



Water Storage Investment Program: Harvest Water Program Consideration of Supplemental Funding Determination (Action Item)

Introduction

The California Water Commission (Commission) administers the Water Storage Investment Program (WSIP) to fund the public benefits associated with water storage projects using funds from the Proposition 1 Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), codified at Water Code section 79750 *et seq*, and supplemented by funds from Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4).

The Harvest Water Program is one of the five WSIP projects. It is a conjunctive use project in Sacramento County that will store and manage groundwater while improving stream flow, enhancing groundwater-dependent ecosystems, sustaining agricultural lands, and improving regional water supply reliability.

In June of 2023, the Commission awarded final funding to the project. In 2025, to account for inflation, the Commission increased the award amount for the Harvest Water Program with funding made available by Proposition 4 and the withdrawal of the Los Vaqueros Reservoir project. In August 2025, with the withdrawal of the Pacheco Reservoir Expansion Project from the WSIP, additional funds became available.

The Commission adopted [regulations](#) in November 2025, which provided a process for current projects to request a supplemental funding determination for inflation or additional public benefits. In February 2026, the Sacramento Area Sewer District (SacSewer) [submitted a request](#) to the Commission to receive a supplemental funding determination to account for additional inflationary increases to the Harvest Water Program, beyond those awarded in 2025. At this meeting, Commission staff will present an evaluation of additional inflation increases. The Commission will decide whether to award a supplemental increase, deny the increase, or defer to a later meeting.

Staff Recommendation

Staff recommends awarding a supplementary funding determination to account for inflation up to the time of final funding award for the Harvest Water Program in June of 2023. Commission staff proposes using a composite construction and land cost index based on published Bureau of Reclamation's Construction Cost Trends to calculate inflation. The current funding award for the Harvest Water Program is \$364,844,199. A supplemental funding award for adjustments to

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June of 2023 based on the Commission's inflation index would bring the Harvest Water Program to a total award amount of \$416,963,404, which is \$52,119,205 in additional funding.

Background

Through the WSIP, the Commission will invest \$2.65 billion in the public benefits of water storage projects, consistent with the requirements of Proposition 1 and Proposition 4. The Commission made Maximum Conditional Eligibility Determinations in July 2018, which set the amount of Proposition 1 funding potentially available to each project. Harvest Water Program has received a final award. The four remaining WSIP applicants successfully met Proposition 1 interim requirements by the deadline of January 1, 2022, and are working to complete the remaining statutory requirements. These include obtaining permits and completing environmental documents, executing contracts for the administration of public benefits, and completing contracts for non-public benefit cost share. When the applicant completes these requirements, the applicant will return to the Commission for a final award hearing at which the Commission will decide whether to award final funding.

This agenda item is related to Goal One of the [Commission's Strategic Plan](#), which calls on the Commission to implement the WSIP to achieve public benefits.

Meeting Overview

At this meeting, staff will provide information related to the supplemental funding determination for the Harvest Water Program.

Following the presentation, the Commission will hear Tribal and public comment on the information presented. Commissioners will then have an opportunity to ask questions and make comments before taking action.

This is an action item.

Contact

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