



APPROVED  
BOARD OF DIRECTORS  
By Reso No. SR-3092  
APR 12 2023  
BY Florence Evans  
Clerk of the Board

7

**DATE** April 12, 2023

**TO:** Honorable Board of Directors  
Sacramento Regional County Sanitation District

**FROM:** Sacramento Regional County Sanitation District

**SUBJECT: Resolution for Harvest Water Funding for Water Storage Investment Program (WSIP) Grant Requirements**

**Main Office**

10060 Goethe Road  
Sacramento, CA 95827-3553  
Tel: 916.876.6000  
Fax: 916.876.6160

**Treatment Plant**

8521 Laguna Station Road  
Elk Grove, CA 95758-9550  
Tel: 916.875.9000  
Fax: 916.875.9068

**Board of Directors**

- Representing:
- County of Sacramento
- County of Yolo
- City of Citrus Heights
- City of Elk Grove
- City of Folsom
- City of Rancho Cordova
- City of Sacramento
- City of West Sacramento

Christoph Dobson  
*District Engineer*

Glenn Bielefelt  
*Director of Operations*

Mike Huot  
*Director of Policy & Planning*

Matthew Doyle  
*Director of Internal Services*

Masiku Tapa Banda  
*Director of Finance*

Nicole Coleman  
*Director of Communications*

[www.regionalsan.com](http://www.regionalsan.com)

**RECOMMENDATION:**

The Sacramento Regional County Sanitation District (Regional San) recommends that your Board take the following actions:

1. Adopt the attached Resolution committing to fund the preliminary non-public benefit cost share estimate of the Harvest Water Program (Harvest Water)
2. Authorize the District Engineer, or designee, to enter into a Funding Agreement for the same, and enter into agreements with the respective administering agencies to fulfill Water Storage Investment Program (WSIP) requirements, provided the preliminary non-public benefit cost share does not exceed its current estimate

**BACKGROUND:**

Harvest Water is a compilation of innovative projects that, when implemented, will improve water supply reliability in the Sacramento region by delivering recycled water to agricultural and habitat lands in southern Sacramento County. Harvest Water will reduce farmers' reliance on pumped groundwater, thus restoring groundwater levels and enhancing riparian habitats, wetlands, and stream flows in the lower Cosumnes River. Harvest Water will deliver up to 50,000 acre-feet per year of recycled water to irrigate up to 16,000 acres of agricultural and habitat lands.

In November 2014, California voters passed Proposition 1, a \$7.5 billion water bond known as the Water Quality, Supply, and Infrastructure Improvement Act. The bond dedicated \$2.7 billion for investments in water storage projects through the WSIP and designated the California Water Commission (the Commission) as the agency responsible for allocating these funds.

Regional San applied for WSIP funding in 2017 and has received a conditional funding award with a current value of \$291,841,209.

**DISCUSSION:**

The Commission will review Regional San's progress toward WSIP requirements and consider a final funding award at an upcoming Commission meeting, anticipated in May or June of 2023. One of the conditions for the final funding award is for Regional San to commit to funding the portion of the project not covered by the WSIP funding (the non-public benefit cost share).

The \$291.8 million grant was conditionally awarded based on Harvest Water realizing certain ecological and water quality public benefits. The landowners in and near the Harvest Water area largely rely on groundwater for irrigation. Their use of recycled water, in lieu of pumping groundwater, is the foundation to help restore groundwater levels, develop and preserve the ecosystem benefits associated with Harvest Water, and meet the obligations of the WSIP funding. An important next step is completing the WSIP grant requirements and presenting progress on those requirements to the Commission at the upcoming final funding award hearing. Regional San's commitment to fund the cost of Harvest Water beyond WSIP funding is required as part of the WSIP grant.

**ECONOMIC ANALYSIS:**

The WSIP can pay for public benefits including ecosystem improvements and water quality improvements for Harvest Water. The current conditional WSIP award amount for Harvest Water is \$291,841,209.

The currently estimated total capital program cost for Harvest Water is \$597 million, resulting in a preliminary non-public benefit cost share of approximately \$305 million. Harvest Water also has a preliminary grant award of \$30 million from the US Bureau of Reclamation Water Infrastructure Improvements for the Nation grant program. Staff will pursue additional grant and low-interest loan funding for Harvest Water. Regional San will use the revenues from the sale of recycled water to help fund operational and maintenance costs of Harvest Water. Regional San's wastewater treatment rate revenues will also be used to fund the remaining capital costs and future operating and maintenance costs of Harvest Water.

**PUBLIC OUTREACH:**

Regional San has engaged numerous stakeholders related to Harvest Water, including property owners, local land use jurisdictions, local water supply interests, state and federal agencies, and multiple environmental organizations. Our stakeholder engagement will continue throughout the development and implementation of Harvest Water.

Honorable Board of Directors  
April 12, 2023  
Page 2

**CONCLUSION:**

Regional San recommends that your Board adopt the attached Resolution committing to fund the preliminary non-public benefit cost share estimate of Harvest Water and authorizing the District Engineer, or designee, to enter into agreements to implement WSIP requirements, provided the preliminary non-public benefit cost share does not exceed its current estimate.

Respectfully submitted,



Mike Huot  
Director of Policy & Planning

Attachment: A. Resolution

Contact for additional information:

Terrie Mitchell, Manager of Legislative & Regulatory Affairs, 916-876-6092

APPROVED:



Christoph Dobson  
District Engineer

**RESOLUTION NO. SR-3092**

**RESOLUTION SEEKING AUTHORIZATION FOR:**

**COMMITMENT BY THE SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT TO FUND THE PRELIMINARY NON-PUBLIC BENEFIT COST SHARE ESTIMATE OF THE HARVEST WATER PROGRAM (FORMERLY THE SOUTH COUNTY AGRICULTURE AND HABITAT LANDS, RECYCLED WATER, GROUNDWATER STORAGE, AND CONJUNCTIVE USE PROGRAM);**

**AND**

**THE DISTRICT ENGINEER, OR DESIGNEE, TO ENTER INTO A FUNDING AGREEMENT FOR THE SAME, AND ENTER INTO AGREEMENTS WITH THE RESPECTIVE ADMINISTERING AGENCIES TO FULFILL WATER STORAGE INVESTMENT PROGRAM REQUIREMENTS.**

**WHEREAS**, in November 2014 California voters passed Proposition 1- the Water Quality Supply and Infrastructure Improvement Act, with the California Water Commission (Commission) serving as the agency responsible for allocating the water bond funds in the amount of 7.5 billion dollars; and

**WHEREAS**, the Sacramento Regional County Sanitation District (Regional San) supported the development of the water bond, with the intent of pursuing funding from multiple Proposition 1 funding sources for the Harvest Water Program (Harvest Water); and

**WHEREAS**, a portion of the water bond funds in the amount of 2.7 billion dollars has been designated for the Water Storage Investment Program (WSIP), to fund Public Benefits associated with water storage projects, including ecosystem improvement, water quality improvement, flood control, emergency response, and recreation; and in order to ensure Harvest Water would be an eligible project, Regional San participated in the development of the WSIP regulations; and

**WHEREAS**, to further efforts related to Harvest Water, in January 2015, Regional San completed a feasibility study and, in March 2017, the Board

certified a California Environmental Quality Act Environmental Impact Report, and through said processes, the environmental documents and findings revealed multiple opportunities for Public Benefit; and

**WHEREAS,** the Regional San Board approved Regional San Resolution #2890 on June 26, 2017, which authorized the District Engineer or designee to execute and deliver the WSIP application documents to the Commission for Harvest Water, the ability to enter into a funding agreement for the same, and the ability to enter into Agreements with the respective Administering Agencies as necessary to fulfill WSIP requirements; and

**WHEREAS,** Regional San submitted an extensive WSIP application for Harvest Water to the Commission in August 2017 (findings), and was subsequently conditionally eligible to receive a total of \$280,500,000 on July 24, 2018, and that amount has received several small inflationary increases, which now represents a conditional amount of \$291,841,209 as of April 2023; and

**WHEREAS,** the total capital cost for Harvest Water is estimated to be \$597,200,000, and Regional San desires to proceed with taking the necessary steps in an effort to secure funding for Harvest Water via execution of an Agreement for the same, and execution of Agreements with the respective Administering Agencies responsible for managing Public Benefits, pursuant to Title 23, California Code of Regulations, Section 6014; and

**WHEREAS,** the Commission requires an agency participating in the WSIP to commit to fund the non-public benefit cost share of its Program, pursuant to Water Code section 79757(a)(3), which at this time is estimated to be approximately \$305 million; and

**WHEREAS,** Regional San is seeking authorization to commit to fund the preliminary non-public benefit cost share of Harvest Water, up to the current estimate, and reconfirm the authority for the District Engineer or designee to enter into a funding agreement for the same, and the ability to enter into

Agreements, such as the Contract For Administration of Public Benefits (CAPB), with the respective Administering Agencies as necessary to fulfill WSIP requirements.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the Board of Directors of the SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, a county sanitation district pursuant to and operating under the authority of the County Sanitation District Act, commencing at Health and Safety Code section 4700, hereby:

1. Commits to fund the preliminary non-public benefit cost share of Harvest Water, up to the current estimate; provided that the District receives a final funding award from the Commission and a subsequent funding agreement is executed; and
2. Authorizes the District Engineer or designee to enter into a Funding Agreement for the same and enter into Agreements with the respective Administering Agencies to fulfill and implement WSIP Requirements.



On a motion by Director Suen, and seconded by Director Frost, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Regional County Sanitation District, State of California, this 12<sup>th</sup> day of April, 2023, by the following vote, to wit:

AYES: Directors Aquino, Karpinski Costa, Frost, Hume, Maple, Robles, Serna, Suen, Valenzuela, Vang, Sander

NOES: None

ABSENT: Directors Desmond, Kaplan, Kennedy, LoLoee, Orozco, Villegas

ABSTAIN: None

RECUSAL: None  
(PER POLITICAL REFORM ACT (§ 18702.5))



(SEAL)

Chair of the Board of Directors  
Sacramento Regional County Sanitation District,  
a county sanitation district pursuant to and  
operating under the authority of the County  
Sanitation District Act, commencing at Health and  
Safety Code section 4700

ATTEST:

Clerk of the Board of  
Supervisors of Sacramento  
County, California, and ex-  
officio Secretary of the Board of  
Directors of the Sacramento  
Regional County Sanitation  
District

**FILED**  
BOARD OF DIRECTORS

APR 12 2023

BY   
CLERK OF THE BOARD

In accordance with Section 25103 of the Government Code  
of the State of California a copy of the document has been  
delivered to the Chairman on 4-12-23

By:   
Deputy Clerk, Board of Directors