

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
CALIFORNIA WATER COMMISSION

RESOLUTION NUMBER: 2025-01

RESOLUTION TO INCREASE FUNDING TO HARVEST WATER
PROGRAM

WHEREAS, on November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (“Proposition 1”);

WHEREAS, Proposition 1 contained Chapter 8, “Statewide Water System Operational Improvement and Drought Preparedness,” (“Chapter 8”) which appropriates \$2.7 billion to the California Water Commission (“Commission”) to invest in public benefits associated with water storage projects “that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions” (Water Code section 79750);

WHEREAS, on December 14, 2016, the Commission adopted regulations governing the quantification and management of public benefits associated with water storage projects that meet the criteria established for public investment (the Water Storage Investment Program (“WSIP”));

WHEREAS, the regulations were approved by the Office of Administrative Law on March 7, 2017, and appear in the California Code of Regulations, title 23, section 6000*et seq.* (“regulations”);

WHEREAS, the Commission, pursuant to the terms of the regulations, began the application period for funds from the WSIP on March 15, 2017;

WHEREAS, Sacramento Regional County Sanitation District (previously Regional San, now SacSewer) applied for funding for its water storage project, the Harvest Water Project, pursuant to the terms of the regulations and submitted an application on or before August 14, 2017;

WHEREAS, the application from SacSewer was complete and the Project continues to be eligible for funding from the WSIP;

WHEREAS, Regional San changed its name to SacSewer on January 1, 2024;

WHEREAS, on July 24, 2018, the Commission considered the funding amounts requested by the Applicants;

WHEREAS, the Commission made a Maximum Conditional Eligibility Determination (MCED) for the Harvest Water Project of \$280,500,000 at the July 24, 2018 Commission meeting;

WHEREAS, the Maximum Conditional Eligibility Determinations (MCEDs) for all projects in the Water Storage Investment Program used 2015 dollars to value the public benefits of the projects;

WHEREAS, the Commission adjusted the MCEDs for all projects by 1.5% to account for inflation, which was an adjustment to SacSewer's MCED to \$287,512,200, at the January 20, 2021 Commission meeting;

WHEREAS, on October 20, 2021, the Commission found the Harvest Water Program to be feasible and eligible for funding through the Water Storage Investment Program;

WHEREAS, the Commission adjusted SacSewer's MCED for inflation at the Commission's meeting on January 20, 2022 by increasing the Maximum Conditional Eligibility Determination by 2.5% for all projects, which resulted in the total of SacSewer's MCED changing to \$291,841,209;

WHEREAS, the Commission awarded early funding, pursuant to Water Code section 79755(c), to SacSewer for the Harvest Water Program of \$14,375,625, of which Sac Sewer spent and was reimbursed \$14,365,872;

WHEREAS, the Commission reviewed the draft Contracts for Public Benefits (CAPBs) that SacSewer negotiated with the California Department of Fish and Wildlife (CDFW) and the State Water Resources Control Board (SWRCB) at the Commission's meeting on March 17, 2023;

WHEREAS, SacSewer submitted its request for final funding to Commission staff on May 25, 2023;

WHEREAS, the Commission considered SacSewer's request for final funding at its regularly scheduled meeting on June 21, 2023;

WHEREAS, the Commission found that SacSewer ;

- (1) Entered contracts for public benefits with CDFW and SWRCB;
- (2) Submitted documentation supporting the payment of non-public benefit cost share;
- (3) All information submitted supporting the application was included on CWC's website for public review and comment at the hearing held on June 21, 2023;
- (4) Project feasibility studies are complete;
- (5) The Commission determined the project is feasible, consistent with "all applicable laws and regulations, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses in the Delta"; and

(6) All applicable environmental documentation is complete, and all federal, state, and local “approvals, certifications, and agreements... have been obtained”;

WHEREAS, the Commission continues to recognize additional funding may become available to the WSIP if additional projects withdraw from the WSIP;

WHEREAS, the Los Vaqueros project withdrew from the WSIP on November 12, 2024;

WHEREAS, the voters of the State of California passed Proposition 4 on November 5, 2024, which made available \$75 million in additional funding for the WSIP;

WHEREAS, previous actions by the Commission when projects withdraw from the WSIP included inflation adjustments to the remaining projects in the WSIP;

WHEREAS, the Commission considered additional inflation adjustments at its March 19, 2025 meeting; and

WHEREAS, the Commission voted to increase SacSewer’s final funding award by \$73,002,990, its pro rata share of the funds available from the Los Vaqueros withdrawal and the passage of Proposition 4, for a total award of \$364,844,199;

NOW, THEREFORE, BE IT RESOLVED, that the Commission adjusts the award of SacSewer to \$364,844,199 for construction of the Harvest Water Program;

BE IT FURTHER RESOLVED, that the award shall be reduced by \$14,365,872 which is the amount of early funding SacSewer already received, for a final funding contract amount of \$350,478,327;

BE IT FURTHER RESOLVED, that the Commission directs staff to amend the agreement with SacSewer funding agreement to reflect the new amount of \$350,478,327; and

BE IT FURTHER RESOLVED, that the Commission continues to be able to consider SacSewer and the Harvest Water Program for additional funding if such funding becomes available.

Signed:

Fern Steiner

4/3/2025

Fern Steiner, Chair
California Water Commission

Date

Attest:

Laura Jensen

4/4/2025

Laura Jensen, Executive Officer
California Water Commission

Date