

Program Overview & Principles for Agreements



Regional San, in collaboration with regional stakeholders, is developing Harvest Water, (previously known as the South Sacramento County Agriculture & Habitat Lands Recycled Water Program or South County Ag Program). This program will offer multiple benefits, including providing a safe and reliable supply of tertiary-treated recycled water for agricultural uses, reducing groundwater pumping, supporting habitat protection and enhancement efforts, and providing near-term benefits to the Sacramento-San Joaquin Delta.

The California Water Commission has awarded Regional San up to \$291.8 million in Proposition 1 grant funding through the Water Storage Investment Program (WSIP) to help make the Harvest Water Program a reality for the Sacramento region. The Harvest Water Program includes new recycled water transmission and distribution pipelines to deliver water from Regional San's treatment facility in Elk Grove to irrigation systems in the program area in southern Sacramento County. The funding was awarded based on the significant public benefits expected as a result of the program.

KEY BENEFITS

- Preserves working farmland
- Delivers up to 50,000 acre-feet per year of recycled water for agricultural irrigation and habitat conservation lands
- Reduces groundwater pumping to restore groundwater levels and increase groundwater storage capacity
- Improves Cosumnes River flows to support fall-run Chinook salmon
- Provides water quality and ecosystem benefits to the region



SAFE, RELIABLE, DROUGHT-RESILIENT RECYCLED WATER

Recycled water is becoming increasingly necessary to preserve our limited water resources. Recycled water is “drought-resilient” and will diversify and increase the reliability and sustainability of local water resources. The Title 22 tertiary-treated recycled water is safe for agricultural irrigation purposes.



For more information, please visit regionalsan.com/harvestwater or contact Regional San at HarvestWater@sacsewer.com or (916) 876-3322.

RESTORING GROUNDWATER LEVELS

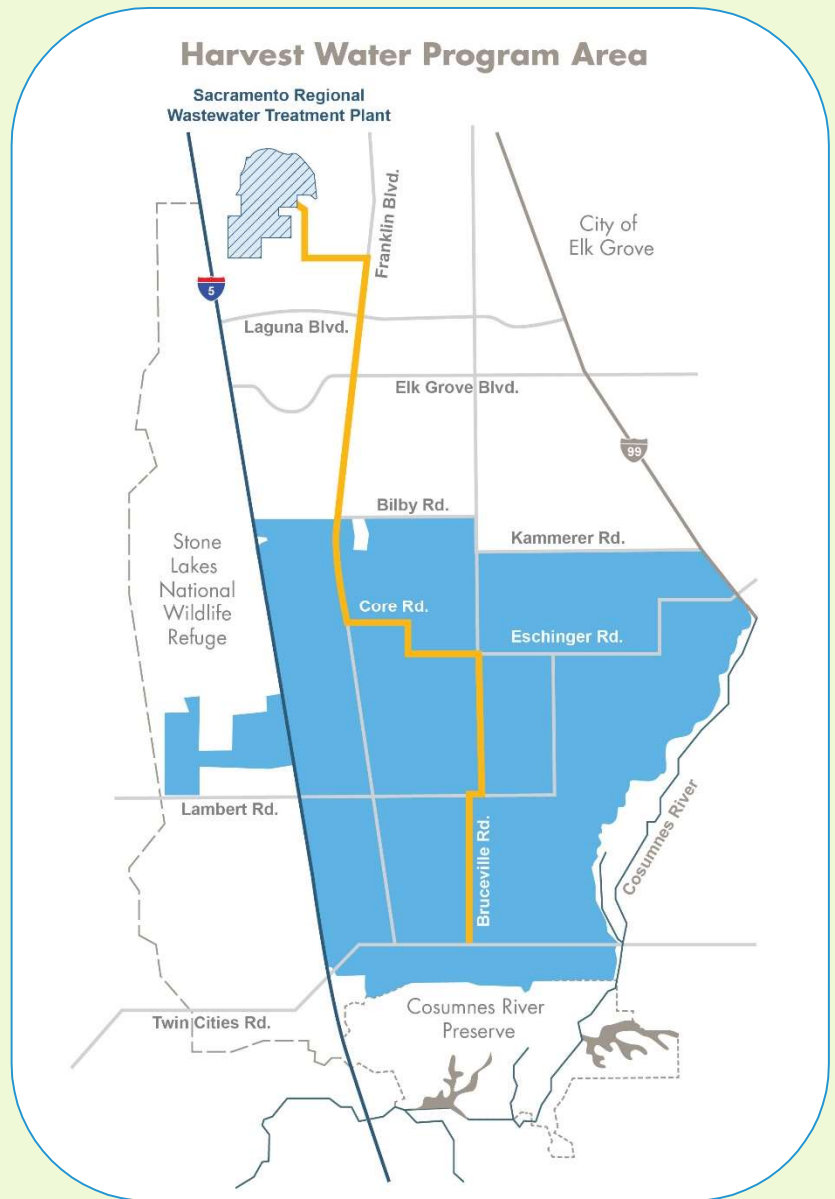
The Harvest Water Program's focus is to achieve local benefits first. The program is designed to protect working farms and habitat lands and support sustainable groundwater management. In-lieu groundwater recharge refers to the use of recycled water by irrigators to offset a significant portion of local groundwater use. This in-lieu recharge is expected to raise groundwater levels up to 35 feet in the center of the Harvest Water Program area, and 20 to 30 feet in other parts of the groundwater basin, helping to reverse a cone of depression that currently exists due to over-pumping of groundwater. Within 10 years, it is estimated that the Harvest Water Program will increase groundwater storage by 225,000 acre-feet. Over the course of the project, groundwater storage is anticipated to grow to as much as 370,000 acre-feet – about one-third the size of Folsom Lake.

LOCAL WATER SUPPLY BENEFITS

The Harvest Water Program increases the reliability of our local water supply by introducing an additional source of water and offsetting overall demand on groundwater. Once the groundwater levels recover and the basin is in sustainable balance, excess groundwater stored in the basin could be available in the future for potential groundwater accounting partners, such as farmers and local municipalities to use in dry years instead of surface water. The Harvest Water Program adds local resiliency for periods of drought, while still maintaining the key benefits of restored groundwater levels.

BENEFITS TO LOCAL ECOSYSTEMS

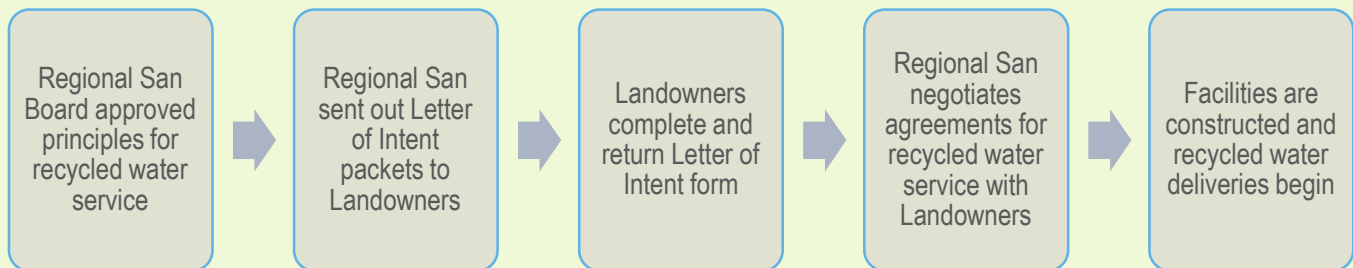
Through incentives, the Harvest Water Program will include ecosystem management activities with interested landowners to support and enhance benefits to local ecosystems. Higher groundwater elevations along the Cosumnes River corridor will support improved riparian vegetation due to shallow groundwater levels being reachable by the roots of trees and shrubs along the river. Increased streamflow in the Cosumnes River in dry months will support the fall-run Chinook salmon fishery, fields voluntarily managed for Sandhill Crane habitat will increase numbers, and vernal pool wetlands will be restored in balance as productive grazing lands. Keeping lands south of Elk Grove in agriculture and cooperative habitat protection will support farming into the future.



HARVEST WATER PRINCIPLES FOR RECYCLED WATER SERVICE

In August 2019, Regional San's Board of Directors approved a set of principles for future recycled water service in the Harvest Water Program area. The approved principles cover the pricing of recycled water, incentives for landowners who sign up for recycled water service or additional ecosystem management activities, and how recycled water and groundwater will be accounted for and monitored. These principles are a steppingstone towards developing recycled water service agreements between local farmers/landowners and Regional San.

PROCESS OVERVIEW FOR RECYCLED WATER SERVICE



RECYCLED WATER PRICING

- The Unit Price for recycled water will be set at or below the landowners'/farmers' cost to pump groundwater with a provision for inflationary adjustment. The top end of the recycled water price is anticipated to be \$30/acre-foot of recycled water. Those landowners/farmers with the greatest depth to groundwater will pay a higher price per acre-foot than those with shallower depth. It is anticipated that there will be three recycled water pricing zones in the Harvest Water Program area.
- Because the majority of the Harvest Water Program capital costs will be covered by the WSIP grant, Regional San will not charge any capital cost to landowners/farmers located in the program area who agree to connect to the recycled water system prior to program design and implementation.

GROUNDWATER ACCOUNTING

- Regional San will meter recycled water deliveries and monitor groundwater levels. The benefits of the groundwater level restoration resulting from the operation of the program will accrue to the parties directly participating in the program. Direct participants of the Harvest Water Program include Regional San (on behalf of the region), the farmers/landowners who use the recycled water and/or voluntarily participate in the ecosystem elements, and the funding stakeholders (the State of California).
- The Harvest Water Program's focus is to achieve local benefits first. The program is designed to protect working farms and habitat lands and support sustainable groundwater management. When the groundwater basin in the Harvest Water area is in sustainable balance, program partners may collaborate to develop groundwater banking and withdrawal arrangements for use of the water locally during droughts. Participating farmers will continue to have full rights to use their groundwater in accordance with County ordinances, state law, and any future groundwater basin management requirements.

(Principles continued on next page)





PROGRAM INCENTIVES

- Regional San will offer a streamlined incentive structure for participation in the recycled water delivery and ecological program. The goals of the incentives are to promote early participation in the program, encourage acceptance of longer-term agreements, and support agricultural/conservation easements and participation in ecosystem improvements.
- It is anticipated that there will be three types of Harvest Water Program participation eligible to receive incentives:
 - *Recycled Water Users Only* – For landowners or farmers using recycled water, Regional San will provide reductions in the unit price of water for early sign-up, for longer-term agreements in excess of a specified timeframe, and for those willing to place agricultural easements on their property assuring long-term commitment to agricultural use.
 - *Ecosystem Improvement Contributors Only* – For landowners or farmers in the Harvest Water Program area who are not able to use the recycled water and for those just outside the program area who cannot be served recycled water but want to provide ecosystem improvements, Regional San will provide market-based payments for management actions and activities that provide long-term ecosystem improvements. The WSIP grant provides funding to support some of these ecosystem management activities. These actions may include managing grazing activities for vernal pool habitat benefits, implementing water and crop management activities for crane habitat, providing fencing and weed management for riparian wetland protection as the groundwater levels rise, restoring riparian corridor wetland functionality, and implementing other wetland enhancement activities.
 - *Recycled Water User and Ecosystem Improvement Contributors* – For farmers or landowners using recycled water and providing ecosystem improvements, Regional San will provide:
 - Reductions in the unit price of water for early sign-up, longer term agreements, and agricultural easements
 - Market-based payments for management actions associated with ecosystem habitat improvements. Further unit price reductions will be available for farmers/landowners willing to use recycled water outside the normal growing season for Sandhill crane habitat enhancement and other beneficial uses.

OVERALL SCHEDULE

Next steps include continuing planning efforts with interested local farmers and landowners and developing preliminary designs for distribution systems to convey recycled water to agricultural lands.

2020	2021	2022	2023	2024	2025
Outreach directly to landowners and potential agricultural customers.		Recycled water delivery design finalized and recycled water service agreements finalized with interested landowners.		Recycled water pump station and distribution system construction.	Recycled water deliveries begin.



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