Veles Water Weekly Report:

NQH2O Up Again for the 17th Week in a Row Now Up 179.6% Since May, YTD 88.36%

September 10th 2026

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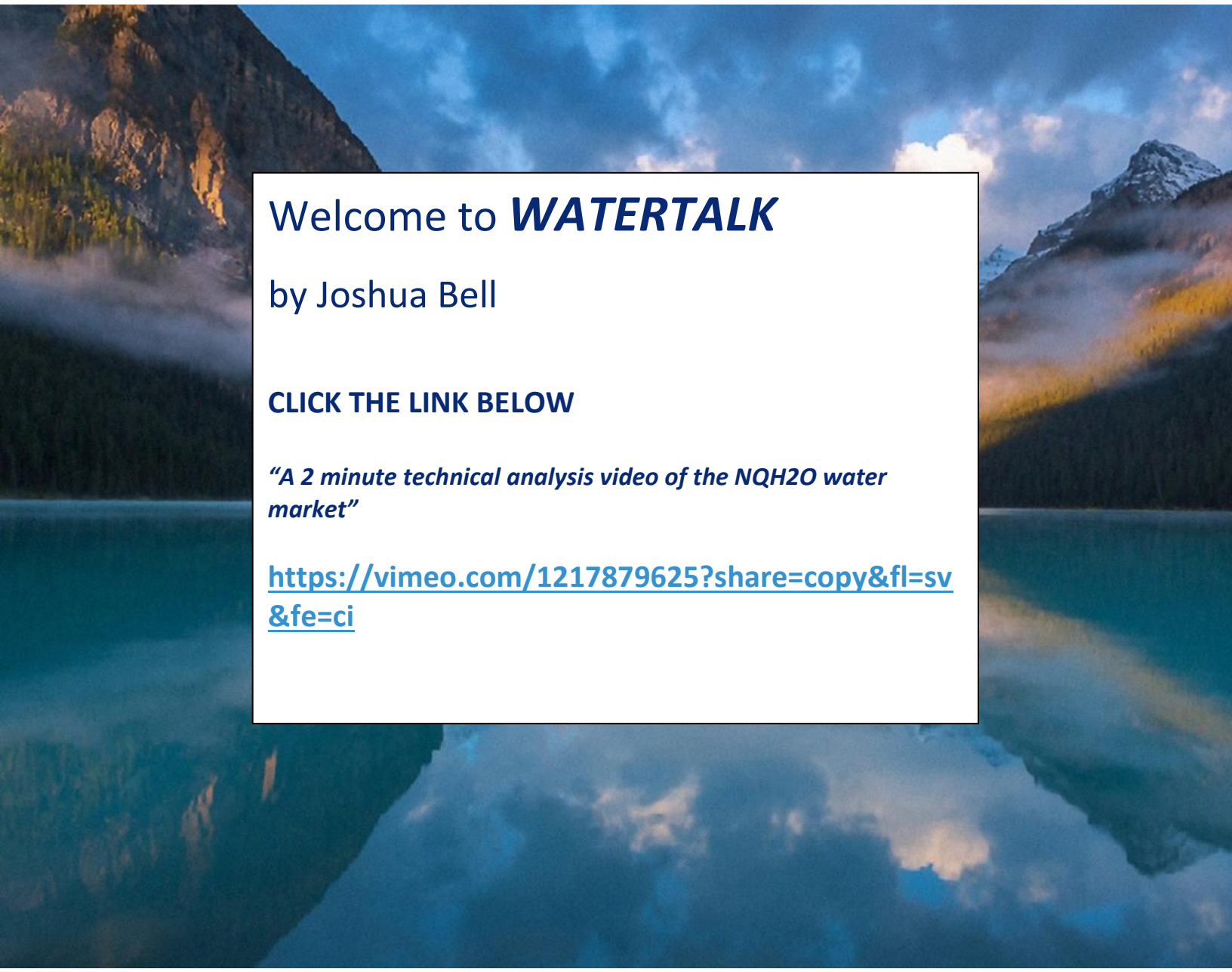
WATER FUTURES MARKET ANALYSIS



Welcome to ***WATERTALK***

by Joshua Bell

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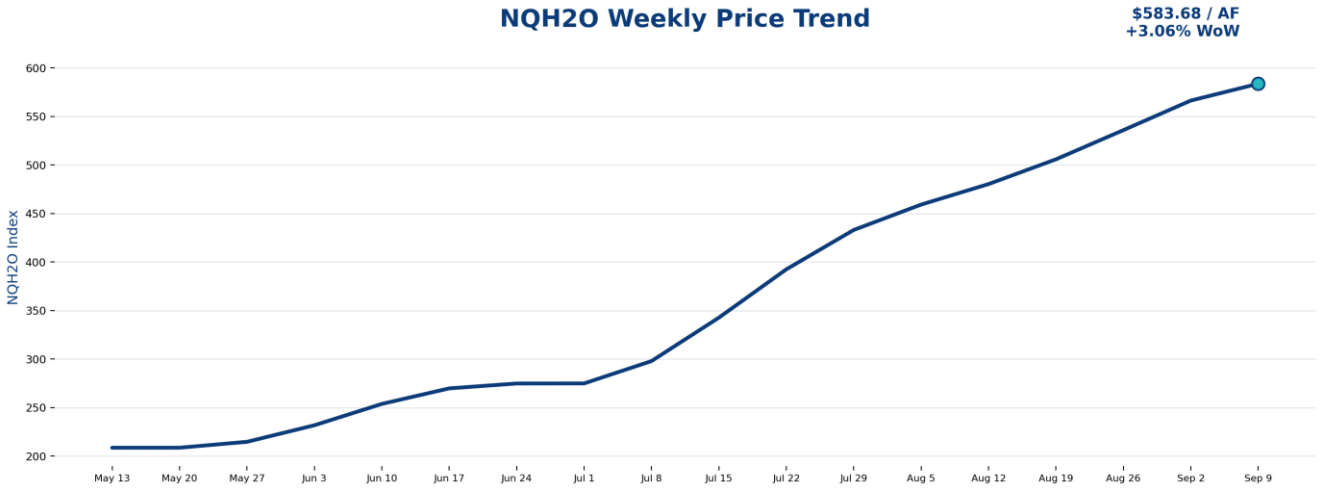
"A 2 minute technical analysis video of the NQH2O water market"

https://vimeo.com/1217879625?share=copy&fl=sv&fe=ci

NQH2O MARKET UPDATE

Price Action



NQH2O advanced to 583.68, gaining 3.06% (+$17.31) over the week from 566.37 and extending its rally to a twelfth consecutive weekly increase. From 269.86 on 17 June, the index has risen 116.3% (+$313.82). Measured from its 2026 low of 208.72 on 13 May, NQH2O is now 179.6% higher, confirming the scale and persistence of the summer repricing in transferable California water.

Market Drivers

The latest increase occurred against a firm but differentiated late-summer physical-market backdrop. California's seasonal snowmelt contribution is effectively exhausted, leaving incremental demand dependent on reservoir releases, groundwater production and managed deliveries. Northern Sierra precipitation provided some local relief during the week, but it did not materially alter the broader seasonal supply profile. State Water Project contractors continue to receive 45% of requested Table A supplies, providing meaningful supply while remaining below full entitlement.

Conditions within the underlying NQH2O groundwater markets remain differentiated. Chino Basin's legally operative Safe Yield remains 131,000 AFY through FY2029-30 while its reevaluation continues; this remains a prospective consideration rather than a current entitlement reduction. Main San Gabriel Basin remains comparatively resilient, while Mojave Alto's replacement-water framework continues to make available FPA and carryover economically relevant where production exceeds allowance.

Market Assessment

The continued NQH2O appreciation indicates that transferable physical water values remain firm even though California is not experiencing uniform system-wide scarcity.

Trinity and San Luis remain above their historical averages, while Shasta is close to its seasonal norm and Oroville is modestly below average. At the same time, short-term dryness and warmth have expanded moderate drought in northern California. These conditions reinforce the distinction between statewide inventory and the local availability and marginal economics of transferable rights and allocations within the index markets.

The balance of indicators remains supportive of firm pricing at the margin. Seasonal demand remains elevated, natural replenishment is limited and incremental supply increasingly depends on stored, managed or transferable water. The 45% SWP allocation and comparatively resilient storage and groundwater indicators remain an important counterweight to tightening conditions. The near-term bias therefore remains firm, with moderate-high confidence, without attributing the weekly index movement to broader hydrology alone.

NQH2O WEEKLY MARKET DASHBOARD

Metric	Current Assessment
NQH2O	583.68
Weekly Change ($)	+$17.31
Weekly Change (%)	+3.06%
Market Regime	Strong Repricing
Price Momentum	Positive
Near-Term Bias	Firm
Confidence	Moderate-High

Weekly Market Commentary

NQH2O rose 3.06% to 583.68, extending its advance to a twelfth consecutive week and taking the cumulative increase since 17 June to 116.3%. The weekly rate of appreciation moderated from 5.68% in the previous week, but the uninterrupted sequence continues to indicate sustained repricing rather than an isolated adjustment.

The late-summer physical backdrop remains supportive but not uniformly tight. California Water Watch estimated statewide reservoir storage at 13.6 million acre-feet, or 68% of historical average, as of 8 September. The major reservoirs in this report remain mixed: Trinity and San Luis are above their historical averages, Shasta is close to normal and Oroville is modestly below average. Snowmelt is no longer contributing meaningful incremental supply, and late-season requirements continue to be met

through reservoir releases, groundwater production and managed deliveries. The 45% SWP allocation remains an important stabilising influence.

Underlying groundwater conditions add further nuance. Chino's operative Safe Yield remains 131,000 AFY while its reevaluation continues, and Main San Gabriel remains comparatively resilient. In Mojave Alto, replacement-water obligations continue to support the economic relevance of transferable production allowance and carryover. These factors affect the marginal value of incremental water without establishing a basin-specific cause for the latest index move.

The market therefore remains firm at the margin rather than uniformly supply-constrained. Seasonal demand, the end of snowmelt and the economics of securing transferable supply remain supportive. Localised Northern Sierra rainfall and resilient project and groundwater supplies provide counterweights, while the expansion of moderate drought in northern California warrants monitoring as the water year approaches its September close.

NQH2O MARKET ANALYSIS

Market Structure

California's physical water market remains firmly priced as the 2025-26 water year approaches its close. NQH2O's twelfth consecutive weekly increase reinforces the distinction between aggregate statewide water availability and the marginal value of transferable water within the benchmark's five underlying markets. The index has risen 116.3% since 17 June and 179.6% from its 2026 low even though several major reservoirs remain close to or above their historical seasonal positions. The present environment is therefore better characterised as a sustained repricing of incremental, transferable supply than as a uniform statewide shortage. Entitlement structures remain central: where users require water beyond available allocations, production rights or carryover, the next unit may carry replenishment, replacement or imported-water costs that support the marginal value of transferable supply.

Supply Conditions

California remains in its normal seasonal drawdown phase. DWR's California Water Watch estimated statewide reservoir storage at 13.6 MAF, or 68% of historical average, on 8 September. Trinity held 1.75 MAF, or 71% of capacity and 110% of historical average; Shasta held 2.57 MAF, or 57% of capacity and 96% of average; Oroville held 1.88 MAF, or 55% of capacity and 93% of average; and San Luis held 1.34 MAF, or 66% of capacity and 167% of average. SWP contractors remain allocated 45% of requested Table A supplies. The adjudicated groundwater markets remain differentiated: Chino's

operative Safe Yield is unchanged at 131,000 AFY, while Main San Gabriel remains comparatively resilient. These stabilising indicators coexist with the higher marginal cost of incremental supply where production exceeds available entitlement.

Major California Reservoir Dashboard

	Capacity	Last Year Capacity	Hist. Avg
Trinity Lake 1,749,559 AF	71%	78%	110%
Shasta Lake 2,574,899 AF	57%	62%	96%
Lake Oroville 1,880,418 AF	55%	66%	93%
San Luis Reservoir 1,339,733 AF	66%	44%	167%

Source: California Water Data Exchange. Figures reproduced in the current Veles Water Weekly Report.

Demand

Late-summer agricultural and irrigation requirements remain the principal broad demand backdrop. Northern Sierra rainfall during the week provided limited local relief, but snowmelt is exhausted and most users remain dependent on stored surface water, groundwater and scheduled project deliveries. For NQH2O, aggregate consumption is less informative than demand for incremental transferable supply. Where an agricultural, municipal or industrial user needs water beyond its available entitlement or allocation, the relevant comparison is the availability and price of a transfer against the cost of the next-best source, including replenishment, replacement or imported water.

Weather

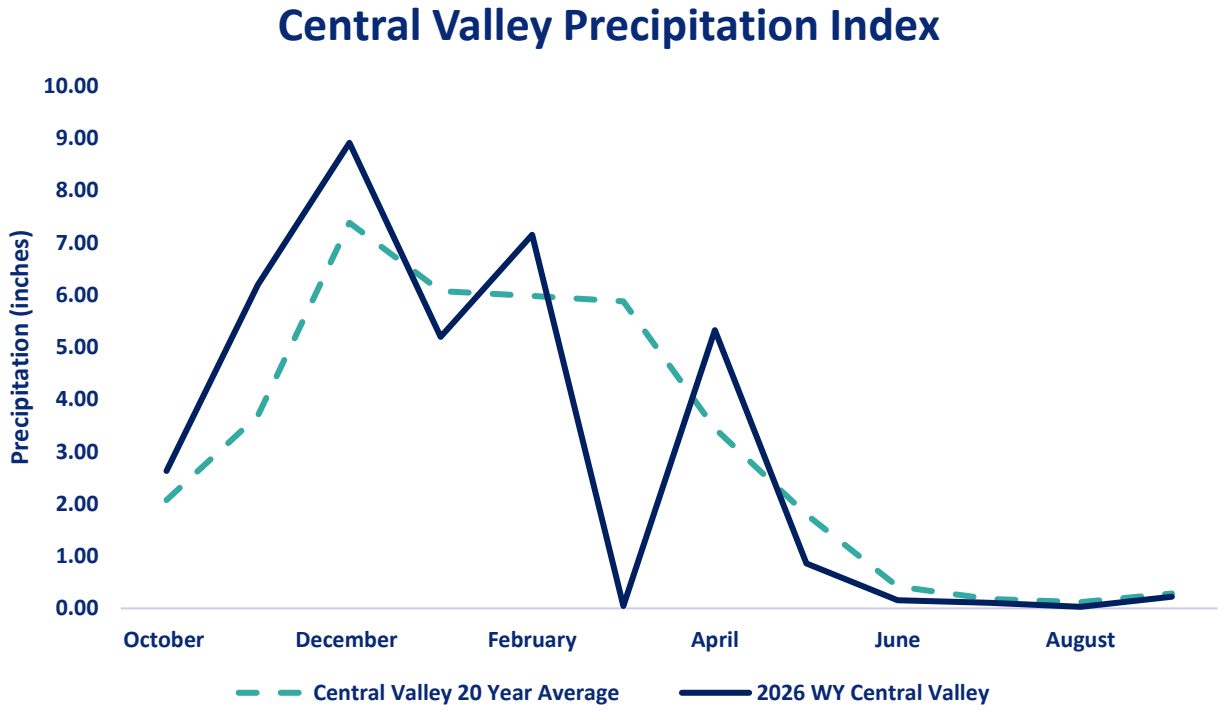
The week's weather produced a mixed signal. The Northern Sierra eight-station index recorded 0.68 inches of precipitation, while the Central Valley average received 0.23 inches. This provided some local relief but did not reverse the late-season reliance on stored water. Meanwhile, short-term dryness and warmth led to an expansion of moderate drought in northern California, and the near-term outlook remains predominantly dry outside limited convective and far-northern precipitation chances. Weather therefore remains relevant to demand, reservoir drawdown and recharge, but it does not by itself establish the cause of the NQH2O move.

Market Assessment

NQH2O's rise to 583.68 extends an exceptional twelve-week repricing and confirms that transferable physical water remains valuable at the margin. The evidence is more

nuanced than the index trajectory alone: natural runoff has largely ended, irrigation requirements remain elevated and incremental supply depends increasingly on stored, managed and transferable water, while moderate drought has expanded in northern California. However, the 45% SWP allocation and several resilient reservoir and groundwater indicators continue to cushion broader supply risk. The near-term balance is therefore firm rather than acutely short. Upside risk would increase if transferable availability tightens further, replacement-water economics rise or late-season demand remains unusually strong. Stabilising risk comes from project deliveries, resilient carryover and groundwater conditions, localised precipitation and the seasonal easing of irrigation demand as autumn approaches. On the verified evidence, the appropriate near-term bias remains firm, with moderate-high confidence, without attributing the weekly increase to any single basin or statewide hydrological variable.

CENTRAL VALLEY PRECIPITATION REPORT



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	80	89
TULARE 6 STATION (6SI)	0	0	0.00	83	87
NORTHERN SIERRA 8 STATION (8SI)	0.68	0.68	136.00	106	98
CENTRAL VALLEY AVERAGE	0.23	0.23	78.90	90	91

RESERVOIR STORAGE

RESERVOIR	STORAGE (AF)	% CAPACITY	LAST YEAR % CAPACITY	*% HISTORICAL AVERAGE
TRINITY LAKE	1,749,559	71	78	110
SHASTA LAKE	2,574,899	57	62	96
LAKE OROVILLE	1,880,418	55	66	93
SAN LUIS RES	1,339,733	66	44	167

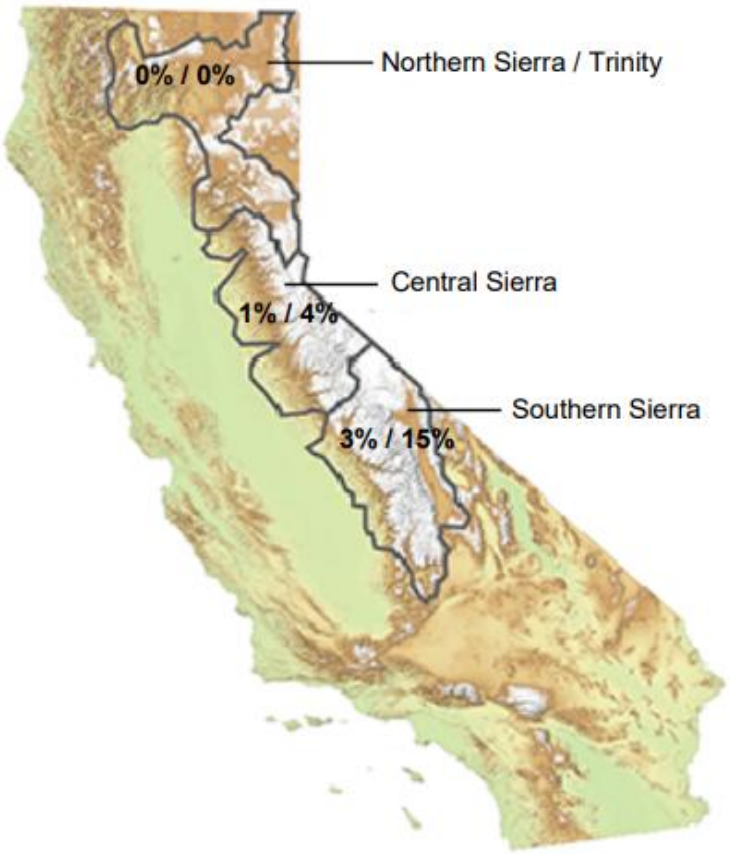
*% Historical Average is based on a daily average that is interpolated from historical monthly averages. The monthly averages are computed using monthly data from water year 1991 to 2024. The monthly averages are updated every 5 years using a sliding 30 year period.

Reference: California Water Data Exchange

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

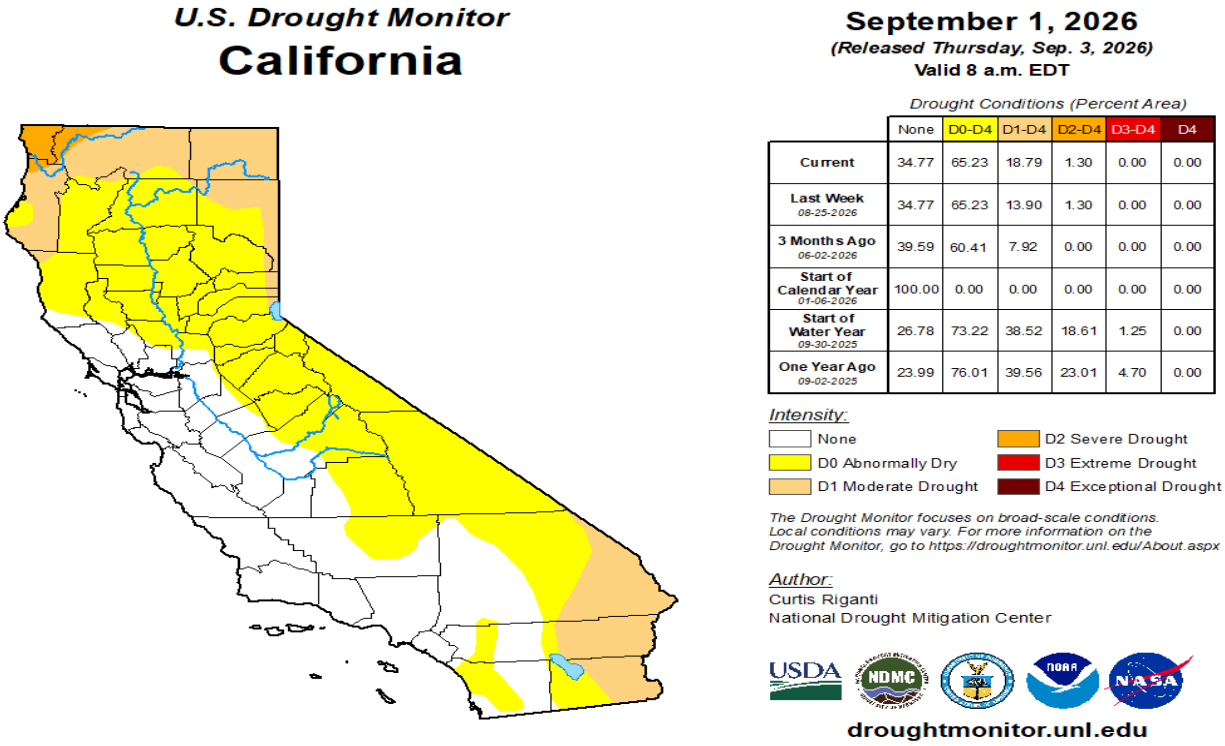
STATE	
Data as of June 5, 2026	
Number of Stations Reporting	111
Average snow water equivalent (Inches)	0.4
Percent of April 1 Average (%)	1
Percent of normal for this date (%)	4

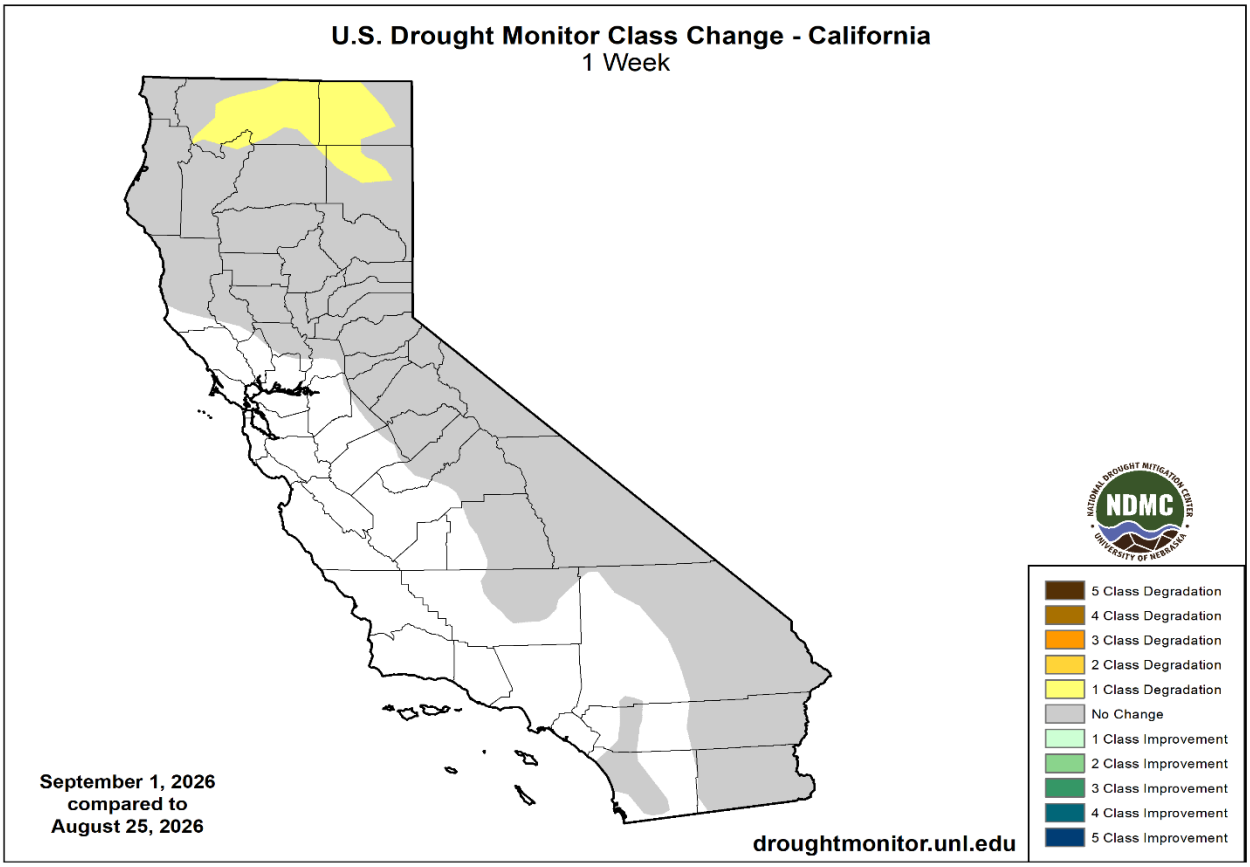
Statewide Average: 1% / 4%

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

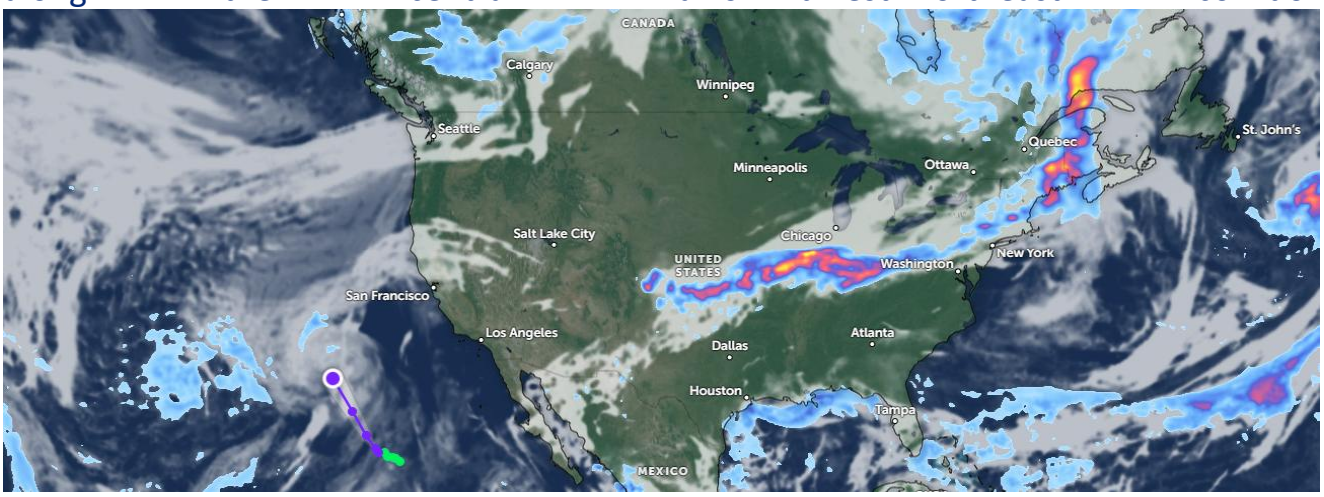




The U.S Drought Monitor is jointly produced by the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of NDMC. The U.S drought monitor is at 1 week lag tot this report,

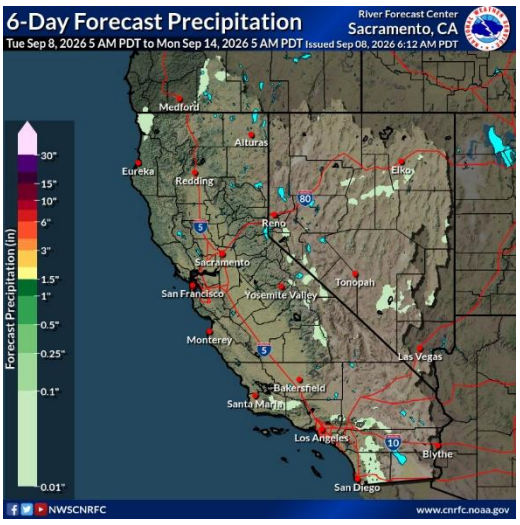
CURRENT SATELLITE IMAGERY

This map shows an active frontal pattern across the central and northeastern United States, while the West remains predominantly dry. A well-defined band of moderate to heavy precipitation extends from the central Plains through the Midwest and Ohio Valley toward the Mid-Atlantic, indicating an organised frontal system with embedded heavier rainfall. Farther northeast, another concentrated area of precipitation extends through New England into eastern Canada. The Southeast and Gulf Coast are comparatively quiet apart from scattered coastal showers, while California and much of the western U.S. remain dry. Overall, the main U.S. weather impacts are concentrated along the central Plains–Midwest–Northeast corridor.



Map Ref: Zoom Earth

10 Day Outlook



For Wednesday into Thursday...the strong high pressure over the south-central portion of the country will build westward over the Desert Southwest bringing warmer temperatures to much of the region...and potentially drawing some of the moisture from southern CA a bit northward. This will increase afternoon shower and thunderstorm chances on Wednesday into Thursday from the coastal mountains of southern CA over the southern Sierra and points eastward across the southern half to two-thirds of NV. To wrap up the week...a couple disturbances making their way southward along the AK and BC coast will shift inland across the Pacific Northwest...flattening the upr ridge a bit. The second and stronger s/wv trof also looks to bring a potential for some light precip near the CA/OR border into far northern NV on Saturday and lingering into Sunday. For the following week...flow once again becomes drier from the southwest.
Reference: National Weather Service / California Nevada RFC / Sacramento CA

WESTERN WEATHER DISCUSSION

Locally heavy rains from the North American Monsoon fell in parts of Arizona, Utah and the Rocky Mountains in Colorado. Parts of Colorado to the west of the Front Range saw conditions improve given recent rainfall, though widespread short- and long-term drought remained across central and western Colorado. In a few areas in south-central and southwest Colorado that missed out on heavier rains, long-term precipitation deficits grew even worse. Temperatures from 4–6 degrees above normal also kept atmospheric thirst high, and extreme and exceptional drought locally expanded. Short-term precipitation deficits and poor streamflow in some areas led to drought degradation in parts of the Idaho Panhandle, the Spokane, Wash., area, and nearby northwest Montana. Short-term dryness and warmth in northern California led to the expansion of moderate drought there. Moderate drought locally expanded in north-central Montana where short-term rainfall deficits grew and soil moisture declined in a few areas. Recent precipitation in southwest Montana led to improvements in mid- to long-term precipitation deficits and overall conditions, and moderate drought coverage decreased. Recent precipitation in western Utah helped to lessen long-term precipitation deficits, and extreme drought coverage lessened slightly. Temperatures were warmer than normal across much of the West, excluding areas from western Nevada and far northern California through Oregon and Washington. In the rest of the region, temperatures were mostly at least 2-4 degrees above normal, with many areas 4-10 degrees warmer than normal.

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

WATER NEWS

WATER MARKETS, ALLOCATION & POLICY

Westlands Water District to End Participation in Bay-Delta Program Absent Reversal by the State

- Source: Westlands Water District
- Author: Westlands Water District
- Date: September 4, 2026
- URL: Open Westlands Water District announcement
- Westlands Water District will not continue in the Healthy Rivers and Landscapes (HRL) Program under the terms set out in the State Water Resources Control Board's final draft Bay-Delta plan. The final draft retains the HRL name while abandoning the commitments the parties negotiated in 2022.

Formerly known as the Voluntary Agreements, the HRL Program grew out of a March 2022 Memorandum of Understanding (MOU) among state, local, and federal agencies and public water agencies after multiple years of analysis and collaboration. This innovative agreement envisioned the development of a comprehensive, basin-wide, science-based alternative to traditional regulation: one intended to improve environmental health and species conservation while providing water reliability for California communities and farms.

Westlands committed to that approach because it paired new flows with habitat restoration at scale, provided dedicated funding, and established a rigorous science program, all under a governance structure built to adjust management actions as the science developed. Those elements remain the right foundation for the Bay-Delta. The final draft released on August 19 keeps the HRL name but changes the terms of the agreement, departing from what the parties negotiated to the point that the Program's purpose is no longer achievable.

Since 2022, water agencies including Westlands have participated in good faith, devoted significant time and resources to negotiations, and submitted detailed comments as the draft water quality control plan evolved, ensuring it remained consistent with the agreement memorialized in the 2022 MOU. Throughout this process, the State Water Resources Control Board has included elements in successive drafts that undercut the comprehensive, science-based approach embodied in the 2022 MOU. Despite repeatedly raising detailed concerns, the issues remain unresolved, and the agencies' comments have been rejected rather than meaningfully addressed. The final draft moves the HRL Program back toward the regulatory approach it was created to replace.

Reversing that outcome requires the State to honor its agreement. Absent a final plan that honors the 2022 commitments in full, Westlands' participation in the HRL Program will end.

Buckeye targets three to five years for Harquahala water

- Source: InBuckeye
- Author: InBuckeye Staff
- Date: September 5, 2026
- URL: Open InBuckeye article
- Buckeye is targeting a three-to-five-year timeline to transport Harquahala Valley groundwater to the city.

A city representative provided the timeline in written responses to InBuckeye. The final delivery method and total infrastructure cost remain undetermined.

The project will require regulatory approvals and infrastructure to pump, treat, and transmit the water to the Central Arizona Project canal.

Once the water reaches Buckeye, the city could deliver it directly or store it in an aquifer.

In a new Facebook video, the city highlighted several parts of its water portfolio. Those include Colorado River rights, reclaimed water, aquifer recharge, conservation programs, and Harquahala groundwater.

The city said it has secured nearly 600,000 acre-feet of water from Harquahala for use over the next century. It closed the video with a confident message: "Buckeye's water future is bright."

However, the public response was far less certain.

Residents push back

Several commenters questioned whether Buckeye can continue approving growth while describing its water supply as secure.

"It would be brighter if you'd stop building," Cindi Owens wrote.

Leenie Saalman Keyes called on the city to deny data centers. Joshua Coghill asked why the City Council approved Grand View if water is a concern.

Other commenters focused on Harquahala Valley. They warned that transferring groundwater could hurt farming or force rural well owners to drill deeper.

The city then posted a detailed response. It also provided additional answers to InBuckeye.

Officials said much of Buckeye's current growth began with annexations and master plans approved decades ago. Many of those areas were planned during the late 1990s and early 2000s.

The city said it owns only about 1,300 acres. Much of the remaining land is privately owned and already carries development rights.

Officials said the city must manage growth while ensuring infrastructure, public safety, and water resources keep pace.
The city also argued that changing farmland to urban uses can reduce total water demand.
The Arizona Department of Water Resources reports that irrigated agriculture uses about 72% of Arizona's available water supply. That statewide figure does not establish the impact of every individual project.
Arizona's Ag-to-Urban program allows eligible farmers to voluntarily relinquish groundwater irrigation rights. In exchange, they can receive credits supporting a 100-year assured water supply.
Developments must still satisfy other state requirements involving availability, water quality, financing, and conservation.

What the water records show

Buckeye's water portfolio contains several distinct assets, but not every source currently reaches customer taps.
The city's water supply flyer says groundwater is Buckeye's current delivered source.
The broader portfolio includes Colorado River allocations, reclaimed water, storage credits, and Harquahala rights.
Buckeye has an annual Colorado River allocation of about 2,786 acre-feet. The city acknowledges that shortages could reduce or eliminate that supply in some years.
Meanwhile, a 2023 state groundwater model projected 4.4 million acre-feet of unmet demand in the Lower Hassayampa Sub-basin over 100 years.
As a result, the state stopped approving new subdivisions there that depend only on groundwater.
The Harquahala acquisition gives Buckeye another option.
In July 2025, ADWR authorized Buckeye to withdraw up to 5,926 acre-feet annually from the Harquahala Irrigation Non-Expansion Area. The total cannot exceed 592,592 acre-feet during a period of up to 110 years.
ADWR found that the transfer would not unreasonably increase damage to surrounding residents or other water users. Its analysis projected nearly the same groundwater depletion under continued agricultural pumping.
Still, Buckeye's 2025 Integrated Water Master Plan describes Harquahala groundwater as a fixed, nonrenewable supply.
The city representative said significant regulation and infrastructure will be needed before pumping begins.
That includes facilities to extract and treat the water. The city must also transmit it to the CAP canal for transportation to Buckeye.
"Once in Buckeye, we have several options in which to use the water, such as direct delivery or aquifer storage," the representative said.

Those options have not been finalized. The representative also said the total infrastructure cost has not been determined.
The city expects protections for current Harquahala water users.
According to the representative, Buckeye and other entities transporting water must ensure new pumping does not affect existing farms or private wells.
All withdrawals must also be metered. That requirement is intended to keep pumping within the amount authorized by the state.
Buckeye holds an approved water right, but the delivery system remains an important part of the equation.

Data centers remain a key concern

Many comments focused on data centers, but the city says none currently operate in Buckeye. It also says none are under construction.
A city representative confirmed that potential projects are being evaluated within designated industrial and employment corridors.
The city can establish conditions through development agreements and conditional use permits. Those conditions could include annual water caps, efficient cooling standards, and monitoring requirements.
Additionally, some potential sites may not receive city water. Those developers would need to secure their own supplies and infrastructure.
One is the proposed Buckeye Tech Corridor west of the municipal airport. The city says the land was previously entitled for about 9,700 homes.
Those homes would use an estimated 4,500 acre-feet annually. A proposed technology corridor would carry a 2,000-acre-foot annual cap, according to the city.
The representative cited that agreement as an example of how Buckeye can place enforceable water restrictions on technology and employment projects.
Grand View is another potential location. The City Council unanimously approved the annexation of approximately 1,918 acres in April.
The plan allows residential, commercial, light industrial, and heavy industrial development. The city says a data center is not Grand View's primary focus.
Available public records do not show that the council approved a specific data center at Grand View.
When asked for Grand View's projected water use, the city did not provide a project-wide annual estimate.
Instead, the representative explained that Buckeye's utility does not deliver Colorado River water directly to customers. Most deliveries begin as groundwater, although the legal water source supporting that pumping can vary.
For single-family development, the city pointed to the Central Arizona Groundwater Replenishment District. Grand View could use Type 1 groundwater rights tied to agricultural land or in-state surface water.

The larger debate is likely to continue. Buckeye has documented water rights, conservation programs, and recharge efforts.
At the same time, residents want project-specific numbers, enforceable limits, delivery schedules, and clearer information about regional impacts.
The city has now provided a target for delivering Harquahala water. The final system, total cost, and Grand View's projected annual demand remain unanswered.

WATER INFRASTRUCTURE & FINANCE

California's biggest reservoir in decades is facing a crucial moment. Will there be enough water?

- Source: San Francisco Chronicle
- Author: Kurtis Alexander
- Date: September 3, 2026
- URL: Open San Francisco Chronicle article
- Summary: California regulators have released a revised draft water right for the proposed **1.5 million acre-foot Sites Reservoir**, one of the state's largest proposed water-storage investments in decades. The water right governs when and how much Sacramento River water the off-stream reservoir may divert and remains one of the project's final major regulatory hurdles. Sites is expected to cost roughly **$6 billion**, with participating agricultural and municipal agencies relying on sufficient project yield to justify their financial commitments. The decision therefore connects water-right regulation directly with the bankability, affordability and economic yield of a multibillion-dollar storage asset.

AECOM selected to design Pure Water Silicon Valley demonstration facility

- Source: AECOM
- Author: AECOM
- Date: September 3, 2026
- URL: Open AECOM announcement
- AECOM (NYSE:ACM), the trusted global infrastructure leader, today announced its selection by the Santa Clara Valley Water District (Valley Water) to provide professional design services for the Pure Water Silicon Valley Demonstration Facility Project in California. The project will help advance direct potable reuse (DPR) as a potential future source of locally controlled, drought-resilient drinking water for Silicon Valley.

Under the contract, AECOM will lead the design of a new DPR pilot facility and a LEED-certified and solar-ready learning center at the existing Silicon Valley Advanced Water Purification Center site. The pilot facility will be capable of producing up to 200 gallons per minute of water and will evaluate advanced treatment technologies for direct

potable reuse applications. The approximately 10,000-square-foot learning center will support public education, community engagement, and workforce development focused on advanced water purification and water reuse.

"AECOM has helped utilities around the world develop innovative solutions to meet evolving water needs and build long-term resilience," said Beverley Stinson, chief executive of AECOM's global Water business. "Drawing on our extensive experience delivering advanced water reuse and purification facilities, we are proud to partner with Valley Water on this groundbreaking effort. This project is the first-of-its-kind and represents one of the most comprehensive evaluations of DPR-advanced water treatment technologies, helping further the knowledge and regulatory understanding needed to support future water reuse programs and shape the future of DPR in the region."

AECOM's scope includes project management and coordination, pilot facility design and engineering, architecture and building engineering services for the learning center, regulatory and permitting support, public outreach assistance, quality assurance and quality control, and specialized technical services. Working alongside Kennedy Jenks and a diverse team of subconsultants, AECOM will help Valley Water evaluate treatment performance, water quality, and operational considerations to inform potential future DPR implementation.

"As communities across California continue to address water supply challenges driven by population growth and climate variability, innovative water reuse programs are becoming increasingly important," said Matt Crane, chief executive of AECOM's U.S. West region. "Our team brings decades of experience delivering state-of-the-art water treatment facilities, as well as a more than 50-year relationship with Valley Water. We are proud to support a project that advances water reuse innovation, strengthens community understanding, and helps build a more resilient water future for Silicon Valley."

WATER, TRADE & ECONOMIC RISK

Panama Canal finds its water solution, but it's 5 years away

- Source: Reuters
- Author: Elida Moreno
- Date: September 7, 2026
- URL: Open Reuters article
- Summary: The Panama Canal Authority expects the proposed Rio Indio reservoir eventually to remove the need for drought-driven transit and vessel-draft restrictions, but completion is still approximately **five to six years away**. Until then, insufficient rainfall during the critical September-November period could force renewed restrictions as El Niño pressures reservoir levels. Around **3%–5% of global maritime**

trade passes through the canal, and vessels have recently paid more than **$1 million** at auction to secure scarce transit slots. Rio Indio is therefore not simply a domestic water-supply project: it is strategic infrastructure linking freshwater availability directly to shipping capacity, freight economics and global supply-chain resilience.

AI & DIGITAL INFRASTRUCTURE

Civil rights groups urge a halt to South Africa data centers boom amid water and power fears

- Source: Associated Press
- Author: Mogomotsi Magome and Michelle Gumede
- Date: September 4, 2026
- URL: Open Associated Press article
- Summary: South African civil-society groups are seeking a pause on additional data-centre development while the country's Human Rights Commission assesses the sector's water, power, land and infrastructure requirements. The commission has received more than **250 submissions**, while South Africa hosts approximately **70% of Africa's data-centre capacity** and continues to attract investment from Amazon, Microsoft, Equinix and other operators. A proposed Equinix hyperscale facility in Cape Town has drawn particular scrutiny given the city's history of acute water scarcity. The case shows water-resource availability and disclosure requirements beginning to emerge as material permitting and execution risks for digital infrastructure beyond the United States.

US datacenters face further backlash over wastewater pollution

- Source: The Guardian
- Author: Oliver Milman
- Date: September 8, 2026
- URL: Open Guardian article
- Summary: Regulatory scrutiny of U.S. data centres is expanding from freshwater consumption toward **wastewater quality and discharge risk**. Cheyenne authorities stopped accepting wastewater associated with construction of Meta's **$800 million** Wyoming campus after testing identified a potentially hazardous bacterium, although Meta disputes the finding. Separate enforcement actions and disputes involving wastewater, stormwater, heated discharges, metals and PFAS are emerging around projects in several other states. The development adds another potential cost and permitting constraint to hyperscale infrastructure, as developers may increasingly need to demonstrate wastewater pretreatment and discharge compliance alongside access to cooling water and power.

MINING & INDUSTRIAL WATER / SEMICONDUCTORS

De Nora awarded contract worth about euro 30 million for a Water Treatment Plant serving a Semiconductor Facility in Southeast Asia

- Source: Industrie De Nora
- Author: Industrie De Nora
- Date: September 4, 2026
- URL: Open De Nora announcement
- Industrie De Nora S.p.A. ("**De Nora**") – an Italian multinational listed on Euronext Milan, specialized in electrochemistry, water treatment systems and sustainable solutions – through De Nora Singapore Pte. Ltd. (formerly BW Water Pte. Ltd., recently acquired by De Nora), has been awarded a contract by a leading international player to build an industrial wastewater treatment plant for a new semiconductor facility in **Southeast Asia**.

The contract, valued at about **euro 30 million**, covers the design, procurement, delivery, installation, testing and commissioning of a Wastewater Treatment Plant (WWTP) for the treatment and recovery of wastewater generated by production processes, at a **new semiconductor** advanced packaging **facility**.

This contract further strengthens the growth trajectory of the new **Integrated Water Solutions** (**IWS**) line, which currently consists of the former BW Water business[1] recently acquired by De Nora. The award enhances revenue visibility for the coming years and is fully aligned with De Nora's strategy to expand into high-growth markets through an integrated end-to-end offering tailored to specialized sectors with demanding water treatment requirements, including semiconductors.

Project execution is expected to commence in 2026, with final handover scheduled by the end of 2028.

AGRICULTURE & FOOD PRODUCTION / FINANCIAL RISK

France gives farmers €1 billion to recover from record heatwaves

- Source: Reuters
- Author: Reuters; reporting by Sybille de La Hamaide, Gus Trompiz, Dominique Vidalon and Sudip Kar-Gupta
- Date: September 4, 2026
- URL: Open Reuters article
- Summary: France has announced more than **€1 billion of financial support** following record summer heat and drought that damaged crops, pasture and agricultural water

supplies. Around €520 million will be distributed through rapid payments, while a €235 million recovery fund will support seed, feed and other inputs; the government estimates **30,000–35,000 farms** are experiencing financial distress. Farming groups estimate losses of at least €10 billion across livestock and arable production, while the finance ministry says the weather shock could reduce French GDP growth by roughly 0.1 percentage points. The story illustrates the transmission of water and drought risk into farm balance sheets, government fiscal support, food production and national economic performance.

CORPORATE INVESTMENT / WATER TECHNOLOGY

Saudi Arabia advances water industry localization with $747m investment

- Source: Arab News / Saudi Press Agency
- Author: SPA
- Date: September 3, 2026
- URL: Open Arab News article
- Saudi Arabia is advancing into a new phase in the development of its water sector, leveraging the advanced capabilities it has built in integrated water management and enhanced sector efficiency to establish a coordinated national industry.

Building on the sector's maturity, strong demand, availability of production inputs, and expertise, the Kingdom is transforming local demand into industrial and investment opportunities that contribute to technology and knowledge transfer, strengthen supply chain reliability and water security, and build national capabilities for development and regional and global competitiveness, according to the Saudi Press Agency.

Water-sector opportunities

The Water Industries and Services Localization Program includes 18 investment opportunities to localize 18 components, representing approximately 90 percent of the water industry's core components, enabling the sector to move from securing products to developing the capability to manufacture and advance them domestically.

Cumulative local demand for these opportunities is expected to exceed SR15 billion ($4 billion) through 2033, while demand across the Middle East and North Africa is estimated at approximately SR65 billion, providing the targeted industries with a solid demand base that supports their domestic growth and regional and global expansion.

As part of this pivotal transformation, the Saudi Water Authority announced, during the “Localizing the Water Industry: Knowledge Transfer and Capacity Building” ceremony held at the InterContinental Riyadh, in the presence of a number of ministers, government leaders, ambassadors, and CEOs, that six investment opportunities have moved into the industrial implementation phase, including five new opportunities.

This was marked by the signing of three industrial localization agreements and the inauguration of two factories.
The deals provide for the establishment of seven factories, bringing total investment across the six opportunities to SR2.8 billion and moving localization from presenting opportunities to implement projects and building local industrial and technological capabilities.
This approach is centered on transforming the strength of demand in the water sector into a driver of manufacturing and investment by aligning project requirements and future demand with local production opportunities.
This provides investors and global manufacturers with greater visibility into the scale of demand and encourages them to transfer knowledge and technology and localize manufacturing in the Kingdom, supported by the industrial and investment ecosystems.
Its attractiveness is further strengthened by the availability of at least 70 percent of the production inputs required for the targeted components within the Kingdom, the expansion of the supplier base from 739 suppliers in 2022 to 3,441 suppliers in 2026, and the increase in the sector's local content from 45 percent in 2020 to 68.27 percent in the first half of 2026.
These factors reinforce Saudi Arabia's position as an industrial base capable of rapid growth and regional and international expansion.
Localization goes beyond moving production lines to Saudi Arabia. It also includes research and development, knowledge and technology transfer, and building the skills needed to operate and further develop these industries. T
he agreements require at least 70 percent of employees in specialized positions to be part of the workforce, directly linking industrial investment to the development of national engineering and technical talent.
The industries targeted for localization include reverse osmosis membranes, antiscalants, and membrane cleaning chemicals, as well as energy recovery devices, high-pressure pumps, Distributed Control Systems, and Supervisory Control and Data Acquisition systems, forming an interconnected industrial and technological value chain that supports water production processes and facility operations.
Several of these components also have applications across the energy, mining, agriculture, and food industries, expanding the impact of localization across multiple value chains.
These initiatives reflect the Kingdom's growing position on the global water technology manufacturing landscape and the strength of its strategic partnerships.
They include four Italmatch Chemicals factories in Wa'ad Al Shamal, Jubail, and Jeddah, with Wa'ad Al Shamal set to host the company's largest industrial complex outside the Italian Republic. The four factories are scheduled to begin production in 2028.

The projects also include a Torishima high-pressure pump factory in Jeddah; an Energy Recovery factory for energy recovery devices in Dammam, the company's only manufacturing facility outside the US; and an alfanar factory in Riyadh for the production of Distributed Control Systems, bringing the number of factories associated with opportunities that have moved into implementation to seven.
From its facility in the Kingdom, the Energy Recovery factory is expected to supply approximately one-third of the company's customers worldwide beginning in the first quarter of 2027. These projects are distributed across several regions of the Kingdom, supporting the integration of value chains and enhancing the export potential of locally manufactured products.
The industries are currently being localized, built on industrial capabilities that have already entered production.
Toray's reverse osmosis membrane factory in Dammam began production in 2025 as the largest manufacturing facility for desalination membrane technologies in the Middle East and the company's second facility of its kind outside Japan, bringing the total number of factories associated with the localization program to eight.
Knowledge exchange with global manufacturers has also delivered measurable improvements in operational efficiency.
High-pressure pump efficiency has reached 91 percent, while the development of locally produced reverse osmosis membranes contributed to increasing the production capacity of the Al Khobar plant from 600,000 to 700,000 cubic meters per day at no additional cost, demonstrating the impact of knowledge transfer and technological development in improving asset efficiency and maximizing their utilization.
The value of localization has extended beyond meeting domestic demand to international exports.
The Kingdom has achieved self-sufficiency in locally producing reverse osmosis membranes and has exported them to 27 countries. The program also aims to reduce lead times for key components by 50 to 70 percent, strengthening supply chain resilience and enhancing operational reliability and the continuity of water services.

INSTITUTIONAL CAPITAL

Moroccan water infrastructure group SNCE welcomes investors for next growth phase

- Source: Consultancy-me.com
- Author: Not separately listed
- Date: September 4, 2026
- URL: Open article
- ***SNCE, a Moroccan water infrastructure group, has sold a stake in the company to***

investors CDG Invest Growth and Mediterrania Capital Partners. Accuracy and Asafo & Co provided buy-side M&A advisory services.

Founded in 1961, Société Nouvelle des Conduites d'Eau (SNCE) specializes in water equipment and hydraulic projects. Over more than six decades, the company has developed expertise across the entire value chain – from pipe manufacturing and installation to the execution of complex infrastructure projects – spanning areas such as water supply and management, urban sanitation, wastewater treatment, agricultural irrigation, desalination and water transport.

While the firm delivers most of its work in Morocco, SNCE also has a growing presence on projects in West Africa including in Burkina Faso, Benin, Niger and Cameroon.

In a deal aimed at accelerating international growth, SNCE has brought external investors on board. The Laraqui family, which founded and has led the company for more than six decades, will retain a majority stake, while CDG Invest Growth and Mediterrania Capital Partners will each become minority shareholders. Financial terms of the transaction were not disclosed.

"Welcoming CDG Invest Growth and Mediterrania Capital Partners as shareholders marks the beginning of an ambitious new chapter," said Kamal Laraqui, Chairman of SNCE. "Together, we will accelerate the group's transformation and pursue our development in Morocco and across Africa and the Middle East, while remaining true to the entrepreneurial spirit and long-term vision that have characterised SNCE since its origins."

During the deal process, Accuracy provided financial advisory and due diligence services to the investors, while Asafo & Co provided legal counsel. SNCE's dealmakers were not known at the time of writing.

The next chapter

As shareholders, CDG Invest Growth and Mediterrania Capital Partners will work closely with SNCE's management to support the next phase of growth – strengthening governance, enhancing operational capabilities and consolidating the group's position as a leading partner for water equipment and hydraulic projects.

Hassan Laaziri, Managing Director of CDG Invest Growth, said: "By investing in the company alongside the founding family, we are supporting a business with unique expertise across the entire value chain and considerable growth potential. Our ambition is to support management in accelerating growth, strengthening governance and consolidating SNCE's position as a national and regional champion."

Hatim Ben Ahmed, Managing Partner at Mediterrania Capital Partners, added: "This investment reflects our conviction in the strategic importance of the water sector and our hands-on approach to building regional champions. Alongside CDG Invest Growth and the Laraqui family, we will support SNCE in strengthening its industrial capabilities, expanding its offerings, as well as accelerating its international expansion."

WATER–ENERGY & INTEGRATED INFRASTRUCTURE

Acwa-led consortium reaches commercial operation at The Red Sea, the world's largest off-grid renewable utilities system

- Source: Acwa
- Author: Acwa
- Date: September 6, 2026
- URL: Open Acwa announcement
- Summary: **Corporate Announcement.** An Acwa-led consortium has reached commercial operation on the integrated utility network serving Saudi Arabia's Red Sea development, formally beginning a **25-year concession**. The project represents approximately **$1.84 billion of investment**, supported by around **$1.33 billion of senior debt**, and combines 340 MWac of solar generation and 1,227 MWh of battery storage with three seawater reverse-osmosis plants, wastewater treatment, district cooling and waste management. Its sewage-treatment plant can process **16,000 m³/day**, with treated water reused for landscaping and other purposes. The project is a strong institutional example of privately financed water, wastewater and energy infrastructure being integrated under a long-duration concession structure.

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