

STATE OF CALIFORNIA  
CALIFORNIA NATURAL RESOURCES AGENCY  
CALIFORNIA WATER COMMISSION

RESOLUTION NUMBER: 2026-04

APPROVING AND AWARDED \$52,119,205 IN SUPPLEMENTAL FUNDING  
TO THE HARVEST WATER PROGRAM

WHEREAS, the Water Storage Investment Program (“WSIP”) was created from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (“Proposition 1”), and further funded and refined by the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (“Proposition 4”);

WHEREAS, Proposition 1 appropriated \$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, Proposition 4 provided an additional \$75 million for projects under the WSIP and directed that “priority for these funds and any funds returned to the Commission shall be to support timely completion of existing approved projects by providing supplemental [funds] to reflect the increase in costs due to inflation ... and any increase in public benefits”;

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 statutory criteria established for public investment (“WSIP Regulations”);

WHEREAS, 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;

WHEREAS, in June 2023, the Commission awarded final funding to the Harvest Water Program, in an amount of \$291,841,209, which includes \$14,365,872 in early funding (Resolution No. 2023-16);

WHEREAS, in March 2025, the Commission increased the Harvest Water Program final award by \$73,002,990, as a pro rata inflationary adjustment, bringing its current final award amount to \$364,844,199 (Resolution No. 2025-01);

WHEREAS, in November 2025, the Commission adopted a new regulation (23 CCR § 6020), pursuant to Proposition 4, governing the use of uncommitted funds, and authorizing the Commission to award supplemental funding to WSIP projects for additional public benefits and increases in costs due to inflation (Resolution No. 2025-08);

WHEREAS, under WSIP Regulation section 6020(d), the Commission may upon the request of a funding recipient but no later than one year thereafter, for good cause, make a supplemental funding determination;

WHEREAS, under WSIP Regulation section 6020(d), the Commission will consider any changes that have occurred to the project since the maximum conditional eligibility determination was made, including but not limited to the availability of additional public benefits and increases in costs due to inflation;

WHEREAS, under WSIP Regulation section 6020(d), the Commission will consider a recipient's progress toward timely completing the project and the ability of the collective suite of projects to advance the Program goals and purposes described in Water Code, section 79750(b);

WHEREAS, under WSIP Regulation section 6020(e) and (g), the Commission may not make a supplemental funding award if uncommitted funds are unavailable, if the Commission determines that reserving uncommitted funds for the other existing approved projects supports the goals of the Program and outweighs the need for supplemental funding, or if the Commission determines that the supplemental funding will not support the timely completion of the existing approved project;

WHEREAS, under WSIP Regulation section 6020(f), the total amount of a project's final award (or WSIP cost share), which includes a supplemental funding award, may exceed that project's maximum conditional eligibility amount;

WHEREAS, on February 13, 2026, SacSewer requested, via letter, an evaluation of additional inflationary increases and requested a supplemental funding determination from the Commission;

WHEREAS, the Harvest Water Program is expected to complete construction and the remaining tasks under the Commission's final funding agreement by November 30, 2027;

WHEREAS, at the time of the Harvest Water Program's final funding in 2023, benefits were monetized and inflation was applied to each of the public benefits to bring each benefit up to 2022 values using the California Consumer Price Index (CPI) for water-based benefits and USDA's Cropland Average Value per Acre for land-based benefits;

WHEREAS, Commission staff and economists now recommend calculating inflation using a composite construction and land cost index based on Construction Cost Trends published by the United States Bureau of Reclamation, which is specific to water projects;

WHEREAS, under this Reclamation Construction Cost Index, the value of Harvest Water Program's adjusted public benefits as of April 2023 is \$416,963,404, which is an increase of \$52,119,205 over SacSewer's current award amount of \$364,844,199;

WHEREAS, there is currently \$639,562,952 in WSIP "uncommitted funds" as defined in WSIP Regulation section 6020(a)(5);

WHEREAS, SacSewer has made satisfactory progress toward timely completing the Harvest Water Program and providing a supplemental award will further support the timely completion of the project;

WHEREAS, providing a supplemental award will help the Harvest Water Program to advance the WSIP goals and purposes;

WHEREAS, declining to award supplemental funds to the Harvest Water Program to reserve that funding for other WSIP projects does not outweigh SacSewer's need for supplemental funding;

WHEREAS, Commission staff provided a report on the Harvest Water Program Supplemental Funding Determination, a report which included information about the status of the Harvest Water Program, analysis on calculating the supplemental funding award based on inflation, and staff's recommendation;

WHEREAS, Commission staff recommend the Commission make a supplemental funding award for the Harvest Water Program in the amount of \$52,119,205 to cover the costs of inflation up to the time that the Commission awarded final funding in June of 2023 and to reconcile their award with the recommended inflation index;

WHEREAS, at the publicly noticed February 18, 2026, Commission meeting, SacSewer provided a presentation on the status of the project and addressed the request for supplemental funding to address increases in costs due to inflation; and

WHEREAS, at its April 15, 2026, Commission meeting, the Commission considered the Commission staff's report and SacSewer's request.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby awards \$52,119,205 to SacSewer for supplemental funding, pursuant to WSIP Regulation, section 6020; and

BE IT FURTHER RESOLVED, the Commission directs SacSewer and the Executive Officer to execute an amendment to the final funding agreement consistent with this award.

Signed:

*Fern Steiner*

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Fern Steiner, Chair  
California Water Commission

4/20/2026

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Date

Attest:

*Laura Jensen*

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Laura Jensen, Executive Officer  
California Water Commission

4/20/2026

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Date