

Veles Water Weekly Report:

The Scarcity Trade

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June 25th 2026

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VelesWater



WATER FUTURES MARKET ANALYSIS

Welcome to ***WATERTALK***

by Joshua Bell

CLICK THE LINK BELOW

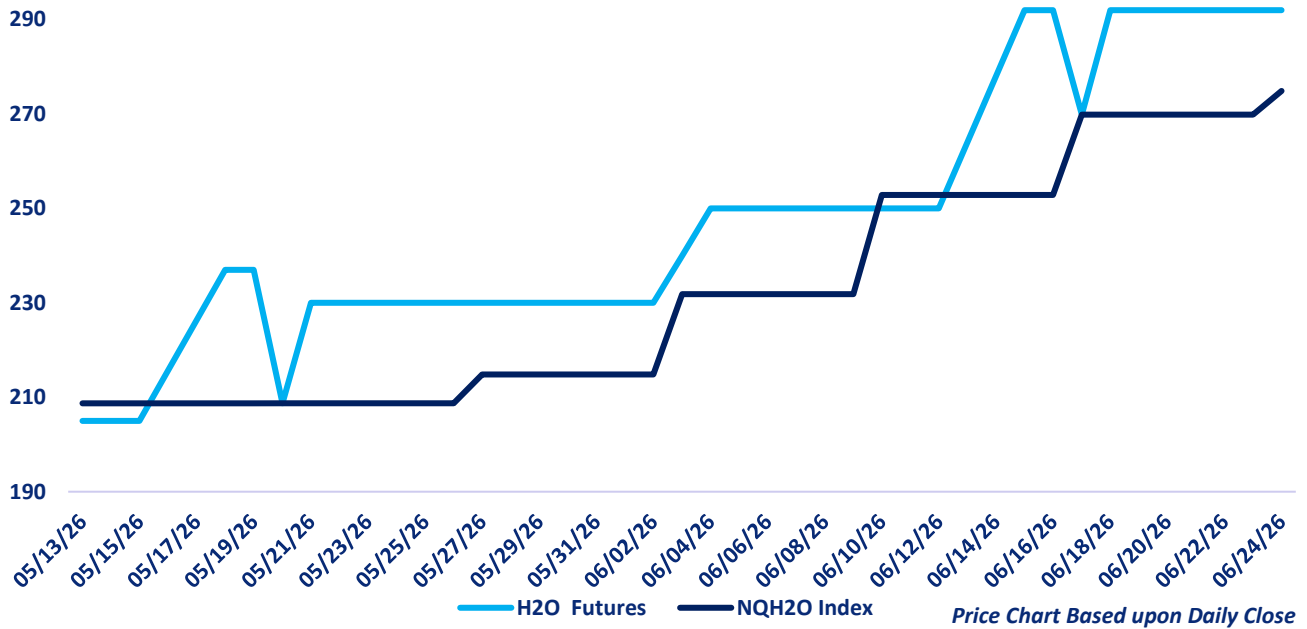
"A 2 minute technical analysis video of H2O futures"

[https://vimeo.com/1204423589?share=copy&fl=sv
&fe=ci](https://vimeo.com/1204423589?share=copy&fl=sv&fe=ci)



NQH2O™ INDEX PRICE vs H2O FUTURES PRICE

1 Month Price Performance NQH2O Index vs H2O Futures



The new NQH2O index level of \$274.89 was published on June 24th, up 1.86% or \$5.03 from the previous week. The July is considered the front month. The futures prices closed at a discount of \$17.11 to a premium of \$22.14 versus the index over the past week.



H2O FUTURES TECHNICAL REPORT



Trend Overview

Current Price: 292 (0.00%)

Momentum

- The recovery rally has continued, with price holding at 292 after last week's sharp advance.
- The market remains above the 100-day, 120-day and 150-day moving averages, preserving the strong technical improvement achieved over recent weeks.
- Price is now consolidating just below the 200-day moving average, suggesting the market is pausing before testing the next major resistance level.
- Momentum remains elevated, although the pace of the advance has slowed as the market enters a period of consolidation.

Moving Averages

Short-Term (SMA 5–30)

- **SMA 5:** 292
- **SMA 10:** 279
- **SMA 20:** 259
- **SMA 30:** 247

Analysis

- Price continues to trade above all short-term moving averages.



VELES WATER WEEKLY REPORT

- The short-term moving averages remain positively aligned and continue to trend higher.
- The support cluster has risen further into the **259–279** range, providing increasingly strong technical support beneath the market.
- The 5-day moving average has now caught up with price, indicating the recent rally has transitioned into consolidation rather than continued acceleration.

Long-Term (SMA 100–200)

- **SMA 100:** 238
- **SMA 120:** 245
- **SMA 150:** 262
- **SMA 200:** 303

Analysis

- Price remains above the 100-day, 120-day and 150-day moving averages.
- The market has successfully maintained the breakout above the 150-day moving average, reinforcing the credibility of the medium-term recovery.
- The 200-day moving average at **303** remains the next major technical hurdle and is now within close reach.
- A sustained break above the 200-day moving average would represent a significant improvement in the longer-term trend.

Stochastic Oscillator

- **%K:** 100.00
- **%D:** 100.00

Analysis

- The stochastic oscillator remains in overbought territory.
- These elevated readings reflect the strength of the recent recovery.
- There is currently no bearish crossover signal.
- While overbought conditions increase the likelihood of consolidation, they do not, on their own, indicate an imminent reversal.

Resistance & Support Levels

Resistance Zones

- **303:** 200-day moving average and primary long-term resistance.
- **320–330:** Secondary resistance zone if the 200-day moving average is cleared.

Support Zones

- **262–245:** 150-day and 120-day moving averages.
- **259–279:** Rising short-term moving average cluster.
- **247:** 30-day moving average support.



Summary

The Nasdaq Veles California Water Index Futures remain in a constructive technical position, consolidating at **292** after last week's strong rally. Importantly, the market has maintained its break above the **100-day, 120-day and 150-day moving averages**, suggesting the recent recovery remains intact.

Short-term trend structure continues to strengthen, with all major short-term moving averages rising beneath price and the support cluster moving steadily higher. The market is now approaching the **200-day moving average near 303**, which represents the next key technical test.

Momentum remains elevated, with the stochastic oscillator continuing to trade in overbought territory. While this may lead to further consolidation in the near term, there is currently no confirmed bearish reversal signal.

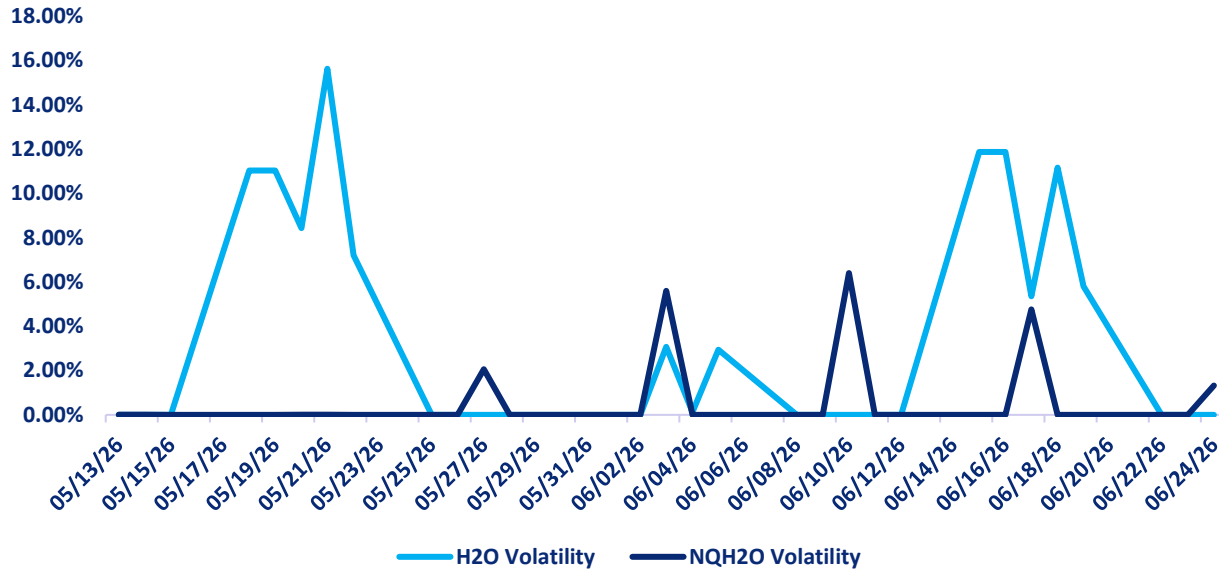
Key levels to watch:

- A sustained break above **303** would significantly strengthen the longer-term technical outlook.
- Holding above the **262–245** support zone would confirm the recent breakout remains valid.
- The rising short-term moving average cluster between **259 and 279** should continue to provide support.
- A break back below **245** would weaken the current recovery structure and suggest a deeper pullback may be developing.



H2O FUTURES AND NQH2O INDEX VOLATILITY ANALYSIS

Daily H2O Futures Volatility vs Daily NQH2O Index Volatility



DAILY VOLATILITY

Over the last week the July contract daily future volatility high has been 5.80%.

ASSET	1 YEAR (%)	2 MONTH (%)	1 MONTH (%)	1 WEEK (%)
NQH2O INDEX	27.33%	12.16%	2.33%	2.33%
H2O FUTURES	N/A	14.07%	103.69%	105.46%

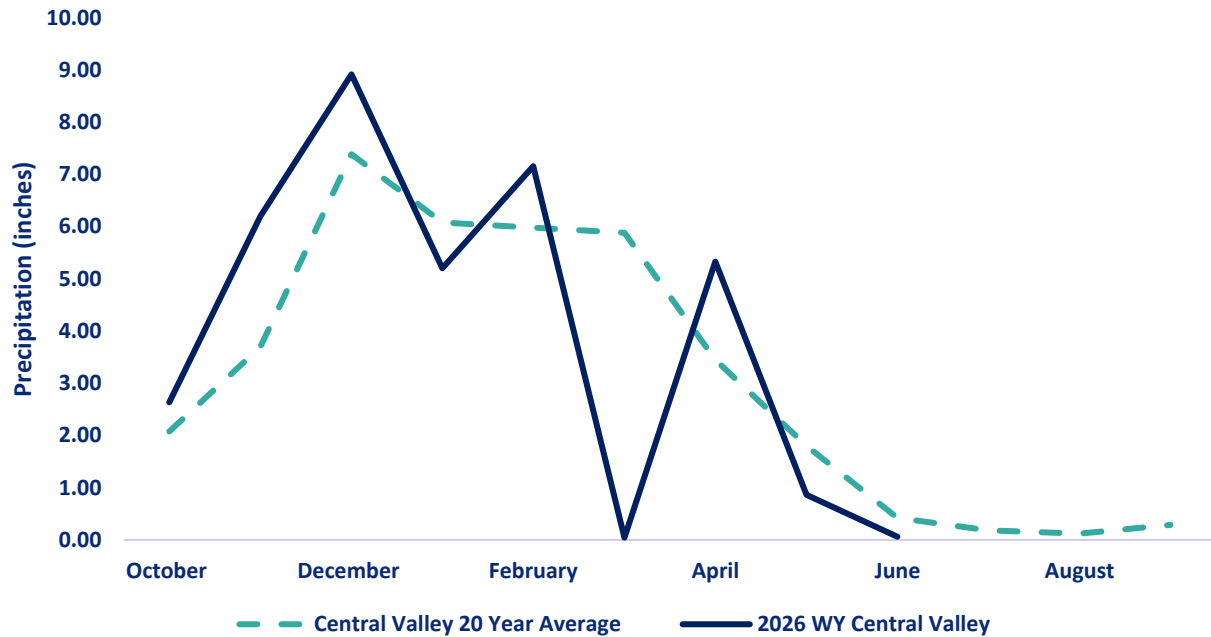
For the week ending on June 24th, the two-month futures volatility is at a premium of 1.91% to the index, down 0.56% from the previous week. The one-month futures volatility is at a premium of 19.21% to the index, up 4.47%. The one-week futures volatility is at a premium of 17.76% to the index, up of 14.72%.

*The above prices are all **HISTORIC VOLATILITIES**. All readings refer to closing prices as quoted by CME.*



CENTRAL VALLEY PRECIPITATION REPORT

Central Valley Precipitation Index



Central Valley average is calculated using data from 19 weather stations in Central Valley, California. Data as of 24/06/2026

STATION	MTD (INCHES)	WEEK ON WEEK CHANGE (INCHES)	% OF 20 YEAR AVERAGE MTD	2026 WYTD VS 2025 WYTD %	2026 WY VS 20 YEAR AVERAGE TO DATE %
SAN JOAQUIN 5 STATION (5SI)	0	0	0.00	79	89
TULARE 6 STATION (6SI)	0.18	0.11	103.00	83	88
NORTHERN SIERRA 8 STATION (8SI)	0.01	0.01	1.29	106	98
CENTRAL VALLEY AVERAGE	0.06	0.04	14.98	89	92

RESERVOIR STORAGE

RESERVOIR	STORAGE (AF)	% CAPACITY	LAST YEAR % CAPACITY	*% HISTORICAL AVERAGE
TRINITY LAKE	2,051,485	84	91	108
SHASTA LAKE	3,684,117	81	86	102
LAKE OROVILLE	3,178,286	93	97	117
SAN LUIS RES	1,287,386	63	52	108

*% Historical Average is based on a daily average that is interpolated from historical monthly averages. The monthly averages are computed using monthly data from water year 1991 to 2024. The monthly averages are updated every 5 years using a sliding 30 year period.

[Reference: California Water Data Exchange](#)



VELES WATER WEEKLY REPORT

SNOWPACK WATER CONTENT

CURRENT REGIONAL SNOWPACK FROM AUTOMATED SNOW SENSORS

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of June 5, 2026	
Number of Stations Reporting	32
Average snow water equivalent (Inches)	0.1
Percent of April 1 Average (%)	0
Percent of normal for this date (%)	0

CENTRAL	
Data as of June 5, 2026	
Number of Stations Reporting	54
Average snow water equivalent (Inches)	0.4
Percent of April 1 Average (%)	1
Percent of normal for this date (%)	4

SOUTH	
Data as of June 5, 2026	
Number of Stations Reporting	25
Average snow water equivalent (Inches)	0.8
Percent of April 1 Average (%)	3
Percent of normal for this date (%)	15

STATE	
Data as of June 5, 2026	
Number of Stations Reporting	111
Average snow water equivalent (Inches)	0.4
Percent of April 1 Average (%)	1
Percent of normal for this date (%)	4

Statewide Average: 1% / 4%

*Snow Water Equivalent, or SWE, is a commonly used measurement used by hydrologists and water managers to gauge the amount of liquid water contained within the snowpack. In other words, it is the amount of water that will be released from the snowpack when it melts. SWE has regional variance.

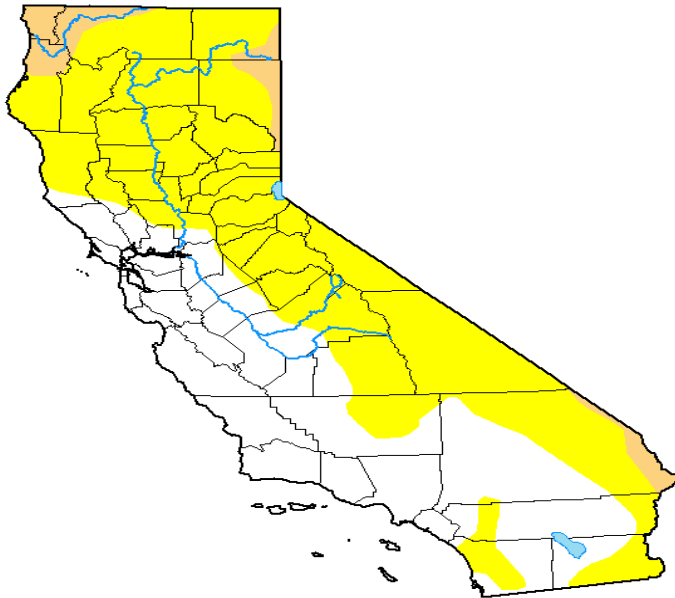
** April 1st is used as the benchmark as it when the snowpack in California is generally deepest. It has been used the benchmark date since 1941 by DWR and can be used to predict spring river flow.



DROUGHT MONITOR

U.S. Drought Monitor California

June 16, 2026
(Released Thursday, Jun. 18, 2026)
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	39.59	60.41	5.01	0.00	0.00	0.00
Last Week 06-09-2026	39.59	60.41	7.41	0.00	0.00	0.00
3 Months Ago 03-17-2026	84.32	15.68	0.00	0.00	0.00	0.00
Start of Calendar Year 01-01-2026	100.00	0.00	0.00	0.00	0.00	0.00
Start of Water Year 09-30-2025	26.78	73.22	38.52	18.61	1.25	0.00
One Year Ago 06-17-2025	37.73	62.27	39.29	22.98	5.91	0.10

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

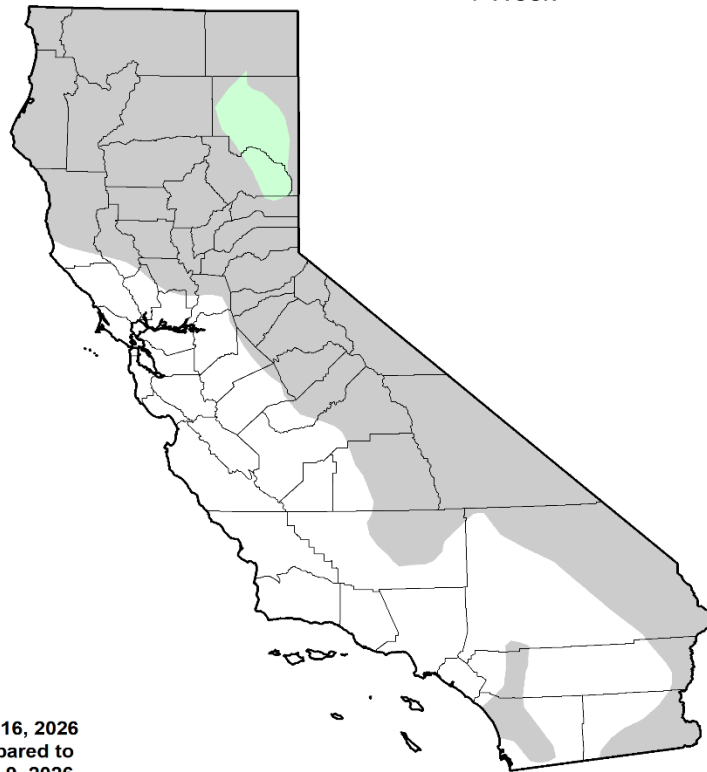
Author:

Brian Fuchs
National Drought Mitigation Center



droughtmonitor.unl.edu

U.S. Drought Monitor Class Change - California 1 Week



June 16, 2026
compared to
June 9, 2026



- 5 Class Degradation
- 4 Class Degradation
- 3 Class Degradation
- 2 Class Degradation
- 1 Class Degradation
- No Change
- 1 Class Improvement
- 2 Class Improvement
- 3 Class Improvement
- 4 Class Improvement
- 5 Class Improvement

droughtmonitor.unl.edu

The U.S Drought Monitor is jointly produced by the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of NDMC. The U.S drought monitor is at 1 week lag tot this report,



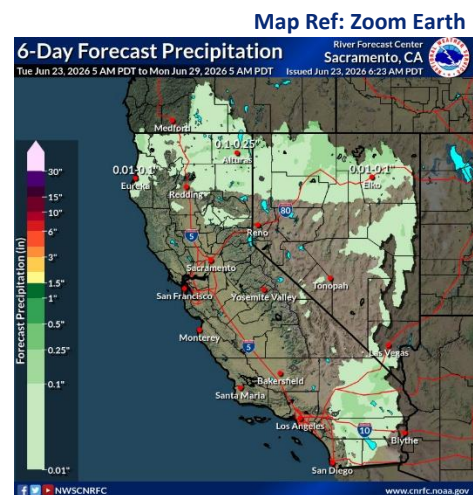
CURRENT SATELLITE IMAGERY

This map shows a relatively weak and fragmented weather pattern across the United States, with the most notable activity concentrated in a few localized regions rather than a single dominant storm system. The most significant precipitation is located across the central Plains and southern Plains, where organized clusters of rain and thunderstorms are evident from the central Rockies into north Texas. Additional precipitation extends across the Upper Midwest and Great Lakes, associated with a weak northern disturbance and cooler air. Along the East Coast, a broad offshore system is producing a band of precipitation from Florida to Atlantic Canada, though the heaviest rainfall remains over the western Atlantic with limited impacts inland. Meanwhile, much of the western United States remains dry under weak ridging, with only isolated precipitation in parts of the interior West. Overall, the pattern favours scattered regional rainfall rather than widespread nationwide storm activity, with the central Plains currently experiencing the most active weather.



10 Day Outlook

High pressure will expand northeastward into CA/NV today resulting in continued above normal temperatures away from the coast. Temperature anomalies are expected at +5 to +15 deg F through Wednesday. Additionally, this ridge will push mid level moisture and instability into the area generating chances of showers and thunderstorms over sn CA/NV. This will continue for Wednesday as well with the area of thunderstorms expanding into other parts of NV and nrn CA near the OR border as troughing begins to move in from a larger low over the Gulf of Alaska. As the low slowly heads towards the west coast, troughing will push that





VELES WATER WEEKLY REPORT

moisture/instability out of the region on Thursday while beginning to moderate temperatures. Far interior CA and NV will still see above normal temperatures but not to the degree expected today and tomorrow. The approaching low is forecast to bring some shower activity into far nrn CA/NV Friday and Saturday. Models disagree on the exact timing, but the core of system is progged to move through the PacNW and into ID Saturday into Sunday before lifting northeastward into MT later Sunday. This should pull precip mainly out of the region aside from a few lingering showers possibly over nrn NV. Amounts still look to be 0.10" or less in general with scattered amounts of 0.10-0.25".

Reference: National Weather Service / California Nevada RFC / Sacramento CA

WESTERN WEATHER DISCUSSION

There was not widespread precipitation across the region this week. However, portions of western Oregon and Washington, Arizona, northern Idaho, New Mexico, southern Montana, southern Utah, and northern Wyoming recorded above-normal precipitation. Temperatures were mixed, with below-normal readings across northern portions of the region and above-normal temperatures farther south. The warmest conditions occurred in California, Nevada, and Arizona, where departures of 6–8 degrees above normal or greater were widespread.

Drought degradation occurred across eastern Oregon, where moderate drought expanded. Moderate, severe, and extreme drought also expanded across much of southern Idaho and into western Montana, while extreme drought increased in coverage across central Wyoming.

Several weeks of wetter-than-normal conditions in New Mexico allowed for improvements to extreme drought across northeastern and southern portions of the state, although slight expansion occurred in northern areas. Improved short-term moisture conditions in eastern Utah and western Colorado supported reductions in extreme drought, while degradation occurred across central and eastern Colorado.

The impacts of a dry winter and below-normal snowpack continue to affect Colorado and other parts of the region, where increasing numbers of waterways are experiencing low-flow conditions.

Reference:

Lindsay Johnson, National Drought Mitigation Center
Richard Tinker, NOAA/NWS/NCEP/CPC



WATER NEWS

Hydrology Stress & Drought Response

India's Mumbai rations water supply as June rainfall hits 12-year low

- Source: Reuters
- Author: Shilpa Jamkhandikar, Rajendra Jadhav and Dhvani Pandya
- Date: 2026-06-17
- URL: <https://www.reuters.com/business/environment/indias-mumbai-rations-water-supply-june-rainfall-hits-12-year-low-2026-06-17/>

• Summary: Grappling with its [driest June](#) in more than a decade, India's financial capital of Mumbai has [cut water supply](#) to construction sites and reduced industrial usage by 20% starting from Wednesday, as reservoir levels decline.

Mumbai, on the western coast of the country, is dependent on seven lakes outside the city for its water supply, and they are now at 10.35% of their total capacity, authorities said. That leaves the city of 13 million with just 40 days' worth of water.

As of Wednesday, authorities said water supply to all construction sites will be temporarily disconnected and new water connections for such sites will be put on hold.

Water supply to industrial, commercial establishments and sports clubs will also be cut by 20%, a statement from the city's civic body said late on Tuesday. A 10% water cut was already imposed by authorities in mid-May.

The state of Maharashtra, of which Mumbai is capital, has received [75% lower rainfall than average](#) in the first 16 days of June, a weather official said.

Monsoon rains usually arrive over Mumbai in the first week of June, but they are expected at the [end of the month this year](#).

"Usually in June, Mumbai receives pre-monsoon showers, and by mid-June the monsoon brings steady rainfall," the official said.

Most construction sites in Mumbai depend on commercial water tankers for their supply, Sukhraj Nahar, the president of industry body CREDAI MCHI, told Reuters, adding that there was unlikely to be a major impact on business, since the monsoon was expected soon.

"We will handle the situation for 10 days until the rains arrive. But where is the long term thinking?" Niranjan Hiranandani, one of the city's leading real estate developers and managing director of the Hiranandani Group, told Reuters.

India is facing its [weakest monsoon in 11 years](#), spurring worries in markets and among consumers about lower harvests and higher food prices.



VELES WATER WEEKLY REPORT

2026 Monsoon Drought Status Update for the Southwest U.S.

- Source: Drought.gov / NIDIS
- Author: National Integrated Drought Information System
- Date: 2026-06-18
- URL: <https://www.drought.gov/drought-status-updates/2026-monsoon-drought-status-update-southwest-us-2026-06-18>
- Summary: North American Monsoon: Above-Average Seasonal Rainfall Is Likely, Bringing Potential Drought Relief. The North American Monsoon brings summer precipitation to parts of the Southwestern U.S. and Mexico. The monsoon season is June 15 to September 30, though the actual arrival of the monsoon can vary.

Key Points

- The North American Monsoon seasonal forecasts are leaning toward above-average overall precipitation this summer.
- Above-average rainfall totals will improve short-term drought conditions in the Southwest U.S.
- Long-term drought impacts, especially the ongoing impacts from last winter's [record-low snowpack](#), will remain.
 - The monsoon will likely have little influence on streamflow in the Colorado and Rio Grande Rivers.
 - Reservoir levels across the region will likely not see substantial change from monsoon season rainfall.
- Sea surface temperatures in the Gulf of California, which are already above normal at 84°F (29°C), often influence the monsoon weather activity.
- There is no clear pattern on the influence of El Niño on summertime weather in the Southwest U.S. However, as El Niño develops, the chances for tropical storm development in the eastern Pacific increase. Decaying tropical storms can contribute to deep surges of moisture that can move into the interior Western U.S.

Water Transfers, Allocation & Market Mechanisms

Federal Water Tap, June 8, 2026: Reclamation Signs Agreement on Desalinated Water Trades in Colorado River Basin

- Source: Circle of Blue
- Author: Brett Walton
- Date: 2026-06-08
- URL: <https://www.circleofblue.org/newsletter/federal-water-tap-june-8-2026-reclamation-signs-agreement-on-desalinated-water-trades-in-colorado-river-basin/>
- Summary: Circle of Blue reports on a new Bureau of Reclamation agreement that explores interstate water exchanges using desalinated and recycled water supplies.



VELES WATER WEEKLY REPORT

The initiative could create a new framework for water-sharing arrangements among Lower Basin states without modifying existing water rights. The agreement is designed to improve supply flexibility and support Colorado River resilience. The development is significant because it may influence future basin operating rules and water allocation mechanisms.

Interstate Water Transfer MOU FAQ

- Source: San Diego County Water Authority
- Author: San Diego County Water Authority
- Date: 2026-06
- URL: <https://www.sdcwa.org/wp-content/uploads/2026/06/MOU-FAQs.pdf>
- Summary: The San Diego County Water Authority released additional details regarding the recently signed interstate water exchange Memorandum of Understanding involving California, Arizona, Nevada and the Bureau of Reclamation. The framework explores how desalinated and recycled water could support future interstate exchanges while using existing infrastructure. The agreement does not alter existing water rights but establishes a pathway for evaluating future transfer mechanisms. The initiative represents one of the most important emerging developments in Colorado River allocation discussions.

Arizona wants to buy desalinated water from California. Here's why.

- Source: KTAR News
- Author: Kevin Stone
- Date: 2026-06-16
- URL: <https://ktar.com/arizona-water-news/desalinated-water-buy-cali/5880489/>
- Summary: Arizona agencies have taken a key step that could eventually allow the state to buy desalinated ocean water.

Central Arizona Project (CAP), Salt River Project and the Arizona Department of Water Resources – along with the Southern Nevada Water Authority – recently signed a memorandum of understanding with a desalination plant in Southern California. CAP is a wholesaler of Colorado River water that provides water to roughly 80% of the state's population.

“We’re facing a crisis on the Colorado River. The flow is way, way below any kind of average,” CAP President Terry Goddard told *KTAR News 92.3 FM* last week.

The operating agreement among the seven Colorado River basin states that share the natural resource [expires this year](#). If the states can't come to an agreement, the federal government will impose a settlement for how the water will be shared.



VELES WATER WEEKLY REPORT

Arizona's cuts could be as high as 77%, according to [one U.S. Bureau of Reclamation proposal](#). Under this option, Arizona takes the brunt of the cuts because it has junior water rights on the river.

That's why Grand Canyon State officials are looking at the possibility of buying desalinated water from the San Diego County Water Authority, which operates a [seawater desalination plant](#) in Carlsbad.

How would Arizona buy desalinated ocean water?

Arizona and Nevada would not actually import treated Pacific Ocean water if it gets to that point.

What would happen is that those states would be allowed to tap into part of California's share of Colorado River water while paying for an equal portion of desalinated water that stays in California.

"Payment has yet to be determined," Goddard said. "Then, Arizona entities would have the right to take part of the Colorado River allocation that would otherwise go to California."

The Bureau of Reclamation would have to sign off on the deal, although Goddard said the agency has signaled it is supportive of the move.

The deal may also require additional state or federal legislation to make it possible.

"Legally, interstate transfers are not allowed. That's been the tradition for 50 years on the Colorado River. This may be the exception," Goddard said.

Desalination is expensive

Goddard said a desalination deal wouldn't be a quick fix. It might be a more realistic option five to 10 years down the road because of the cost.

"Let me emphasize that desal is very expensive," he said. "Desal is \$3,000-\$3,500 an acre-foot. Today, Arizona customers for the Central Arizona Project pay \$300 an acre-foot."

Goddard said San Diego is trying to "unload a loss on their desal program."

"So, it's not necessarily the case that we have to compensate them for every dime," he said.

Central Arizona Project looking at other water supply options

However, Goddard said buying desalinated water from California isn't Arizona's most promising solution when it comes to acquiring new water sources.

He said groundwater and agricultural land exchanges within Arizona would be preferable.

Central Arizona Project is also talking to state tribes to see if they'd be willing to transfer some of their Colorado River water rights.



VELES WATER WEEKLY REPORT

Webb County increases municipal water holdings amid growth plans

- Source: Laredo Morning Times
- Author: Zach Davis
- Date: 2026-06-16
- URL: <https://www.lmtonline.com/local/article/webb-county-water-rights-acquisition-tijerina-22306632.php>
- Summary: Webb County has acquired an additional 2,500 acre-feet of municipal water rights, more than doubling its existing water portfolio and expanding its capacity to support future growth and development.

Webb County Judge Tano Tijerina described the move as a long-term investment intended to prepare the region for future residential, commercial and industrial growth.

"This is one of the most significant investments Webb County has made in its future," Tijerina said in a statement.

According to county officials, the additional water rights will help support anticipated development in southern Webb County, including growth associated with the proposed 4/5 International Bridge project.

Officials said water availability is often a key consideration for developers and businesses evaluating potential investments and that expanding the county's water portfolio strengthens its ability to attract future projects.

The county also said the acquisition could improve long-term water security by creating opportunities for future connections with regional water systems and providing additional supply during periods of high demand or emergencies.

Tijerina noted that municipal water rights along the Rio Grande are increasingly limited and valuable.

"Water rights are finite, and opportunities like this do not come often," he said.

County officials said the acquisition also could improve Webb County's competitiveness when pursuing future infrastructure grants and funding opportunities from state agencies.

"This investment is about more than water," Tijerina said. "It's about creating opportunity, protecting our future and ensuring Webb County is ready for the growth that lies ahead."

Water–Energy Nexus

High French river temperatures expected to limit nuclear power output next week

- Source: Reuters
- Author: Forrest Crellin and Tristan Veyet
- Date: 2026-06-18
- URL: <https://www.reuters.com/business/environment/high-french-river->



VELES WATER WEEKLY REPORT

[temperatures-expected-limit-nuclear-power-output-next-week-2026-06-18/](#)

• Summary: French state-owned utility EDF warned on Thursday that three nuclear plants face production curbs next week because of high temperatures on the Rhone and Garonne rivers as France grapples with its second heatwave this spring. Nuclear output in France has been relatively consistent this year as production has continued to recover from lows hit several years ago, but exceptional heatwaves at the end of the northern hemisphere spring have raised water temperatures to levels that put reactors at risk of output curtailment.

EDF, operator of the country's nuclear fleet, sometimes limits production when temperatures are near a threshold that varies depending on the nuclear plant, with shallower, slower rivers more at risk of facing disruptions.

It issued production warnings for the Golfech and Blayais nuclear plants on the Garonne river in the southwest, as well as the Bugey on the Rhone in the east. It also updated a warning it initially issued last Thursday, saying the Saint Alban plant on the Rhone was likely to be affected from June 23.

HEAT EXPECTED TO INTENSIFY NEXT WEEK

LSEG data showed that temperatures at the Cruas, Tricastin, Chooz and Nogent nuclear plants are also expected to get close to river temperature thresholds.

Advertisement · Scroll to continue

Temperatures are expected to rise further next week, close to 8 degrees Celsius (46.4 degrees Fahrenheit) above seasonal norms in the low 30s on Monday, likely boosting demand for cooling, said analysts at Engie's EnergyScan.

However, summer thermal restrictions are usually small, accounting for a fraction of a percent of annual output.

Temperature-driven curbs could add up to about €5 per megawatt-hour to prices on the affected days, but should not cause a structural seasonal increase, said AlphaValue analyst Pierre-Alexandre Ramondenc.

If insufficient volumes lead to forced shutdowns, however, this could prompt price swings of several tens of euros per megawatt-hour on intraday peaks and day-ahead prices, he added.

[Hydro availability](#) is also limited this year due to a lack of rainfall and snow in autumn and winter, which has lifted forward power prices.

The French spot price has been high too for the season recently, as hot temperatures have combined with low renewable output to raise prices. Market concern about continuing heat is reflected in the French front-month contract, which rose above €60/MWh in recent weeks.

Water Infrastructure & Supply Reliability



VELES WATER WEEKLY REPORT

Water Commission increases potential funding for Sites Project

- Source: California Water Commission
- Author: California Water Commission
- Date: 2026-06-18
- URL: https://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2026/06_June/June2026_News-Release_Sites-SFD_Final.pdf

• Summary: The California Water Commission on Wednesday committed \$268.9 million in conditional supplemental funding to the Sites Project to offset inflation and for additional public benefits. These funds, administered through the Commission's Water Storage Investment Program (WSIP), were made available from Proposition 1 (2014) and Proposition 4 (2024) and are an investment in the public benefits offered by the Sites Project. The project is a 1.5 million acre-foot off-stream surface storage reservoir located in the Sacramento Valley west of the town of Maxwell. Once construction is complete, the reservoir will provide the following public benefits: • Capture and store flood flows from the Sacramento River to reduce potential flood damage in the Maxwell area. • Provide new opportunities for recreation for an anticipated 187,000 visitors annually. • Deliver water to wildlife refuges, including the Sacramento National Wildlife Refuge Complex, Upper Butte Basin Wildlife Area, and San Luis National Wildlife Refuge. • Deliver up to 200,000-acre feet of captured water to create a new water supply for use during emergency-declared droughts. With this additional funding, the Sites Project is eligible for a total of \$1.363 billion in WSIP funding. To receive funding from the Commission, the project must first meet certain voter-mandated requirements, including securing financing, obtaining permits, completing environmental review, and contracting with the State agencies that are overseeing the administration of the public benefits. "The Sites Project proponents have shown consistent progress in making this reservoir come to fruition. We look forward to seeing them complete the statutory requirements so they can come before us for final funding," said Commission Chair Fern Steiner. "The California Water Plan calls for a statewide goal of nine million acre-feet of additional water, water conservation, or water storage capacity by 2040. This project will go a long way toward meeting that goal."

Glen Carbon approves \$11.735M bond issue for water treatment plant

- Source: The Intelligencer
- Author: Staff Report
- Date: 2026-06-24
- URL: <https://www.theintelligencer.com/news/article/glen-carbon-il-water-treatment-plant-bonds-22317937.php>



VELES WATER WEEKLY REPORT

- Summary: Glen Carbon, Illinois approved an \$11.7 million bond issue to partially fund construction of a new water treatment plant. The project is intended to provide a locally controlled drinking-water supply and reduce dependence on external providers. The facility forms part of a broader investment programme in water infrastructure and distribution networks. The story reflects continuing municipal investment in supply security and treatment capacity.

AI Infrastructure, Data Centres & Water Demand

SAWS says recycled water gives San Antonio an edge for data centers

- Source: Axios

- Author: Madalyn Mendoza

- Date: 2026-06-18

- URL: <https://www.axios.com/local/san-antonio/2026/06/18/saws-water-sources-san-antonio-desal-data-centers>

- Summary: San Antonio Water System (SAWS) is investing in a diverse water portfolio to help the city survive future [droughts](#) while supporting [growth from industries](#) like data centers.

Why it matters: As San Antonio grows and drought conditions persist, SAWS is investing in alternative water supplies that can support residents and water-intensive industries without placing as much additional strain on the Edwards Aquifer.

Zoom in: SAWS draws on multiple water sources, including the Edwards Aquifer, aquifer storage and recovery (ASR), recycled water, brackish groundwater desalination and imported supplies like the [142-mile Vista Ridge pipeline](#).

- "We look at the worst of the drought conditions ... to make sure that even in the worst of times we have enough water to meet San Antonio's growth," Donovan Burton, SAWS senior vice president of water resources and governmental relations, tells Axios.

How it works: The Edwards Aquifer remains the backbone of San Antonio's water supply.

💧 **ASR:** During wet periods, SAWS stores excess Edwards water in the Carrizo Aquifer and pumps it back out during drought.

♻️ **Recycled water:** Highly treated wastewater flows through a 130-mile purple-pipe network serving customers like Toyota and USAA, as well as irrigation and the River Walk, reducing demand on drinking water supplies.

🚰 **Brackish groundwater desalination:** At the H2Oaks Center, SAWS uses reverse osmosis to turn salty groundwater into drinking water, producing about 10 million gallons daily.

📦 **Imported supplies:** Long-term contracts bring additional water from outside the region, including Vista Ridge in Bureson County.



VELES WATER WEEKLY REPORT

What we're watching: The recycled water network could give San Antonio an edge as data centers expand across Texas.

- "San Antonio is better adapted to handle data center growth because of our recycled water system," Burton says.

Industrial Water Risk & Resource Competition

It's Russian roulette: alarm as Europe backs critical minerals mines in water-stressed regions

- Source: The Guardian
- Author: Phoebe Weston
- Date: 2026-06-20
- URL: <https://www.theguardian.com/environment/2026/jun/20/europe-backs-critical-minerals-mines-water-stressed-regions>
- Summary: The article examines concerns that many proposed European critical-mineral projects are located in regions already facing long-term water stress. Environmental groups argue that expanding lithium, graphite and other mining operations could intensify competition for limited water resources. The issue highlights growing tensions between resource security, industrial policy and water sustainability. The story is relevant to both the energy transition and future water allocation pressures.

Note the attachment is not an inducement to trade and Veles Water does not give advice on investments.

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