizations for failure to meet the code section requirements. Contributions made to the organizations by individual donors are no longer deductible under IRC 170(b)(1)(A).

INCOME TAX

This notice publishes the 2026 calendar-year inflation adjustment factor for the section 45U zero-emission nuclear power production credit, as well as the inflation adjustment factors and corresponding applicable amounts for the section 45V clean hydrogen production credit and the section 45Z clean fuel production credit, respectively. The inflation adjustment factors (applicable to sections 45U, 45V, and 45Z) and the applicable amounts (in the case of sections 45V and 45Z) are used to determine the amount of the credit allowable under sections 45U, 45V, and 45Z.

This notice publishes the applicable reference price and credit amount under § 45I of the Internal Revenue Code for qualified natural gas production from qualified marginal wells during taxable years beginning in calendar year 2026. The applicable reference price and credit amount are used in determining the marginal well production credit under § 45I for qualified natural gas production.

Finding Lists begin on page ii.

The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.
This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.
This part is divided into two subparts as follows: Subpart A, Tax Conventions and Other Related Items, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.
To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.
This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The last Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the last Bulletin of each semiannual period.

Part III

Zero-Emission Nuclear Power Production Credit 2026 Section 45U Inflation Adjustment Factor

Credit for Production of Clean Hydrogen 2026 Section 45V Inflation Adjustment Factor and Applicable Amount

Clean Fuel Production Credit 2026 Section 45Z Inflation Adjustment Factor and Applicable Amount

Notice 2026-41

SECTION 1. PURPOSE

This notice publishes the inflation adjustment factors and applicable amounts, as appropriate, for calendar year 2026 for the zero-emission nuclear power production credit under § 45U of the Internal Revenue Code (Code) (the § 45U credit), the credit for production of clean hydrogen under § 45V of the Code (the § 45V credit), and the clean fuel production credit under § 45Z of the Code (the § 45Z credit). These inflation adjustment factors and applicable amounts, as appropriate, are used to determine the corresponding credit amounts under §§ 45U, 45V, and 45Z.

SECTION 2. BACKGROUND

.01 *Section 45U*.

Section 45U was added to the Code by section 13105 of Public Law 117-169, 136 Stat. 1818, 1929 (August 16, 2022), commonly known as the Inflation Reduction Act of 2022 (IRA), to provide an income tax credit for producing electricity at a qualified nuclear power facility.

Section 45U(a) provides that, for purposes of § 38, the § 45U credit for any taxable year is an amount equal to the amount by which the product of 0.3 cents (the amount provided in § 45U(a)(1)(A)) and the kilowatt hours of electricity the taxpayer produced at a qualified nuclear power facility and sold to an unrelated person during the taxable year, exceeds the reduction amount for that taxable year.

Section 45U(b)(2) defines the reduction amount as the lesser of: (1) the amount determined under § 45U(a) before application of the reduction amount, or (2) the amount equal to 16 percent of the excess of, subject to other rules regarding the treatment of certain receipts, the gross receipts from any electricity produced by a qualified nuclear power facility (including any electricity services or products provided in conjunction with the electricity produced by such facility) and sold to an unrelated person during the taxable year, over the amount equal to the product of 2.5 cents (the amount provided in § 45U(b)(2)(A)(ii)(II)(aa)), multiplied by the kilowatt hours of electricity determined in § 45U(a).

Section 45U(c)(1) provides that the 0.3 cent amount in § 45U(a)(1)(A) and the 2.5 cent amount in § 45U(b)(2)(A)(ii)(II)(aa) are each adjusted by multiplying such amounts by the inflation adjustment factor (as determined under § 45(e)(2), by substituting "2023" for "1992" in § 45(e)(2)(B)) for the calendar year in which the sale of electricity (as defined in § 45U(b)(3)) occurred. If the 0.3 cent and 2.5 cent amounts, as increased under § 45U(c)(1), are not multiples of 0.05 cent and 0.1 cent, respectively, then such amounts are rounded to the nearest multiples of 0.05 cent and 0.1 cent, respectively.

.02 *Section 45V*.

Section 45V was added to the Code by IRA section 13204, 136 Stat. at 1935, to provide an income tax credit for producing qualified clean hydrogen.

Section 45V(a) provides that, for purposes of § 38, the § 45V credit for any taxable year is an amount equal to the product of (1) the kilograms of qualified clean hydrogen produced by the taxpayer during such taxable year at a qualified clean hydrogen production facility during the 10-year period beginning on the date such facility was originally placed in service, and (2) the applicable amount as determined under § 45V(b) with respect to such hydrogen.

Section 45V(b)(1) provides that, for purposes of § 45V(a)(2), the applicable amount is an amount equal to the applicable percentage of $0.60. If the amount so determined is not a multiple of 0.1 cent, then such amount is rounded to the nearest multiple of 0.1 cent.

Section 45V(b)(2) provides that, for purposes of § 45V(b)(1), the applicable percentage is determined based on the lifecycle greenhouse gas emissions (lifecycle GHG emissions) rate of the process used to produce any qualified clean hydrogen as follows: (i) if the lifecycle GHG emissions rate is not greater than 4 kilograms of carbon dioxide equivalent (CO_2e) per kilogram of hydrogen, and not less than 2.5 kilograms of CO_2e per kilogram of hydrogen, then the applicable percentage is 20 percent; (ii) if the lifecycle GHG emissions rate is less than 2.5 kilograms of CO_2e per kilogram of hydrogen, and not less than 1.5 kilograms of CO_2e per kilogram of hydrogen, then the applicable percentage is 25 percent; (iii) if the lifecycle GHG emissions rate is less than 1.5 kilograms of CO_2e per kilogram of hydrogen, and not less than 0.45 kilograms of CO_2e per kilogram of hydrogen, then the applicable percentage is 33.4 percent; and (iv) if the lifecycle GHG emissions rate is less than 0.45 kilograms of CO_2e per kilogram of hydrogen, then the applicable percentage is 100 percent.

Section 45V(b)(3) provides that the $0.60 amount in § 45V(b)(1) is adjusted by multiplying such amount by the inflation adjustment factor (as determined under § 45(e)(2), by substituting "2022" for "1992" in § 45(e)(2)(B)) for the calendar year in which the qualified clean hydrogen is produced. If any amount as increased under § 45V(b)(3) is not a multiple of 0.1 cent, then such amount is rounded to the nearest multiple of 0.1 cent.

.03 *Section 45Z*.

Section 45Z was added to the Code by IRA section 13704, 136 Stat. at 1997, to provide an income tax credit for producing clean transportation fuel.

Section 45Z(a)(1) provides that, for purposes of § 38, the § 45Z credit for any taxable year is an amount equal to the product of (1) the applicable amount per gallon (or gallon equivalent) with respect to any transportation fuel which is produced by the taxpayer at a qualified facility and sold by the taxpayer in a specific manner during the taxable year, and (2) the emissions factor for such fuel as determined under § 45Z(b).

As enacted by the IRA, § 45Z(a)(2) and (3) provided the applicable amounts for transportation fuels. Specifically, for transportation fuel that was not a sustainable aviation fuel (non-SAF transportation fuel), the applicable amount was 20 cents under § 45Z(a)(2)(A), or $1.00 under § 45Z(a)(2)(B). For transportation fuel that was a sustainable aviation fuel (SAF transportation fuel), the applicable amount was 35 cents under § 45Z(a)(3)(A)(i), or $1.75 under § 45Z(a)(3)(A)(ii).

Section 45Z refers to the lower amount for a fuel as the base amount and to the higher amount for a fuel as the alternative amount. A taxpayer uses the alternative amount if it produces transportation fuel at a qualified facility that satisfies certain prevailing wage and apprenticeship requirements.

Section 70521(g)(2) of Public Law 119-21, 139 Stat. 72, 278 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act, amended § 45Z by eliminating the higher applicable amounts for SAF transportation fuel. This amendment applies to fuel produced after December 31, 2025. Thus, for all transportation fuel produced after December 31, 2025, the applicable amount is either 20 cents or $1.00 as provided in § 45Z(a)(2). However, for transportation fuel produced between January 1, 2025, and December 31, 2025, the applicable amounts are those as enacted under the IRA and differ for SAF and non-SAF transportation fuel.

Section 45Z(c)(1) provides that, for calendar years beginning after 2024, the applicable amount must be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the sale of the transportation fuel occurs. Any amount adjusted under § 45Z(c)(1) must be rounded to the nearest cent. Section 45Z(c)(2) provides that the inflation adjustment factor for the § 45Z credit is the inflation adjustment factor determined and published by the Secretary of the Treasury or his delegate pursuant to § 45Y(c), determined by substituting "calendar year 2022" for "calendar year 1992" in § 45Y(c)(3).

.04 *Sections 45(e)(2)(B) and 45Y(c)(3)*.

Sections 45(e)(2)(B) and 45Y(c)(3) define the term *inflation adjustment factor* as, with respect to a calendar year, a fraction, the numerator of which is the GDP implicit price deflator for the preceding calendar year and the denominator of which is the GDP implicit price deflator for the calendar year 1992. Under both statutes, the term *GDP implicit price deflator* means the most recent revision of the implicit price deflator for the gross domestic product as computed and published by the Department of Commerce before March 15 of the calendar year.

SECTION 3. INFLATION ADJUSTMENT FACTORS AND APPLICABLE AMOUNTS

.01 *2026 Section 45U Inflation Adjustment Factor*.

For purposes of § 45U(c)(1), for sales of electricity occurring in calendar year 2026, the inflation adjustment factor is a fraction, the numerator of which is the GDP implicit price deflator for 2025 (128.986) and the denominator of which is the GDP implicit price deflator for 2023 (122.39), which yields an inflation adjustment factor of 1.0539.

For sales of electricity occurring in calendar year 2026, the amount provided in § 45U(a)(1)(A) is *0.3 cents* (0.3 cents (or $0.003) x 1.0539, then rounded to the nearest multiple of 0.05 cent). The amount provided in § 45U(b)(2)(A)(ii)(II)(aa) is *2.6 cents* (2.5 cents (or $0.025) x 1.0539, then rounded to the nearest multiple of 0.1 cent).

.02 *2026 Section 45V Inflation Adjustment Factor and Applicable Amount*.

For purposes of § 45V(b)(3), for qualified clean hydrogen produced in calendar year 2026, the inflation adjustment factor is a fraction, the numerator of which is the GDP implicit price deflator for 2025 (128.986) and the denominator of which is the GDP implicit price deflator for 2022 (118.023), which yields an inflation adjustment factor of 1.0929.

For qualified clean hydrogen produced in calendar year 2026, the applicable amount determined under § 45V(b)(1) is the product of $0.656 ($0.60 x 1.0929, then rounded to the nearest multiple of 0.1 cent) and the applicable percentage, which depends on the lifecycle GHG emissions rate of the qualified clean hydrogen production process. Thus, for qualified clean hydrogen produced through a process that results in a lifecycle GHG emissions rate of:

(i) not greater than 4 kilograms of CO2e per kilogram of hydrogen, and not less than 2.5 kilograms of CO2e per kilogram of hydrogen, the applicable amount is *$0.131*;

(ii) less than 2.5 kilograms of CO2e per kilogram of hydrogen, and not less than 1.5 kilograms of CO2e per kilogram of hydrogen, the applicable amount is *$0.164*;

(iii) less than 1.5 kilograms of CO2e per kilogram of hydrogen, and not less than 0.45 kilograms of CO2e per kilogram of hydrogen, the applicable amount is *$0.219*; and

(iv) less than 0.45 kilograms of CO2e per kilogram of hydrogen, the applicable amount is *$0.656*.

.03 *2026 Section 45Z Inflation Adjustment Factor and Applicable Amount*.

For purposes of § 45Z(c), for transportation fuel sold in calendar year 2026, the inflation adjustment factor is a fraction, the numerator of which is the GDP implicit price deflator for 2025 (128.986) and the denominator of which is the GDP implicit price deflator for 2022 (118.023), which yields an inflation adjustment factor of 1.0929.

For all transportation fuel produced and sold in calendar year 2026, and for non-SAF transportation fuel produced in calendar year 2025 and sold in calendar year 2026:

(i) The base amount is *22 cents* (20 cents x 1.0929, then rounded to the nearest cent) under § 45Z(a)(2)(A).

(ii) The alternative amount is *$1.09* ($1.00 x 1.0929, then rounded to the nearest cent) under § 45Z(a)(2)(B).

For SAF transportation fuel produced in calendar year 2025 and sold in calendar year 2026:

(i) The base amount is *38 cents* (35 cents x 1.0929, then rounded to the nearest cent) under § 45Z(a)(3)(A)(i) as enacted by IRA § 13704.

(ii) The alternative amount is *$1.91* ($1.75 x 1.0929, then rounded to the nearest cent) under § 45Z(a)(3)(A)(ii) as enacted by IRA § 13704.

SECTION 4. DRAFTING INFORMATION

The principal authors of this notice are Whitney Brady, Glenn Kats, and Andrew Clark of the Office of Associate Chief Counsel (Energy, Credits, and Excise Tax). For further information regarding this notice contact Whitney Brady at (202) 317-6325, Glenn Kats at (202) 317-3995, or Andrew Clark at (202) 317-6855 (not toll-free numbers).

Reference Price for Section 45I Credit for Production of Natural Gas from Marginal Wells During Taxable Years Beginning in Calendar Year 2026

Notice 2026-42

SECTION 1. PURPOSE

This notice provides the applicable reference price for qualified natural gas production from qualified marginal wells during taxable years beginning in calendar year 2026 for the purpose of determining the marginal well production credit (MWC) under § 45I of the Internal Revenue Code. The applicable reference price for taxable years beginning in calendar year 2026 is $2.20 per 1,000 cubic feet (Mcf).

This notice also provides the credit amount used for the purpose of determining the MWC for taxable years beginning in calendar year 2026. The credit amount is determined using the 2026 inflation adjustment factor of 1.6295 and the applicable reference price of $2.20 per Mcf. The credit amount for taxable years beginning in calendar year 2026 is $0.81 per Mcf.

SECTION 2. BACKGROUND

Section 45I(a), as it relates to qualified natural gas production, provides that, for purposes of § 38, the MWC for any taxable year is an amount equal to the product of (1) the credit amount and (2) the qualified natural gas production that is attributable to the taxpayer.

Section 45I(c)(1) provides that “qualified natural gas production” means domestic natural gas produced from a qualified marginal well. Section 45I(c)(3)(A) provides that a qualified marginal well is a domestic well (i) the production from which during the taxable year is treated as marginal production under § 613A(c)(6), or (ii) which, during the taxable year (I) has average production of not more than 25 barrel-of-oil equivalents per day, and (II) produces water at a rate not less than 95 percent of total well effluent.

Section 613A(c)(6)(D) and (E) provide that “marginal production” means domestic natural gas produced during any taxable year from a property which is a stripper well property for the calendar year in which the taxable year begins. A “stripper well property” is, with respect to any calendar year, any property producing not more than 15 barrel equivalents per day, determined by dividing the average daily production of domestic crude oil and domestic natural gas from producing wells on the property for such calendar year by the number of such wells.

Section 45I(c)(2)(A) provides that generally only the first 1,095 barrels or barrel-of-oil equivalents (as defined in § 45K(d)(5)) produced during the taxable year qualify for the MWC. This limitation is proportionately reduced in the case of a short taxable year or in the case of a well that is not capable of production each day of a taxable year. See § 45I(c)(2)(B). The number of wells on which a taxpayer may claim the MWC is not limited.

Section 45I(d)(2) provides that to claim the credit a taxpayer must hold an operating interest in the qualified marginal well producing the natural gas to which the credit relates. Under § 45I(d)(1) if a well is owned by more than one owner and the natural gas production exceeds the limitation under § 45I(c)(2), the qualifying natural gas production attributable to the taxpayer is determined on the basis of the ratio which the taxpayer’s revenue interest in the production bears to the aggregate of the revenue interests of all operating interest owners in the production. Finally, § 45I(d)(3) provides that the MWC is not allowable if the taxpayer is also eligible to claim the § 45K nonconventional sources credit for the taxable year, unless the taxpayer elects not to claim the credit under § 45K for the well.

For purposes of § 45I(a)(1), the credit amount is 50 cents (adjusted for inflation) per Mcf of qualified natural gas production (tentative credit amount). See § 45I(b)(1)(B) and (b)(2)(B).

Section 45I(b)(2)(A) and (B) provide that the tentative credit amount (adjusted for inflation) is reduced (but not below zero) to the extent that the applicable reference price exceeds $1.67 (adjusted for inflation). More specifically, § 45I(b)(2)(A) provides that the tentative credit amount (adjusted for inflation) is reduced by an amount which bears the same ratio to the tentative credit amount (adjusted for inflation) as the excess (if any) of the applicable reference price over $1.67 (adjusted for inflation), bears to $0.33 (adjusted for inflation). As a result, the MWC is not available if the applicable reference price for qualified natural gas production is $2.00 (adjusted for inflation) or more.

Section 45I(b)(2)(A) also provides that the applicable reference price for a taxable year is the reference price for the calendar year preceding the calendar year in which the taxable year begins. Section 45I(b)(2)(C)(ii) provides that the term “reference price” means, with respect to any calendar year, in the case of qualified natural gas production, the Secretary’s estimate of the annual average wellhead price per Mcf for all domestic natural gas.

Section 45I(b)(2)(B) provides that in the case of any taxable year beginning in a calendar year after 2005, each of the dollar amounts contained in § 45I(b)(2)(A) will be increased to an amount equal to such dollar amount multiplied by the inflation adjustment factor for such calendar year (determined under § 43(b)(3)(B) by substituting “2004” for “1990”).

SECTION 3. INFLATION ADJUSTMENT FACTOR AND REFERENCE PRICE

.1 *Inflation Adjustment*. The inflation adjustment factor under § 45I(b)(2)(B) for calendar year 2026 is 1.6295.

.2 *Reference Price*. The Secretary's estimate of the calendar year 2025 annual average wellhead price per Mcf for all domestic natural gas under § 45I(b)(2)(C)(ii) was calculated by applying the Producer Price Index commodity index for "Natural Gas from the Wellhead" (WPU053101051)[1] published by the Bureau of Labor Statistics (BLS) as part of its Producer Price Index program, to the 2024 annual average wellhead price ($1.64) published in Notice 2025-34, 2025-27 I.R.B. 6. The annual Producer Price Index commodity index for natural gas published by the BLS was 50.869 in 2024 and 68.301 in 2025, which implies a ratio of 2025 to 2024 average wellhead prices of 1.343 (68.301/50.869). Therefore, the Secretary's estimate of the calendar year 2025 annual average wellhead price per Mcf for all domestic natural gas is $2.20 per Mcf (1.343 × $1.64 per Mcf).

For years after 2025, the Secretary intends to continue calculating the reference price by application of the Producer Price Index commodity index for "Natural Gas from the Wellhead" (WPU053101051) published by the BLS to the previous year's reference price.

SECTION 4. CALCULATION OF CREDIT AMOUNT

Under § 45I(b)(1)(B) and (2)(B), the tentative credit amount used to calculate the MWC for taxable years beginning in calendar year 2026 is $0.81 per Mcf ($0.50 × 1.6295 inflation adjustment factor).

Pursuant to § 45I(b)(2)(A), the tentative credit amount ($0.81) is reduced (but not below zero) by an amount (the Reduction Amount) which bears the same ratio to such amount as (i) the excess (if any) of the applicable reference price ($2.20) over $2.72 ($1.67 × 1.6295 inflation adjustment factor), bears to (ii) $0.54 ($0.33 × 1.6295 inflation adjustment factor). The Reduction Amount (as adjusted for inflation) is computed as follows:

$$\frac{\text{Reduction Amount}}{\$0.81} = \frac{\$2.20 - \$2.72}{\$0.54}$$

The Reduction Amount is -$0.78 (($2.20 - $2.72) ÷ $0.54 × $0.81), which is less than zero, therefore, the tentative credit amount ($0.81) is not reduced.

SECTION 5. EFFECTIVE DATE

This notice is effective for qualified natural gas production during taxable years beginning in calendar year 2026.

SECTION 6. DRAFTING AND CONTACT INFORMATION

The principal author of this notice is Alan W. Tilley of the Office of Associate Chief Counsel (Energy, Credits, and Excise Tax). For further information regarding this notice, contact Mr. Tilley on (202) 317-6512 (not a toll-free number).

Superfund Tax on Chemical Substances; Notice of Determinations to Add Substances to List of Taxable Substances

Notice 2026-43

SUMMARY: This notice of determinations modifies the list of taxable substances to include the following two substances: chloro-isobutene-isoprene rubber ($(C_4H_8)_n$-$(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25) and ethylene-propylene-dicyclopentadiene rubber ($(C_2H_4)_m$-$(C_3H_6)_n$ -$(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29).

EFFECTIVE DATES: The effective date for purposes of the tax under section 4671 of the Internal Revenue Code (Code) for the taxable substances added to the list is October 1, 2026. The effective date for purposes of refund claims under section 4662(e) of the Code for the taxable substances added to the list is April 1, 2023.

FOR FURTHER INFORMATION CONTACT: Julia Barlow at (202) 317-6855 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Section 4671(a) of the Code imposes an excise tax on the sale or use of a taxable substance by the importer thereof (section 4671 tax). Section 4672(a)(1) of the Code defines the term *taxable substance* as any substance which, at the time of sale or use by the importer, is listed as a taxable substance by the Secretary of the Treasury or the Secretary's delegate (Secretary) on the list of taxable substances under section 4672(a) (List).

Under section 4672(a)(2), an importer or exporter of any substance may request that the Secretary determine whether such substance should be added to the List as a taxable substance or should be removed from the List. Under section 4672(a)(2)(B) and (a)(4) and (b)(2), the Secretary is required to add a substance to the List if the Secretary determines that any taxable chemicals that are listed in section 4661(b) of the Code constitute more than 20 percent of the weight, or more than 20 percent of the value, of the materials used to produce such substance, which determination is required under section 4672(a)(2)(B) and (a)(4) to be made based on the predominant method of production (weight or value test). Section 4672(a)(4) authorizes the Secretary to remove a substance from the List only if such substance meets neither the weight nor the value test of section 4672(a)(2)(B).

Section 4672(a)(3) includes an initial list of taxable substances. Section 4 of Notice 2021-66 (2021-52 I.R.B. 901) provides the list of 101 substances that the Secretary added to the List before November 15, 2021. On May 31, 2024, the Secretary published a Notice of Determination

[1] https://data.bls.gov/cgi-bin/srgate. The BLS publishes indexes and not actual or average prices.

in the ***Federal Register*** (89 FR 47238) adding polyoxymethylene to the List; this Notice of Determination was also published in the Internal Revenue Bulletin as Notice 2024-50 (2024-26 I.R.B. 1789). On August 4, 2025, the Secretary published a Notice of Determinations in the ***Federal Register*** (90 FR 36520) adding 21 substances to the List; this Notice of Determinations was also published in the Internal Revenue Bulletin as Notice 2025-41 (2025-34 I.R.B. 325). On September 17, 2025, the Secretary published a Notice of Determinations in the ***Federal Register*** (90 FR 44881) adding 39 substances to the List; this Notice of Determinations was also published in the Internal Revenue Bulletin as Notice 2025-51 (2025-41 I.R.B. 448). Rev. Proc. 2022-26 (2022-29 I.R.B. 90), *as modified by* Rev. Proc. 2023-20 (2023-15 I.R.B. 636), provides the exclusive procedures by which an importer, exporter, or interested person may request a determination that a particular substance be added to or removed from the List.

Section 4671(b)(3) authorizes the Secretary to prescribe a tax rate for taxable substances in lieu of the tax rate specified in section 4671(b)(2). The tax rate prescribed by the Secretary for a substance added to the List is calculated by multiplying the conversion factor for each taxable chemical used in the production of the substance by the corresponding tax rate for that taxable chemical under section 4661(b), and adding those results together. Conversion factors are determined based on the predominant method of production of the substance. *See* sections 8 and 10.04(8) of Rev. Proc. 2022-26. Importers are not required to use the prescribed tax rate for a taxable substance and may calculate their own rate under section 4671(b)(1).

Pursuant to Section 4672(a)(4), this notice of determinations modifies the List to include the two additional taxable substances listed in the Summary of Determinations section of this notice, as explained in the Requests to Add Substances to the List and General Explanation of Determinations sections of this notice. The determination for each specific substance added to the List is explained in parts 1 and 2 of the Modifications to the List of Taxable Substances section of this notice.

The updated List and prescribed tax rates for taxable substances will be included in the instructions to Form 6627, *Environmental Taxes*.

Summary of Determinations

On June 26, 2026, the Secretary determined to add the following substances to the List:

1. Chloro-isobutene-isoprene rubber $((C_4H_8)_n$-$(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25)
2. Ethylene-propylene-dicyclopentadiene rubber $((C_2H_4)_m$-$(C_3H_6)_n$-$(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29)

Requests to Add Substances to the List

For each of the substances listed in the Summary of Determinations section of this notice, an importer or an exporter submitted a petition to the IRS in accordance with Rev. Proc. 2022-26 requesting a determination under section 4672(a)(2) to add the substance to the List. For each substance, the petition represented that taxable chemicals constitute more than 20 percent of the weight of materials used to produce the substance, based on the predominant method of production.

General Explanation of Determinations

After reviewing the petitions for each of the substances listed in the Summary of Determinations section of this notice, the Secretary determined that taxable chemicals constitute more than 20 percent by weight of the materials used to produce the substance, based on the predominant method of production. Therefore, both of the substances are added to the List as required under section 4672(a)(2) and (4). The Secretary made the determinations to add these substances to the List in accordance with the requirements of section 4672(a)(2) and (4), and pursuant to the procedures set forth in Rev. Proc. 2022-26, *as modified by* Rev. Proc. 2023-20.

The relevant information for each taxable substance is provided in the specific determinations included in parts 1 and 2 of the Modifications to the List of Taxable Substances section of this notice. The tax rate for each taxable substance, as prescribed by the Secretary, is provided in paragraph (a)(6) of each specific determination. All scientific information provided in the specific determinations reflects the information provided by petitioners as published in each taxable substance's respective Notice of Filing.

Classification numbers proposed by each petitioner are included in paragraph (b) of each part, after each specific determination. The classification numbers provided with respect to a taxable substance are not part of the determination of whether it is added to the List and do not impact whether such substance is a taxable substance. Taxpayers may not rely on classification numbers for any purpose under sections 4661, 4662, 4671, and 4672, including (but not limited to) identification of a substance as a taxable substance on the List. Classification numbers may change over time. The Department of the Treasury (Treasury Department) and the IRS do not anticipate updating this document to reflect any such changes.

For purposes of the section 4671 tax, all the modifications in parts 1 and 2 of the Modifications to the List of Taxable Substances section of this notice are effective on and after October 1, 2026. For purposes of refund claims under section 4662(e), the modifications are effective April 1, 2023.

Modifications to the List of Taxable Substances

1. Determination to Add Chloro-isobutene-isoprene Rubber $((C_4H_8)_n$-$(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25) to the List

Arlanxeo USA LLC and Arlanxeo Canada Inc., importers and exporters of chloro-isobutene-isoprene rubber $((C_4H_8)_n$-$(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25), submitted a petition in accordance with Rev. Proc. 2022-26 requesting to add chloro-isobutene-isoprene rubber $((C_4H_8)_n$-$(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25) to the List. According to the petition, the taxable chemicals butylene, chlorine, and sodium hydroxide constitute 97.36 percent by weight of the materials used to produce this substance, based on the predominant method of production.

(a) *Determination*. Chloro-isobutene-isoprene rubber $((C_4H_8)_n$ $-(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25) is added to the list of taxable substances under section 4672(a). Other pertinent information is as follows:

(1) *Predominant method of production*: The predominant method of producing chloro-isobutene-isoprene rubber involves reacting a hexane solution of butyl rubber with elemental chlorine. Butyl rubber is produced via the cationic copolymerization of butylene with isoprene in the presence of a Friedel-Crafts catalyst at low temperature, around -100°C.

(2) *Stoichiometric material consumption equation*:

n C_4H_8 (butylene) + m C_5H_8 (isoprene) + (0.69m) Cl_2 (chlorine) + (0.69m) NaOH (sodium hydroxide) → $(C_4H_8)_n$ $(C_5H_{7.31}Cl_{0.69})_m$ (chloro-isobutene-isoprene rubber) + (0.69m) NaCl + (0.69m) H_2O

(3) *Reasons for the determination*: The chloro-isobutene-isoprene rubber $((C_4H_8)_n$ $-(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25) petition was filed on July 13, 2025. The notice of filing summarizing the petition and requesting comments was published in the ***Federal Register*** (90 FR 39468) on August 15, 2025. The Treasury Department and the IRS received no substantive written comments in response to the notice of filing. A public hearing was neither requested nor held.

The Secretary followed the process in section 4672(a)(2)(B) in making this determination. A review of the stoichiometric material consumption equation and other information in the petition shows that the taxable chemicals butylene, chlorine, and sodium hydroxide constitute more than 20 percent by weight of the materials used in the production of chloro-isobutene-isoprene rubber $((C_4H_8)_n$ $-(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25), based on the predominant method of production. Therefore, the test in section 4672(a)(2)(B) is satisfied.

(4) *Date of determination*: **June 26, 2026**.

(5) *Effective dates for addition of chloro-isobutene-isoprene rubber $((C_4H_8)_n$ $-(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25) to the List*:

(i) *Effective date for purposes of the section 4671 tax (see section 11.01 of Rev. Proc. 2022-26)*: October 1, 2026.

(ii) *Effective date for purposes of refund claims under section 4662(e) (see sections 11.02 and 11.03 of Rev. Proc. 2022-26, as modified by section 3 of Rev. Proc. 2023-20)*: April 1, 2023.

(6) *Tax rate prescribed by the Secretary*: $9.46 per ton. The conversion factors for the taxable chemicals used in the production of chloro-isobutene-isoprene rubber $((C_4H_8)_n$-$(C_5H_{7.31}Cl_{0.69})_m$; n=97.75, m=2.25) are 0.96 for butylene, 0.02 for chlorine, and 0.01 for sodium hydroxide. The tax rate is calculated by adding the products of the conversion factor for each taxable chemical by the tax rate for that taxable chemical: ((0.96 x $9.74) + (0.02 x $5.40) + (0.01 x $0.56) = $9.46).

(b) *Classification numbers*.

(1) *The Secretary has no basis to object to the following proposed classification numbers*:

(i) *HTSUS number*: 4002.39.0000.

(ii) *Schedule B number*: 4002.39.0000.

(iii) *CAS number*: 68081-82-3.

(2) *The Secretary is unable to confirm the following proposed classification numbers*: Not applicable.

2. Determination to Add Ethylene-propylene-dicyclopentadiene Rubber $((C_2H_4)_m$-$(C_3H_6)_n$-$(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29) to the List

Arlanxeo USA LLC and Arlanxeo Canada Inc., importers and exporters of ethylene-propylene-dicyclopentadiene rubber $((C_2H_4)_m$-$(C_3H_6)_n$-$(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29), submitted a petition in accordance with Rev. Proc. 2022-26 requesting to add ethylene-propylene-dicyclopentadiene rubber $((C_2H_4)_m$-$(C_3H_6)_n$ $-(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29) to the List. According to the petition, the taxable chemicals ethylene and propylene constitute 98.80 percent by weight of the materials used to produce this substance, based on the predominant method of production.

(a) *Determination*. Ethylene-propylene-dicyclopentadiene rubber $((C_2H_4)_m$ $-(C_3H_6)_n$-$(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29) is added to the list of taxable substances under section 4672(a). Other pertinent information is as follows:

(1) *Predominant method of production*: The predominant method of producing ethylene-propylene-dicyclopentadiene rubber is through the catalytic polymerization of ethylene, propylene, and non-conjugated diene monomers in a solution using various catalysts. Non-conjugated diene monomers include ethylidene norbornene and dicyclopentadiene. The non-conjugated diene monomers are produced from cyclopentadiene and butadiene, and cyclopentadiene, respectively.

(2) *Stoichiometric material consumption equation*:

m C_2H_4 (ethylene) + n C_3H_6 (propylene) + o [2 C_5H_6 (cyclopentadiene)] → $(C_2H_4)_m$ $(C_3H_6)_n(C_{10}H_{12})_o$ (ethylene-propylene-dicyclopentadiene rubber)

(3) *Reasons for the determination*: The ethylene-propylene-dicyclopentadiene rubber $((C_2H_4)_m$-$(C_3H_6)_n$-$(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29) petition was filed on July 13, 2025. The notice of filing summarizing the petition and requesting comments was published in the ***Federal Register*** (90 FR 39469) on August 15, 2025. The Treasury Department and the IRS received no written comments in response to the notice of filing. A public hearing was neither requested nor held.

The Secretary followed the process in section 4672(a)(2)(B) in making this determination. A review of the stoichiometric material consumption equation and other information in the petition shows that the taxable chemicals ethylene and propylene constitute more than 20 percent by weight of the materials used in the production of ethylene-propylene-dicyclopentadiene rubber $((C_2H_4)_m$-$(C_3H_6)_n$ $-(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29), based on the predominant method of production. Therefore, the test in section 4672(a)(2)(B) is satisfied.

(4) *Date of determination*: **June 26, 2026**.

(5) *Effective dates for addition of ethylene-propylene-dicyclopentadiene rubber $((C_2H_4)_m$-$(C_3H_6)_n$-$(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29) to the List*:

(i) *Effective date for purposes of the section 4671 tax (see section 11.01 of Rev. Proc. 2022-26)*: October 1, 2026.

(ii) *Effective date for purposes of refund claims under section 4662(e) (see sections 11.02 and 11.03 of Rev. Proc. 2022-26, as modified by section 3 of Rev. Proc. 2023-20)*: April 1, 2023.

(6) *Tax rate prescribed by the Secretary*: \$9.64 per ton. The conversion factors for the taxable chemicals used in the production of ethylene-propylene-dicyclopentadiene rubber ($((C_2H_4)_m$-$(C_3H_6)_n$-$(C_{10}H_{12})_o$; m=73.18, n=26.53, o=0.29) are 0.64 for ethylene and 0.35 for propylene. The tax rate is calculated by adding the products of the conversion factor for each taxable chemical by the tax rate for that taxable chemical: ((0.64 x \$9.74) + (0.35 x \$9.74) = \$9.64).

(b) *Classification numbers*.

(1) *The Secretary has no basis to object to the following proposed classification numbers*:

(i) *HTSUS number*: 4002.70.0000.

(ii) *Schedule B number*: 4002.70.0000.

(iii) *CAS number*: 25038-36-2.

(2) *The Secretary is unable to confirm the following proposed classification numbers*: Not applicable.

Krishna P. Vallabhaneni,
Tax Legislative Counsel.

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26 CFR 601.601: Rules and regulations.
(Also Part I, Sections 530A, 2010, 2503, 2505, 2642, 2662, 6019.)

Transfer Tax Safe Harbor for Certain Contributions to Trump Accounts

Rev. Proc. 2026-25

SECTION 1. PURPOSE

This revenue procedure provides a transfer tax safe harbor for certain individual donors who make one or more contributions to Trump accounts established under section 530A of the Internal Revenue Code (Code).[1] In the interest of sound tax administration, for taxpayers within the scope of section 4 of this revenue procedure, contributions to Trump accounts will be treated as completed gifts that are not gifts of future interests in property and to which the annual per-donee gift tax exclusion applies. As a result, taxpayers within the scope of section 4 of this revenue procedure will not be required to file gift tax returns reporting such contributions.

SECTION 2. BACKGROUND

01. *Trump accounts.*

Section 70204 of Public Law 119-21, 139 Stat. 72 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act, added section 530A and related provisions concerning Trump accounts to the Code. A Trump account is a type of traditional individual retirement account (IRA) that is established under section 530A for the exclusive benefit of an eligible individual or the eligible individual's beneficiaries and is designated as a Trump account at its establishment. An eligible individual is any individual (i) who has not attained age 18 before the close of the calendar year in which an election to open an initial Trump account (initial Trump account election) is made, (ii) for whom a social security number has been issued before the date of the initial Trump account election, and (iii) for whom the initial Trump account election is made. The eligible individual is the owner of the Trump account and is referred to as the account beneficiary.

A Trump account is subject to certain special rules that do not apply to other individual retirement arrangements under section 408, most of which apply only during the period ending before January 1 of the calendar year in which the account beneficiary attains age 18. This period is referred to as the growth period. The special rules that apply only during the growth period include a restriction on distributions to the account beneficiary. Specifically, during the growth period, no distributions may be made from a Trump account, except for qualified rollover contributions, a qualified ABLE rollover contribution (made only during the calendar year in which an account beneficiary attains age 17), distributions of excess contributions, and distributions upon the death of the account beneficiary. Consequently, the account beneficiary of a Trump account generally does not have access to amounts in the Trump account during the growth period.

Trump accounts may receive contributions from nonprofits, governments, employers, and individuals. During the growth period, a Trump account is subject to an annual contribution limit of \$5,000, adjusted for inflation after 2027. This annual limit does not apply to the \$1,000 Trump account pilot program contribution, qualified general contributions (which are funded by nonprofits and certain governmental entities), or qualified rollover contributions, but does apply to any other contribution (including contributions from employers).

As of June 4, 2026, nearly six million elections to open a Trump account have been received.

.02 *Relevant transfer tax rules.*

Individuals and their estates generally are subject to gift, estate, or generation-skipping transfer (GST) tax liability once the value of cumulative transfers during life and at death exceed the lifetime basic exclusion amount, which is currently \$15 million (adjusted annually for inflation). Sections 2010(c), 2505(a), 2631(c).[2]

The gift tax applies to a transfer of property by way of gift, whether the transfer is in trust or otherwise, whether the gift is direct or indirect, and whether the property is real or personal, tangible or intangible. Section 2511(a). The term "taxable gifts" is defined as the total amount of gifts made during the calendar year, less any available deductions (e.g., gift tax marital or charitable deductions). Section 2503(a). However, there is an annual per-donee gift tax exclusion from the total amount of the donor's gifts during a calendar year. Specifically, each donor may exclude from the amount of the donor's gifts those made to a particular recipient to the extent the total

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[1] Unless otherwise specified, all "section" references are to sections of the Code.

[2] In general terms, if a portability election under section 2010(c)(5) is made by the estate of a predeceasing spouse, the predeceasing spouse's unused exclusion amount (deceased spousal unused exclusion or DSUE) is added to the surviving spouse's basic exclusion amount to increase the value of the surviving spouse's cumulative transfers exempt from gift and estate tax. The sum of the basic exclusion amount and any available DSUE amount is the applicable exclusion amount. Section 2010(c)(3).

value of the donor's gifts to that recipient does not exceed this annual exclusion amount, provided that those gifts are not gifts of a future interest in property. Section 2503(b)(1). For calendar year 2026, the annual exclusion amount (as indexed for inflation) is $19,000 per individual recipient, and is available in addition to the donor's lifetime basic exclusion amount (the cumulative amount excluded from gift and estate taxes).

A taxable gift or transfer at death also may be subject to GST tax. Section 2601. Every individual is allowed a lifetime GST exemption amount, which is equal to the basic exclusion amount for gift and estate tax purposes (thus, $15,000,000 for calendar year 2026). Section 2631(c).

Gifts are also subject to certain reporting requirements. An individual making one or more gifts generally is required by section 6019 (and by section 2662 if the gift also is a direct skip for GST tax purposes) to file a gift tax return to report gifts made during the calendar year. The gift tax return must be filed on or before the date specified in section 6075(b), generally April 15 of the following calendar year. If the donor's total gifts to each recipient (other than gifts of future interests in property) during the calendar year are valued at or below the annual per-donee gift tax exclusion amount, those gifts do not require the filing of a gift tax return. However, gifts of future interests in property are required to be reported on a gift tax return because they are not eligible for the annual per-donee gift tax exclusion. In FY 2025, the Internal Revenue Service (IRS) received approximately 300,000 gift tax returns (Form 709).[3]

SECTION 3. DISCUSSION

The Department of the Treasury (Treasury Department) and the IRS have received stakeholder comments and are aware of public commentary raising questions about the transfer tax consequences for individual donors who make contributions to Trump accounts, including whether such contributions constitute taxable gifts that must be reported on a gift tax return. Such reporting would be required if contributions to Trump accounts are treated as gifts of future interests.

The Treasury Department and the IRS understand the concerns raised in public comments and recognize that the vast majority of individual donors to Trump accounts are unlikely to ever owe federal gift, estate or GST tax due to the lifetime basic exclusion amount of $15,000,000 and the corresponding $15,000,000 GST exemption amount. For many of these donors, the cost and other burdens of complying with gift tax reporting requirements could outweigh the anticipated financial savings benefit of making one or more contributions to a Trump account. In addition, gift tax reporting compliance by these donors could dramatically increase the burden on the IRS to process gift tax returns for individual donors who are unlikely to ever be subject to gift, estate, or GST tax. Given the fact that nearly 6,000,000 elections to open Trump accounts have already been received, the number of gift tax returns filed annually could be expected to increase from roughly 300,000 to several million. Accordingly, the Treasury Department and the IRS are providing a safe harbor, described in section 5 of this revenue procedure, for taxpayers within the scope of section 4 of this revenue procedure.

SECTION 4. SCOPE

.01 *In general.* The safe harbor described in section 5 of this revenue procedure applies for a particular calendar year only if all of the requirements of section 4.02 of this revenue procedure are met.

.02 *Requirements.*

(1) Taxpayer is an individual;

(2) The only taxable gifts made by the taxpayer during the calendar year are cash contributions (in the form of cash, check, money order, or electronic funds transfer) to one or more Trump accounts, each made before the calendar year in which the account beneficiary attains age 18;

(3) The taxpayer's total gifts during the calendar year to each individual who is an account beneficiary, including contributions to that account beneficiary's Trump account, do not exceed the annual exclusion amount under section 2503(b) ($19,000 for 2026);

(4) Such contributions to Trump accounts made during the calendar year do not generate for that calendar year either a gift or GST tax liability, after application of the taxpayer's remaining applicable credit amount[4] against the gift tax, or remaining GST exemption; and

(5) Disregarding the Trump account contributions described in section 4.02(2) of this revenue procedure, no gift tax return is required to be filed, and no gift tax return is otherwise filed, for that calendar year by or on behalf of the taxpayer, whether for GST tax, portability, or other purposes.[5]

SECTION 5. SAFE HARBOR

If each of the requirements specified in section 4.02 of this revenue procedure is met for a calendar year in which a taxpayer makes contributions to one or more Trump accounts, each Trump account contribution made by the taxpayer during that calendar year will be treated as a completed gift to the account beneficiary that is not a future interest in property and to which the annual exclusion applies for purposes of gift tax, GST tax and gift tax reporting. As a result, taxpayers within the scope of section 4 of this revenue procedure will not be required to file a gift tax return reporting such contributions.

SECTION 6. EXAMPLE

In calendar year 2026 individual donor (Taxpayer) contributes $5,000 cash to each of three Trump accounts estab-

[3] 2025-I.R.S. Data Book at 4 tbl. 1-2 (2026). See IRS Data Book, Table 1-2, available here: Returns filed, taxes collected and refunds issued | Internal Revenue Service.

[4] The applicable credit amount effectively exempts from federal estate and gift tax an individual's taxable transfers with a cumulative value not exceeding the applicable exclusion amount. See section 2010(c).

[5] For example, a gift tax return may be required to make affirmative allocations of GST exemption, such as a late allocation of GST exemption to a prior transfer or an allocation at the close of an estate tax inclusion period (as defined in section 2642(f)(3)), or to make certain GST elections. In addition, a gift tax return may be required as the result of an examination of the estate tax return.

lished for account beneficiaries A, B, and C, and makes an additional gift to C of $13,000 cash. Taxpayer makes no other gifts during the calendar year and is not required to, and does not, file a gift tax return for the calendar year for any other purpose. The $15,000 in contributions to Trump accounts do not generate a gift or GST tax liability, after taking into consideration the Taxpayer's remaining lifetime applicable exclusion amount or remaining GST exemption. Under these facts, the requirements of section 4.02 of this revenue procedure are met and Taxpayer's 2026 Trump account contributions will be treated as completed gifts to A, B, and C that are not future interests in property. If instead Taxpayer's cash gift to C in 2026 is $14,500, the requirement in section 4.02(3) of this revenue procedure is not met because Taxpayer's total gifts to C during calendar year 2026 exceed the annual per-donee gift tax exclusion under section 2503(b) of $19,000. Accordingly, Taxpayer must file a gift tax return for calendar year 2026 reporting all 2026 gifts, and must report the Trump account contributions to A, B, and C as gifts of future interests.

SECTION 7. PAPERWORK REDUCTION ACT

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) (PRA) generally requires that a Federal agency obtain the approval of the Office of Management and Budget (OMB) before collecting information from the public, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the OMB.

Section 4 of this revenue procedure sets forth safe harbor requirements that taxpayers may follow for Trump account contributions to be treated as gifts to which the gift tax annual exclusion under IRC section 2503(b) applies for purposes of gift tax, GST tax, and gift tax reporting. Taxpayers should maintain records sufficient to substantiate compliance with the safe harbor rules. These recordkeeping requirements are considered general tax records under §1.6001-1(e). For PRA purposes, general tax records are already approved by OMB under 1545-0074 for individual filers. The revenue procedure does not impose any additional burden for taxpayers for purposes of PRA.

SECTION 8. DRAFTING INFORMATION

The principal author of this revenue procedure is Rachel K. Downs of the Office of Associate Chief Counsel (Passthroughs, Trusts, and Estates). For further information regarding this revenue procedure, please contact Rachel K. Downs at (202) 317-6859 (not a toll-free call).

Section 2010. Unified credit against estate tax

26 C.F.R. 20.2010-1: Unified credit against estate tax; in general.

This revenue procedure provides a safe harbor for individual taxpayers who (i) make contributions to Trump accounts established under § 530A of the Internal Revenue Code and (ii) meet certain requirements. If the requirements are met, contributions to Trump accounts will be treated as completed gifts that are not future interests in property and to which the annual per-donee gift tax annual exclusion applies under § 2503(b). As a result, taxpayers within the scope of the revenue procedure will not be required to file gift tax returns reporting such contributions. See Rev. Proc. 2026-25, page 45.

Section 2503(b). Exclusion from Gifts

26 C.F.R. 25.2503-2: Exclusions from gifts.

This revenue procedure provides a safe harbor for individual taxpayers who (i) make contributions to Trump accounts established under § 530A of the Internal Revenue Code and (ii) meet certain requirements. If the requirements are met, contributions to Trump accounts will be treated as completed gifts that are not future interests in property and to which the annual per-donee gift tax annual exclusion applies under § 2503(b). As a result, taxpayers within the scope of the revenue procedure will not be required to file gift tax returns reporting such contributions. See Rev. Proc. 2026-25, page 45.

Section 2505. Unified credit against gift tax

26 C.F.R. 25.2505-1: Unified credit against gift tax; in general.

This revenue procedure provides a safe harbor for individual taxpayers who (i) make contributions to Trump accounts established under § 530A of the Internal Revenue Code and (ii) meet certain requirements. If the requirements are met, contributions to Trump accounts will be treated as completed gifts that are not future interests in property and to which the annual per-donee gift tax annual exclusion applies under § 2503(b). As a result, taxpayers within the scope of the revenue procedure will not be required to file gift tax returns reporting such contributions. See Rev. Proc. 2026-25, page 45.

Section 2642(c)(3). Treatment of certain direct skips which are nontaxable gifts

26 C.F.R. 26.2642-1(c)(3): Nontaxable gifts.

This revenue procedure provides a safe harbor for individual taxpayers who (i) make contributions to Trump accounts established under § 530A of the Internal Revenue Code and (ii) meet certain requirements. If the requirements are met, contributions to Trump accounts will be treated as completed gifts that are not future interests in property and to which the annual per-donee gift tax annual exclusion applies under § 2503(b). As a result, taxpayers within the scope of the revenue procedure will not be required to file gift tax returns reporting such contributions. See Rev. Proc. 2026-25, page 45.

Section 2662.
Return requirements

26 C.F.R. 26.2662-1: Generation-skipping transfer tax return requirements.

This revenue procedure provides a safe harbor for individual taxpayers who (i) make contributions to Trump accounts established under § 530A of the Internal Revenue Code and (ii) meet certain requirements. If the requirements are met, contributions to Trump accounts will be treated as completed gifts that are not future interests in property and to which the annual per-donee gift tax annual exclusion applies under § 2503(b). As a result, taxpayers within the scope of the revenue procedure will not be required to file gift tax returns reporting such contributions. See Rev. Proc. 2026-25, page 45.

Section 6019. Gift Tax Returns

26 C.F.R. 25.6019-1: Persons required to file returns.

This revenue procedure provides a safe harbor for individual taxpayers who (i) make contributions to Trump accounts established under § 530A of the Internal Revenue Code and (ii) meet certain requirements. If the requirements are met, contributions to Trump accounts will be treated as completed gifts that are not future interests in property and to which the annual per-donee gift tax annual exclusion applies under § 2503(b). As a result, taxpayers within the scope of the revenue procedure will not be required to file gift tax returns reporting such contributions. See Rev. Proc. 2026-25, page 45.

Part IV

Optional Standard Mileage Rates

Announcement 2026-11

This announcement informs taxpayers that the Internal Revenue Service is modifying Notice 2026-10, 2026-4 I.R.B. 378, by revising the optional standard mileage rates for computing the deductible costs of operating an automobile for business, medical, or moving expense purposes and for determining the reimbursed amount of these expenses that is deemed substantiated. This modification results from recent increases in the price of fuel.

The revised standard mileage rates are:

(1)	Business	76 cents per mile
(2)	Medical and moving	23.5 cents per mile

The mileage rate that applies to the deduction for charitable contributions is fixed under § 170(i) of the Internal Revenue Code at 14 cents per mile.

The revised standard mileage rates set forth in this announcement apply to deductible transportation expenses paid or incurred for business, medical, or moving expense purposes on or after July 1, 2026, and to mileage allowances that are paid both (1) to an employee on or after July 1, 2026, and (2) for transportation expenses paid or incurred by the employee on or after July 1, 2026.

The standard mileage rates set forth in Notice 2026-10 continue to apply to deductible transportation expenses paid or incurred for business, medical, or moving expense purposes before July 1, 2026, and to mileage allowances paid (1) to an employee before July 1, 2026, or (2) with respect to transportation expenses paid or incurred by the employee before July 1, 2026.

All other provisions of Notice 2026-10 remain in effect.

EFFECT ON OTHER DOCUMENTS

Notice 2026-10 is modified.

DRAFTING INFORMATION

The principal author of this announcement is Christian Lagorio of the Office of Chief Counsel (Income Tax and Accounting). For further information regarding this announcement contact Mr. Lagorio at (202) 317-7005 (not a toll-free number).

Deletions From Cumulative List of Organizations, Contributions to Which are Deductible Under Section 170 of the Code

Announcement 2026-12

Table of Contents

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986.

Generally, the IRS will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the IRS is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on June 24, 2026, and would end on the date the court first determines the organization is not described in section 170(c)(2) as more particularly set for in section 7428(c)(1). For individual contributors, the maximum deduction protected is $1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Name Of Organization	Effective Date of Revocation	Location
Preserve Silver Lake Fund	08/01/2022	Lewisberry, PA
Community School of New Hope	01/01/2022	New Hope, PA
ACTS Community Development Corporation	01/01/2022	Brooklyn, NY
Treasure County Senior Citizens	07/01/2022	Hysham, MT

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it applies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in laws or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in a new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case, the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.
ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

Numerical Finding List[1]

Bulletin 2026–29

Announcements:

Notices:

Revenue Procedures:

Revenue Rulings:

[1] A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2026–27 through 2026–52 is in Internal Revenue Bulletin 2025–52, dated December 21, 2025.

Finding List of Current Actions on Previously Published Items[1]

Bulletin 2026–29

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[1] A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2026–27 through 2026–52 is in Internal Revenue Bulletin 2025–52, dated December 21, 2025.

Internal Revenue Service
Washington, DC 20224

Official Business
Penalty for Private Use, $300

INTERNAL REVENUE BULLETIN

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletins are available at *www.irs.gov/irb/*.

We Welcome Comments About the Internal Revenue Bulletin

If you have comments concerning the format or production of the Internal Revenue Bulletin or suggestions for improving it, we would be pleased to hear from you. You can email us your suggestions or comments through the IRS Internet Home Page *www.irs.gov*) or write to the Internal Revenue Service, Publishing Division, IRB Publishing Program Desk, 1111 Constitution Ave. NW, IR-6230 Washington, DC 20224.

Community Relations & Education

August 2026 Update

COMMUNITY RELATIONS

Blood Drive: On July 22, Rowland Water District partnered with LifeStream to host its fourth community blood drive. The event resulted in eight blood donations, enough to help save up to 24 lives in our local community.

In addition, Ryan White made a plasma donation, a specialized donation that is used to create life-saving therapies for individuals with immune deficiencies, bleeding disorders, severe burns, and other serious medical conditions. Unlike whole blood, plasma can be frozen and stored for up to one year, making it a vital resource for patients in need.

Landscape Workshops: Rowland Water District has partnered with Green Gardens Group (G3) to offer a series of free landscape workshops for our customers. The first workshop, Firescape Design: Reduce Your Vulnerability, was held on July 23rd. The remaining workshops will take place monthly through December, providing customers with valuable information on water-wise landscaping, sustainable gardening practices and two hands-on workshops for both adults and children.

Discover Rowland Fest: Rowland Water District is excited to bring back the Discover Rowland Fest for the second year. The community event is scheduled for Saturday, November 7, from 10 a.m. to 1 p.m. and will feature interactive demonstration booths, water conservation resources, hands-on activities, educational exhibits, and fun for the whole family.

Buckboard Days Parade: Rowland Water District will participate in the 53rd Annual Buckboard Days Parade on Saturday, October 17th. The District will showcase a themed float in the parade and host an informational booth at the Buckboard Days Festival. The booth will include water conservation resources, district educational materials, and spin the prize wheel to win district giveaways.

EDUCATION

Mini Solar Challenge: Rowland Water District is once again offering the Mini Solar Challenge to local schools. This year, the program has been enhanced with a stronger water conservation focus, encouraging students to research and compare their household water use during the winter and summer months. Students will incorporate the data they collect into both the writing and presentation challenges, reinforcing the importance of water conservation through hands-on learning.

In addition, the solar boat races will be held at each participating school and scored using a combination of points and race times. We are excited to welcome 14 teachers, 17 classrooms, and 6 schools to participate in the 5th Annual Mini Solar Challenge.

Other Water Education/Outreach Activities: District staff continue to attend Conservation and Education Team (CET) meetings. Teachers are encouraged to utilize resources available through the Conservation and Education Team (CET), including water-related lesson plans, educational materials, and grant opportunities.

CONSERVATION

AB 1572: The District is actively working with customers to identify properties subject to the requirements of AB 1572 and ensure compliance with the State's nonfunctional turf regulations. Staff has partnered with Eagle Aerial to identify affected properties and will begin contacting customers to provide guidance, resources, and support throughout the compliance process.

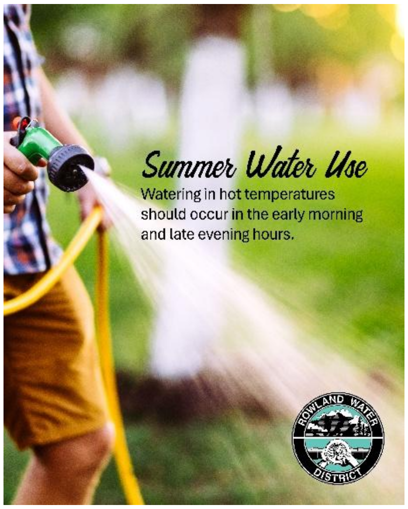
To increase public awareness, the District has launched a dedicated webpage outlining the new requirements and available resources. Information is also being shared on the lobby display screen and through the District's social media channels to keep customers informed of the upcoming changes.

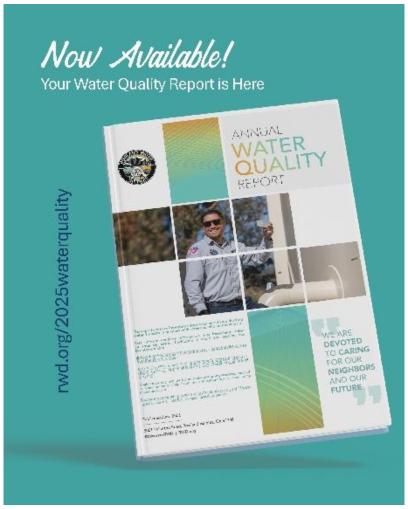
Aquatrax: Staff is working with AquaTrax to launch a new customer portal that will provide customers with convenient access to monitor and track water use, receive alerts, pay water bills and learn ways to save water. Staff is developing outreach collateral that will include information on the District website, a bill insert, social media posts, a customized customer letter, informational flyers, and displays on the lobby television. The customer portal is anticipated to launch this fall.

OUTREACH ENGAGEMENT

Water Quality Report: The final version of the CCR is available on our website.

Featured July Social Media Postings: District staff continue to share updates regarding District information, careers in water, conservation efforts, and water education. Content is distributed across Facebook, Instagram, X, Nextdoor, LinkedIn, and YouTube, as appropriate.





CONSTANT CONTACT- Electronic information sent to customer emails.
Total Subscribed Contacts-16,659

July 17, 2026-*Blood Drive- 39% open rate*
July 20, 2026-*2025 CCR- 51% open rate*

ROWLAND WATER DISTRICT

Media and Communications Report

August 2026 Update

District Outreach

- Annual Report
    - Compiling topics for annual district newsletter
    - To be distributed Fall 2026

Press Releases/Media

- Organizational Excellence Award
- Website ADA Compliance
- Director Lewis Re-election to Los Angeles LAFCO

Industry Press & Communications

- CSDA Magazine – NorWD/RWD partnership article in August edition
- CSDA Magazine – RWD quoted in collaboration article in October edition

Video Projects

- History Video – in post-production
- CCR videos – now online
    - Customer Service
    - Caring For Our Neighbors
    - Safety

Additional Comments

- Communications planning
    - Multi-lingual effort
    - Award submissions

Presented by Erin LaCombe, CV Strategies

ROWLAND WATER DISTRICT

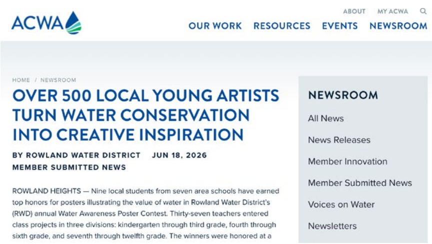
Recent Media Coverage

How to scan: Open your smartphone's camera and point it at the QR code to get started.

Press Releases Distributed

1. Over 500 Local Young Artists Turn Water Conservation Into Creative Inspiration, June 17, 2026
2. Water Management Plans Project Reliable Water Supplies Through 2050, July 6, 2026
3. District Funds the Future While Balancing Current Budget, July 7, 2026

Association of California Water Agencies



ACWA

ABOUT MY ACWA

OUR WORK RESOURCES EVENTS NEWSROOM

HOME / NEWSROOM

OVER 500 LOCAL YOUNG ARTISTS TURN WATER CONSERVATION INTO CREATIVE INSPIRATION

BY ROWLAND WATER DISTRICT JUN 18, 2026

MEMBER SUBMITTED NEWS

ROWLAND HEIGHTS — Nine local students from seven area schools have earned top honors for posters illustrating the value of water in Rowland Water District's (RWD) annual Water Awareness Poster Contest. Thirty-seven teachers entered class projects in three divisions: kindergarten through third grade, fourth through sixth grade, and seventh through twelfth grade. The winners were honored at a

NEWSROOM

All News

News Releases

Member Innovation

Member Submitted News

Voices on Water

Newsletters

ACWA – News Article, 6/18/26

Over 500 Local Young Artists Turn Water Conservation Into Creative Inspiration

LINK – https://www.acwa.com/news/over-500-local-young-artists-turn-water-conservation-into-creative-inspiration/

ACWA

ABOUT MY ACWA

OUR WORK RESOURCES EVENTS NEWSROOM

HOME / NEWSROOM

ROWLAND WATER DISTRICT HONORS LONGSTANDING BOARD MEMBER FOR 30 YEARS OF SERVICE

BY ROWLAND WATER DISTRICT JUN 20, 2024

MEMBER SUBMITTED NEWS

ROWLAND HEIGHTS– Rowland Water District (RWD) proudly celebrates Robert R. Lewis' thirty years of service as a board representative. Director Lewis, who joined the Board of Directors in December 1993, is the longest-serving member.

NEWSROOM

All News

News Releases

Member Innovation

Member Submitted News

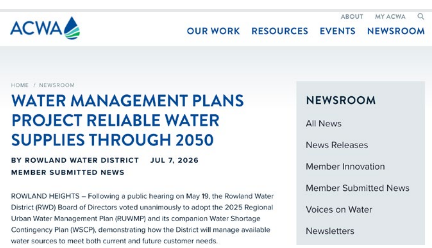
Voices on Water

Newsletters

ACWA – News Article, 6/20/26

Rowland Water District Honors Longstanding Board Member For 30 Years Of Service

LINK – https://www.acwa.com/news/rowland-water-district-honors-longstanding-board-member-for-30-years-of-service/



ACWA

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WATER MANAGEMENT PLANS PROJECT RELIABLE WATER SUPPLIES THROUGH 2050

BY ROWLAND WATER DISTRICT JUL 7, 2026

MEMBER SUBMITTED NEWS

ROWLAND HEIGHTS – Following a public hearing on May 19, the Rowland Water District (RWD) Board of Directors voted unanimously to adopt the 2025 Regional Urban Water Management Plan (RUWMP) and its companion Water Shortage Contingency Plan (WSCP), demonstrating how the District will manage available water sources to meet both current and future customer needs.

NEWSROOM

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Member Submitted News

Voices on Water

Newsletters

ACWA – News Article, 7/7/26

Water Management Plans Project Reliable Water Supplies Through 2050

LINK – https://www.acwa.com/news/water-management-plans-project-reliable-water-supplies-through-2050/

ACWA

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OUR WORK RESOURCES EVENTS NEWSROOM

HOME / NEWSROOM

DISTRICT FUNDS THE FUTURE WHILE BALANCING CURRENT BUDGET

BY ROWLAND WATER DISTRICT JUL 9, 2026

MEMBER SUBMITTED NEWS

ROWLAND HEIGHTS – At its regular meeting on June 9, 2026, the Rowland Water District (RWD) Board of Directors voted unanimously to approve a Fiscal Year 2026-2027 Operations and Capital Budget that supports reliable delivery, sustainable supplies, and cost containment for customers.

NEWSROOM

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Newsletters

ACWA – News Article, 7/9/26

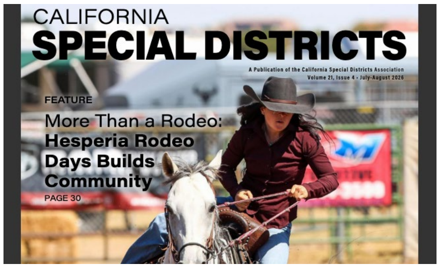
District Funds The Future While Balancing Current Budget

LINK – https://www.acwa.com/news/district-funds-the-future-while-balancing-current-budget/

Recent Media Coverage

How to scan: Open your smartphone's camera and point it at the QR code to get started.

California Special Districts Association



CSDA, What's So Special – Feature Article, 7/26

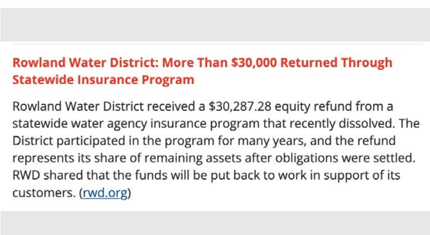
Finding a Neighbor in Water, 7,000 Miles Away

LINK – https://www.csda.net/member-resources/magazine
Pages 34-35 of publication

CSDA – News Blog Post, 7/26

Young Artists Bring Water Conservation to Life at Rowland Water District

LINK – https://www.csda.net/blogs/morgan-leskody/2026/06/26/see-what-csda-members-are-up-to#:~:text=Young%20Artists%20Bring%20Water%20Conservation%20to%20Life%20at%20Rowland%20Water%20District



Rowland Water District: More Than $30,000 Returned Through Statewide Insurance Program

Rowland Water District received a $30,287.28 equity refund from a statewide water agency insurance program that recently dissolved. The District participated in the program for many years, and the refund represents its share of remaining assets after obligations were settled. RWD shared that the funds will be put back to work in support of its customers. (rwd.org)

CSDA – News Blog Post, 7/26

Rowland Water District: More Than $30,000 Returned Through Statewide Insurance Program

LINK – https://www.csda.net/blogs/morgan-leskody/2026/06/26/see-what-csda-members-are-up-to#:~:text=Rowland%20Water%20District%3A%20More%20Than%20%2430%2C000%20Returned%20Through%20Statewide%20Insurance%20Program

Media Outreach in Progress

1. Blog Post: for CSDA's website
2. Press release: Organizational Excellence Award
3. Press release: Dir. Lewis Re-election to LAFCO
4. Press release: Website ADA Compliance

CALIFORNIA
SPECIAL DISTRICTS

A Publication of the California Special Districts Association

Volume 21, Issue 4 • July-August 2026

FEATURE

More Than a Rodeo: **Hesperia Rodeo Days Builds Community**

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Solutions & Innovations

Ally AI to the Rescue: How One District Got Ahead of a Public Service Challenge

Page 18

Manager's Corner

Teamwork Makes the Dream Work

Page 41

What's So Special

Finding a Neighbor in Water, 7,000 Miles Away

By Erin LaCombe, President & CEO, CV Strategies on behalf of Rowland Water District

It began the way things that change a life often do, with a few words in a hallway.

Tom Coleman, Rowland Water District's General Manager, stopped Director of Finance Myra Malner with an opportunity: helping a water utility in the Philippines through a technical exchange supported by the Asian Development Bank's Water Organizations Partnership for Resilience program and Royal HaskoningDHV. The project would not add costs for Rowland Water customers, but it would create lasting impact for everyone involved.

A Personal Bridge to the Work

Of all the team members at Rowland Water, Myra understood the significance of the opportunity. She grew up in Makati, south of Manila, the eldest of five and the only daughter. The Asian Development Bank was a name she had known all her life, but never expected to find beside her own. Now, her employer in California was sending her back to where she was from, representing both her mother's profession and her own.

Myra's love of numbers began with her mother, Linda Evangelista, a respected accounting figure in the Philippines who wrote textbooks used by other accountants and served on the panel for the national CPA examinations. By her twenties, Myra had built her own career as an auditor and later as a compliance manager. At 29, she left for California, entered the water industry in 2011, and joined Rowland Water in 2020.

The project brought Myra full circle, but the project itself was much larger than one person's story.

Rowland Water serves a 17.2-square-mile area in southeastern Los Angeles County, providing potable and recycled water to approximately 55,000 residents through

Myra Malner, bottom left, her mom and her son.

13,500 service connections. Norzagaray Water District sits in a rural town north of Manila and serves more than 19,000 active connections across nine of the community's thirteen barangays. Though separated by more than 7,000 miles, the two agencies share the same essential responsibility: delivering reliable water to the people who depend on them.

Two Districts, One Shared Mission

In October 2024, Coleman, Assistant General Manager Dusty Moisio, and Malner traveled to the Philippines to mentor Norzagaray staff. There they participated in site visits, strategic sessions, and hands-on exercises focused on distribution, operations, financial planning, support, outreach, and service reliability.

Myra came prepared to serve as a bridge, moving between English and the Tagalog of her childhood while helping set the tempo of each meeting. The exchange ran both ways. Rowland Water shared tools, systems, and practices that support operational efficiency, long-term planning, and customer service. Norzagaray showed what it means to do more with less, with staff managing daily operations despite budget constraints, manual processes, and growing service demands.

The partnership identified practical opportunities to reduce non-revenue water, strengthen performance monitoring, improve asset management, and build staff capacity through technical training. It also reinforced a lesson familiar to every special district: reliable service depends not only on infrastructure, but on people, planning, trust, and the ability to adapt.

Bringing the Lessons Home

In February 2025, the exchange came back to California when five members of Norzagaray Water District visited Rowland Water. They observed district operations, customer service strategies, emergency response planning, advanced metering technology, financial best practices, long-term planning, and governance in action. The visit included a Rowland Water board meeting and the signing of a memorandum of understanding, formalizing both districts' commitment to continued collaboration.

What began as an assignment had become, for both sides, a friendship and a model for peer-to-peer learning.

Sending staff abroad can sound like a heavy lift for a small agency. In practice, the program structure helped cover major expenses, and the gains came home. Rowland Water staff returned sharper, more connected to the purpose of their work, and more aware of what reliable water means for health, dignity, opportunity, and daily life.

That is what makes this project special. It was not simply a goodwill trip or a one-time exchange. It was a structured partnership with practical outcomes, including technical assistance, reciprocal learning, governance engagement, workforce development, and a formal path for continued collaboration.

It also offers a model other districts can adapt. Not every district will build an international partnership, but every district has knowledge worth sharing. Peer exchanges, mentorships, technical assistance, and partnerships, whether across the globe or across county lines, can help agencies strengthen operations while developing their own teams.

Rowland Water's motto is "caring for our neighbors." In Norzagaray, Myra saw how far that idea could travel. Public service often begins locally, but its lessons do not have to stay there. Sometimes the neighbor who needs your expertise is 7,000 miles away, and the lessons they offer in return can change how your own team sees the work right in front of them.