



**REGIONAL WATER AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS**

**Thursday, January 9, 2025 at 9:00 a.m.**

**City of Roseville Environmental Utilities  
2005 Hilltop Circle  
Roseville, CA 95747  
(916) 967-7692**

**IMPORTANT NOTICE REGARDING VIRTUAL PUBLIC PARTICIPATION:**

The Regional Water Authority currently provides in person as well as virtual public participation via the Zoom link below until further notice. The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker.

**Join the meeting from your computer, tablet or smartphone**

Join Zoom Meeting

<https://us06web.zoom.us/j/83939679186>

or dial 1 669-444-9171

Meeting ID: 839 3967 9186

**If we experience technical difficulties and the Zoom link drops and you are no longer able to connect to the Board meeting, please dial 877-654-0338 – Guest Code 198**

Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above.

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Board of Directors may consider any agenda item at any time during the meeting.

## AGENDA

### 1. CALL TO ORDER AND ROLL CALL

### 2. APPOINTMENT OF A CHAIR PRO TEMPORE

Presenter: Ashley Flores, Secretary of the Board

**Action: Appoint a Chair Pro Tempore**

### 3. PUBLIC COMMENT: Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

### 4. 2025 RWA VICE CHAIR

Presenter: Chair Pro Tempore

**Action: Approve 2025 RWA Vice Chair**

### 5. CONSENT CALENDAR: All items listed under the Consent Calendar are considered and acted upon by one motion. Board Members may request an item be removed for separate consideration.

5.1 Approve the draft meeting minutes of November 14, 2024, RWA Board Meeting

5.2 Accept the Fiscal Year 2023/2024 RWA Financial Audit Report

5.3 Approve the 2025 Policy Principles

5.4 Approve the 2025 Federal Affairs Platform

**Action: Approve Consent Calendar items as presented**

### 6. 2025 RWA OFFICERS AND EXECUTIVE COMMITTEE MEMBERS

Presenter: Acting RWA Chair

**Action: Approve 2025 Executive Committee Members**

**Action: Consider and Resolve Officer and Executive Committee Vacancies**

### 7. APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN RWA AND CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION

Presenter: Jim Peifer, Executive Director

**Action: Approve the Memorandum of Understanding between the Regional Water Authority and the California Municipal Utilities Association**

### 8. INFORMATION: WATERSHED RESILIENCE PILOT PROJECT UPDATE

Presenters: Ryan Ojakian, Manager of Government Relations and Jim Peifer, Executive Director

### 9. INFORMATION: WATER FORUM AGREEMENT UPDATE

Presenter: Jim Peifer, Executive Director

### 10. EXECUTIVE DIRECTOR'S REPORT

## 11. DIRECTORS' COMMENTS

### ADJOURNMENT

**Next RWA Board of Director's Meeting:**

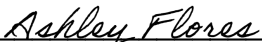
March 13, 2025, 9:00 a.m. at Sacramento Association of Realtors, 2003 Howe Avenue, Sacramento, CA 95825. The location is subject to change.

**Next RWA Executive Committee Meeting:**

January 28, 2025, 1:30 p.m. at the RWA Office, 2295 Gateway Oaks, Suite 100 Sacramento, CA 95833.

Notification will be emailed when the RWA electronic packet is complete and posted on the RWA website at: <https://www.rwah2o.org/meetings/board-meetings/>.

Posted on January 3, 2025

  
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Ashley Flores, CMC, Board Secretary

## RWA Board of Directors - 2025

Chair:

Vice Chair: Michael Saunders

<b>California American Water</b> Audie Foster, General Manager Evan Jacobs, Operations Manager
<b>Carmichael Water District</b> Ron Greenwood, Board Member Cathy Lee, General Manager
<b>Citrus Heights Water District</b> Caryl Sheehan, Director Raymond Riehle, Director (alternate) Hilary Straus, General Manager Rebecca Scott, Director of Operations (alternate)
<b>City of Folsom</b> , Councilmember Marcus Yasutake, Environmental/Water Resources Director (alternate)
<b>City of Lincoln</b> , Councilmember Matthew Medill, Public Works Director Chris Nelson, Environmental Services Manager (alternate)
<b>City of Roseville</b> Pauline Roccucci, Councilmember Scott Alvord, Councilmember (alternate) Sean Bigley, Director of Utilities George Hanson, Water Utilities Manager (alternate)
<b>City of Sacramento</b> Lisa Kaplan, Councilmember Brett Ewart, Water Policy & Regional Planning Supervising Engineer Michelle Carrey, Supervising Engineer (alternate) Anne Sanger, Policy and Legislative Specialist (alternate)
<b>City of West Sacramento</b> Martha Guerrero, Councilmember
<b>City of Yuba City</b> Wade Kirchner, Councilmember Benjamin Moody, Public Works & Development Services Director
<b>Del Paso Manor Water District</b> Gwynne Pratt, Board Member Adam Coyan, General Manager
<b>El Dorado Irrigation District</b> Pat Dwyer, Director/Board President Jim Abercrombie, General Manager
<b>Elk Grove Water District</b> Tom Nelson, Board Chair Bruce Kamilos, General Manager

<p><b>Fair Oaks Water District</b>  <b>Randy Marx</b>, Board Member  <b>Tom Gray</b>, General Manager</p>
<p><b>Georgetown Divide Public Utility District</b>  <b>Michael Saunders</b>, Board Member, Vice Chair  Nicholas Schneider, General Manager  <b>Adam Brown</b>, Operations Manager (alternate)</p>
<p><b>Golden State Water Company</b>  <b>Sean Twilla</b>, General Manager and Chief Treatment Operator  <b>Paul Schubert</b>, General Manager – Utility Solutions Team (alternate)</p>
<p><b>Nevada Irrigation District</b>  <b>Ricki Heck</b>, Board Member  <b>Karen Hull</b>, Board Member (alternate)  <b>Greg Jones</b>, Assistant General Manager  <b>Jennifer Hanson</b>, General Manager (alternate)</p>
<p><b>Orange Vale Water Company</b>  <b>Robert Hunter</b>, Board Member</p>
<p><b>Placer County Water Agency</b>  <b>Chris Wilson</b>, Board Member  <b>Tony Firenzi</b>, Director of Strategic Affairs  <b>Andy Fecko</b>, General Manager, (alternate)</p>
<p><b>Rancho Murieta Community Services District</b>  <b>John Merchant</b>, Board Member  <b>Eric Houston</b>, Director of Operations</p>
<p><b>Sacramento County Water Agency</b>  <b>Patrick Kennedy</b>, Supervisor  <b>Michael Grinstead</b>, P.E. Principal Civil Engineer</p>
<p><b>Sacramento Suburban Water District</b>  <b>Robert “Bob” Wichert</b>, Board Member  <b>Dan York</b>, General Manager  <b>Jay Boatwright</b>, (alternate)  <b>Craig Locke</b>, (alternate)  <b>Kevin Thomas</b>, Board Member (alternate)</p>
<p><b>San Juan Water District</b>  <b>Dan Rich</b>, Director  <b>Greg Zlotnick</b>, Water Resources and Strategic Affairs  <b>Ted Costa</b>, Board President (alternate)  <b>Paul Helliker</b>, General Manager (alternate)</p>

\* Names highlighted in red are Executive Committee members

## RWA ASSOCIATES

Organization:	Representatives:
<b>El Dorado Water Agency</b>	<b>Lori Parlin</b> , Chair <b>Rebecca Guo</b> , General Manager
<b>Placer County</b>	<b>Ken Grehm</b> , Director Public Works and Facilities <b>Jared Deck</b> , Manager Environmental Engineering
<b>Sacramento Municipal Utility District</b>	<b>Paul Lau</b> , General Manager/CEO <b>Christopher Cole</b> , Strategic Account Advisor <b>Chad Adair</b> , Energy Trading and Contracts Manager <b>John Hanson</b>
<b>Sacramento Area Sewer District</b>	<b>Mike Huot</b> , Director of Policy and Planning <b>Jose Ramirez</b> , Senior Civil Engineer
<b>Sacramento Area Flood Control Agency</b>	<b>Richard Johnson</b> , Executive Director
<b>Yuba Water Agency</b>	<b>Adam Robin</b> , Government Relations Manager <b>Willie Whittlesey</b> , General Manager

## RWA AFFILIATE MEMBERS

Organization:	Representatives:
<b>Black &amp; Veatch</b>	<b>David Carlson</b> , Vice president
<b>Brown &amp; Caldwell</b>	<b>Paul Selsky</b> , Water Supply Planning, Vice president <b>LaSandra Edwards</b> , Civil Engineer <b>May Huang</b> , Engineer <b>David Zuber</b> , Vice President
<b>CDM Smith</b>	<b>Lauren Sullivan</b> , Client Service Leader - Water Services <b>Brian Heywood, PE</b> Principal Water Resources Engineer
<b>GEI Consultants</b>	<b>John Woodling</b> , Vice President, Branch Manager <b>Chris Petersen</b> , Principal Hydrogeologist <b>Richard Shatz</b> , Principal Hydrogeologist
<b>HDR, Inc.</b>	<b>Jafar Faghieh</b> , Water Resources Engineer <b>Ed Winkler</b> , Client Development Lead
<b>Sacramento Association of Realtors</b>	<b>Jessica Coates</b> , Chief Executive Officer <b>Brian DeLisi</b> , Chief Operations Officer
<b>Stantec</b>	<b>Kari Shively</b> , Vice President <b>Vanessa Nishikawa</b> , Principal Water Resources Engineer
<b>West Yost Associates</b>	<b>Charles Duncan</b> , President <b>Abigail Madrone</b> , Business Development Director <b>Kelye McKinney</b> , Engineering Manager I <b>Jim Mulligan</b> , Principal Engineer
<b>Wood Rogers, Inc.</b>	<b>Kevin Gustorf</b> , Vice President <b>Sean Spaeth</b> , Senior Hydrogeologist
<b>Woodard &amp; Curran</b>	<b>Ali Taghavi</b> , Principal <b>Jim Graydon</b> , Senior Client Service Manager

## Agenda Item 2

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Topic: Appointment of a Chair Pro Tempore  
Type: New Business  
Item For: Action; Motion to appoint  
Purpose: Section 18 of Policy 100.1 (Joint Exercise of Powers Agreement)

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SUBMITTED BY:	Jim Peifer Executive Director	PRESENTER:	Ashley Flores, CMC Board Secretary
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### EXECUTIVE SUMMARY

This action item is for the Board of Directors to appoint a Chair Pro Tempore to conduct this Board Meeting.

### STAFF RECOMMENDED ACTION

Table this item due to the election of new Chair at the previous special meeting.

Topic: Public Comment  
Type: New Business  
Item For: Information/Discussion  
Purpose: [Policy 200.1, Rule 11](#)

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SUBMITTED BY: Ashley Flores, CMC  
Secretary PRESENTER: Chair Pro Tempore

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**EXECUTIVE SUMMARY**

This is an information item to provide an opportunity for the Regional Water Authority Board of Directors to recognize or hear from visitors that may be attending the meeting or to allow members of the public to address the Board of Directors on matters that are not on the agenda.

As noted on the agenda, members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.

**STAFF RECOMMENDED ACTION**

None. This item is for information only.

**BACKGROUND**

Public agencies are required by law to provide an opportunity for the public to address the RWA Board of Directors matters that are not on the agenda.



## Agenda Item 4

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Topic: 2025 RWA Vice-Chair  
Type: New Business  
Item For: Action, Motion to Approve  
Purpose: Policies 100.1, 200.1, 200.3

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SUBMITTED BY: Jim Peifer  
Executive Director

PRESENTER: Chair

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### EXECUTIVE SUMMARY

This item is for the Board of Directors to approve the 2025 RWA Vice Chair.

### STAFF RECOMMENDED ACTIONS

Staff recommends the following actions:

- (1) Motion to waive the requirement in Section III.3 of Policy 200.3 for the Board to elect the Vice Chair on the same slate as the three elected Executive Committee members; and
- (2) Motion to approve Michael Saunders as 2025 RWA Vice Chair and member of the Executive Committee.

### BACKGROUND

Policy 200.3 provides the process for the RWA Board of Directors to select the Vice-Chair. The policy requires members who would like to become Vice-Chair to declare their candidacy, generally at the November Board meeting. The candidates' names then are included on the ballot distributed to the membership for the Vice Chair and Executive Committee member election.

Director Michael Saunders (Georgetown Divide Public Utilities District) declared his candidacy for Vice Chair at the November Board meeting. Mr. Saunders was the sole candidate to run for Vice-chair and therefore is deemed to be the nominee for this office. Due to the uncertainty surrounding the previously elected 2025 Chair's ability to assume office, it was determined that the 2025 Vice-chair election be held separately in case the Vice-chair would be required to run the remainder of this board meeting in the incoming Chair's absence, including conducting the election of the Executive Committee.

\*\*\*\*Note: This item may be tabled if a new Vice-chair is elected at the previous special meeting.

## 5.0 CONSENT CALENDAR



Topic: Meeting Minutes  
Type: Consent Calendar  
Item For: Action; Motion to Approve  
Purpose: Policy 200.1, Rule 14

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SUBMITTED BY:	Ashley Flores, CMC Secretary	PRESENTER:	Jim Peifer Executive Director
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**EXECUTIVE SUMMARY**

This is an action item for the Regional Water Authority Board of Directors to review and consider approving the draft minutes of the regular Regional Water Authority Board Meeting of November 14, 2024.

**STAFF RECOMMENDED ACTION**

A motion to approve the minutes, as presented or amended.

**BACKGROUND**

The draft minutes of the above referenced meetings are included with this Agenda. The minutes reflect the RWA Policy 200.1 to document actions taken at the meetings.

The Executive Director may list on the agenda a "consent calendar", which will consist of routine matters on which there is generally no opposition or need for discussion. Examples of consent calendar items might include approval of minutes, financial reports and routine resolutions. Any matter may be removed from the consent calendar and placed on the regular calendar at the request of any member of the Board. The entire consent calendar may be approved by a single motion made, seconded and approved by the Board.

**FINDING/CONCLUSION**

Staff believes the draft of the presented Minutes correctly reflect the information shared and actions taken by the Board of Directors.

**ATTACHMENTS**

Attachment 1- Draft Meeting Minutes of the Regional Water Authority Board Meeting of November 14, 2024



**Regional Water Authority**  
BUILDING ALLIANCES IN NORTHERN CALIFORNIA

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RWA Board Meeting  
Draft Minutes  
November 14, 2024

## **1. CALL TO ORDER**

Chair Ewart called the meeting of the Board of Directors to order at 9:10 a.m. the meeting location was at The Sacramento Association of Realtors, 2003 Howe Avenue, Sacramento, CA 95825. A quorum was established of 15 participating members present in person. Individuals who participated are listed below:

### **RWA Board Members**

S. Audie Foster, California American Water  
Ron Greenwood, Carmichael Water District  
Caryl Sheehan, Citrus Heights Water District  
YK Chalamcherla, City of Folsom  
Chris Nelson, City of Lincoln  
Pauline Roccucci, City of Roseville  
Brett Ewart, City of Sacramento  
Tom Nelson, Elk Grove Water District  
Randy Marx, Fair Oaks Water District  
Sean Twilla, Golden State Water Company  
Tony Firenzi, Placer County Water Agency  
Michael Grinstead, Sacramento County Water Agency  
Dan York, Sacramento Suburban Water District  
Jay Boatwright, Sacramento Suburban Water District  
Greg Zlotnick, San Juan Water District

### **RWA Associate Members**

None

### **RWA Affiliate Members**

Vanessa Nishikawa, Principal Water Resources Engineer, Stantec

### **Staff Members**

Jim Peifer, Ryan Ojakian, Tom Hoffart, Trevor Joseph, Amy Talbot, Raiyna Villasenor, Ashley Flores, Michelle Banonis, and Josh Horowitz, Legal Counsel

### **Others in Attendance**

Cathy Lee, CWD; Marcus Yasutake, City of Folsom; Sean Bigley and George Hanson, City of Roseville; Bruce Kamilos, EGWD; Nicholas Schneider, GDPUD; Paul Helliker, SJWD; Rebecca Scott, CHWD; Kevin Thomas, SSWD; Anne Sanger, City of Sacramento; Ted Rauh, ECOS; and Ashlee Casey, Water Forum

**2. PUBLIC COMMENT**

None.

**3. CONSENT CALENDAR**

- 3.1 Approve the draft meeting minutes of September 12, 2024 RWA Board Meeting
- 3.2 Approve updates to RWA Policy 300.4 (Record Retention) and adopt Resolution 2024-06
- 3.3 Approve the 2025 Board of Directors and Executive Committee meeting schedule
- 3.4 Adopt Resolution 2024-07 United States Bureau of Reclamation WaterSMART Water and Energy Efficiency Grants FY 2025 application
- 3.5 Approve Amendment #1 to Professional Services Agreement with Richardson & Company, LLP. for an additional amount of \$13,050
- 3.6 Approve Task Order #3 with Khadam Consulting Inc. for an additional amount not to exceed \$88,000

**A motion to approve the Consent Calendar items as presented.**

Motion/Second/Carried Director Roccucci moved, with a second by Director Chalamcherla

S. Audie Foster, California American Water; Ron Greenwood, Carmichael Water District; Caryl Sheehan, Citrus Heights Water District; YK Chalamcherla, City of Folsom; Chris Nelson, City of Lincoln; Pauline Roccucci, City of Roseville; Brett Ewart, City of Sacramento; Tom Nelson, Elk Grove Water District; Randy Marx, Fair Oaks Water District; Sean Twilla, Golden State Water Company; Tony Firenzi, Placer County Water Agency; Michael Grinstead, Sacramento County Water Agency; Dan York, Sacramento Suburban Water District; Jay Boatwright, Sacramento Suburban Water District; Greg Zlotnick, San Juan Water District; voted yes. Motion passes.

Ayes	15
Noes	0
Abstained	0
Absent	7

**4. 2025 RWA BOARD ELECTIONS OFFICERS AND EXECUTIVE COMMITTEE**

Jim Peifer, Executive Director, presented this action item for the Board of Directors to elect the 2025 Chair; and to identify candidates for Vice Chair and the Executive Committee.

Chair Ewart nominated William Roberts as the incoming RWA Board Chair

**A motion to elect William Roberts as 2025 RWA Board Chair.**

Motion/Second/Carried Director Firenzi moved, with a second by Director Chalamcherla

S. Audie Foster, California American Water; Ron Greenwood, Carmichael Water District; Caryl Sheehan, Citrus Heights Water District; YK Chalamcherla, City of Folsom; Chris Nelson, City of Lincoln; Pauline Roccucci, City of Roseville; Brett Ewart, City of Sacramento; Tom Nelson, Elk Grove Water District; Randy Marx, Fair Oaks Water District; Sean Twilla, Golden State Water Company; Tony Firenzi, Placer County Water Agency; Michael Grinstead, Sacramento

County Water Agency; Dan York, Sacramento Suburban Water District; Jay Boatwright, Sacramento Suburban Water District; Greg Zlotnick, San Juan Water District; voted yes. Motion passes.

Ayes	15
Noes	0
Abstained	0
Absent	7

The following Directors requested to be placed on the ballot and provided a statement of interest to be the RWA Vice Chair:

Michael Saunders – Georgetown Divide Public Utility District

The following Directors requested to be placed on the ballot and provided a statement of interest to be on the RWA Executive Committee:

Sean Bigley – City of Roseville  
Robert “Bob” Wichert – Sacramento Suburban Water District  
Ron Greenwood – Carmichael Water District  
Brett Ewart – City of Sacramento  
Sean Twilla – Golden State Water District (IOU)  
Chris Nelson – City of Lincoln

**A motion to accept the slate of candidates for the election of RWA Vice Chair and Executive committee.**

Motion/Second/Carried Director Foster moved, with a second by Director Wichert

S. Audie Foster, California American Water; Ron Greenwood, Carmichael Water District; Caryl Sheehan, Citrus Heights Water District; YK Chalamcherla, City of Folsom; Chris Nelson, City of Lincoln; Pauline Roccucci, City of Roseville; Brett Ewart, City of Sacramento; Tom Nelson, Elk Grove Water District; Randy Marx, Fair Oaks Water District; Sean Twilla, Golden State Water Company; Tony Firenzi, Placer County Water Agency; Michael Grinstead, Sacramento County Water Agency; Dan York, Sacramento Suburban Water District; Jay Boatwright, Sacramento Suburban Water District; Greg Zlotnick, San Juan Water District; voted yes. Motion passes.

Ayes	15
Noes	0
Abstained	0
Absent	7

**5. PARTICIPATION IN THE WATER FORUM AGREEMENT UPDATE**

Jim Peifer, Executive Director presented this action item for the Board of Directors to review and consider authorizing the Regional Water Authority and its Executive Director to formally participate in the Water Forum Agreement update process. This process is also known as the Water Forum 2.0 process.

**A motion to Authorize the Regional Water Authority and its Executive Director to formally participate in the Water Forum Agreement Update process consistent with Policy 100.1.**

Motion/Second/Carried Director Firenzi moved, with a second by Director Roccucci

S. Audie Foster, California American Water; Ron Greenwood, Carmichael Water District; Caryl Sheehan, Citrus Heights Water District; YK Chalamcherla, City of Folsom; Chris Nelson, City of Lincoln; Pauline Roccucci, City of Roseville; Brett Ewart, City of Sacramento; Tom Nelson, Elk Grove Water District; Randy Marx, Fair Oaks Water District; Sean Twilla, Golden State Water Company; Tony Firenzi, Placer County Water Agency; Michael Grinstead, Sacramento County Water Agency; Dan York, Sacramento Suburban Water District; Jay Boatwright, Sacramento Suburban Water District; voted yes. Motion passes.

Greg Zlotnick, San Juan Water District; voted no. Motion passes

Ayes	14
Noes	1
Abstained	0
Absent	7

**6. INFORMATION: UPCOMING ACTIONS FOR HEALTHY RIVERS AND LANDSCAPES PROGRAM**

Michelle Banonis, Manager of Strategic Affairs presented this information item for the Board of Directors to receive a presentation of an overview of the current process for the Healthy Rivers and Landscapes Program (HR&LP), formerly known as Voluntary Agreements. Along with a regulatory pathway, the HR&LP is presented as an option to meet objectives in the State Water Resources Control Board’s (State Board’s) October 2024 Draft Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Watershed. Upcoming anticipated actions by the State Board will warrant future actions by the RWA Board – likely including several agreements that will be necessary to implement HR&LP terms.

**7. INFORMATION: UPDATE ON ENDANGERED SPECIES ACT CONSULTATION FOR STATE AND FEDERAL WATER PROJECTS**

Michelle Banonis, Manager of Strategic Affairs presented this information item for the Board of Directors to receive to receive a presentation from Michelle Banonis, Manager of Strategic Affairs on Endangered Species Act Consultation for State and Federal Water Projects.

In 2021, the Bureau of Reclamation (Reclamation) reinitiated Section 7 Endangered Species Act consultation on the 2019 Biological Opinions (BiOps) on the Long-Term Operation (LTO) of the Central Valley Project and State Water Project. Reclamation’s Final Environmental Impact Statement (EIS) in support of the new BiOps is anticipated to be released very soon to the public, possibly as early as November 15, 2024. The National Marine Fisheries Service (NMFS) final BiOp is anticipated in December 2024.

**8. INFORMATION: WATERSHED RESILIENCE PILOT PROJECT UPDATE**

Ryan Ojakian, Manager of Government Relations, presented this information item for the Board of Directors to receive update on Watershed Resilience Pilot Project. The project’s initial work includes establishing watershed boundaries, and planning for the initial watershed network meeting. The Department of Water Resources (DWR) has hosted or will host several workshops on the watershed resilience framework and toolkit, establishing water budgets, and equity resources.

Since the Board authorized the Executive Director to engage in a grant agreement with the Department of Water Resources (DWR) the following has occurred: Jacobs was brought on as the consultant for the project with Valley Vision and Khadam consulting as subs; Project study area that includes the Bear, American, and Cosumnes watersheds was advanced; A structure for convening the watershed network and decision making has been developed; RWA received approval from DWR to provide stipends for participants that request assistance; RWA participated in a DWR lead meeting with all the other pilot project awardees; Significant work on gap analysis has occurred; and RWA hosted a tribal and frontline community kick off meeting.

**9. EXECUTIVE DIRECTOR’S REPORT**

Executive Director Peifer provided a brief update on important activities, reports, communications, advocacy, and other updates.

**10. DIRECTORS’ COMMENTS**

Director Chalamcherla reported that this was his last RWA Board meeting representing the City of Folsom. He thanked everyone for the opportunity.

Director Nelson reported that City of Lincoln’s Bill Larson has passed away. Memorial service information will be forthcoming.

Director Saunders reported that Georgetown Divide PUD received the Transparency Award from California Special District Association after completing their SDLF transparency program.

**ADJOURNMENT**

With no further business to come before the Board, Chair Ewart adjourned the meeting at 11:47 a.m.

By:

\_\_\_\_\_  
RWA Chair

Attest:

\_\_\_\_\_  
Ashley Flores, CMC, Clerk of the Board





Topic: Fiscal Year 2023/2024 Audit Report  
Type: New Business  
Item For: Action/Discussion  
Purpose: Annual Audit Requirement

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SUBMITTED BY:	Tom Hoffart Finance & Administrative Services Manager	PRESENTER:	Tom Hoffart Finance & Administrative Services Manager
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**EXECUTIVE SUMMARY**

Accept the fiscal year 2023/24 Independent Auditor’s Report, Financial Statements, Internal Control and Compliance Report, and Governance Letter.

**STAFF RECOMMENDATION:**

Recommend acceptance of the Fiscal Year 2023/2024 RWA Financial Audit Report.

**BACKGROUND**

Ms. Ingrid Shepline from Richardson & Company, LLP (Richardson) made a presentation to the Executive Committee on December 17, 2024 on the Fiscal Year 2023/2024 Audit Report. The Audit Report was an unmodified opinion (clean).

**ATTACHMENTS**

- Attachment 1- Audited Financial Statements - Fiscal Year 2023/2024
- Attachment 2- Governance Letter - Fiscal Year 2023/2024

**REGIONAL WATER AUTHORITY**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2024 AND 2023**

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# REGIONAL WATER AUTHORITY

## TABLE OF CONTENTS JUNE 30, 2024 AND 2023

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	<u>PAGE</u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1 – 3
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	4 – 13
<b>FINANCIAL STATEMENTS</b>	
Statements of Net Position	14
Statements of Revenues, Expenses and Changes in Net Position	15
Statements of Cash Flows	16
Notes to Financial Statements	17-42
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of the Proportionate Share of Net Pension Liability	43
Schedule of Contributions to the Pension Plan	44
Schedule of Changes in Net OPEB Liability and Related Ratio	45
Schedule of OPEB Contributions	46
<b>SUPPLEMENTARY INFORMATION</b>	
Program Schedule of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2024	47
Program Schedule of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2023	48
Schedule of Allocated Administrative Expenses for the year ended June 30, 2024	49
Schedule of Allocated Administrative Expenses for the year ended June 30, 2023	50
<b>OTHER REPORT</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51-52

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550 Howe Avenue, Suite 210  
Sacramento, California 95825  
Telephone: (916) 564-8727  
FAX: (916) 564-8728

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Regional Water Authority  
Sacramento, California

### **Opinions**

We have audited the accompanying financial statements of the Regional Water Authority (RWA) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise RWA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RWA as of June 30, 2024 and 2023 and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

### **Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RWA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RWA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RWA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RWA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RWA's basic financial statements. The Program Schedule of Revenues, Expenses, and Changes

Board of Directors  
Regional Water Authority

in Net Position, and Schedule of Allocated Administrative Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Program Schedule of Revenues, Expenses, and Changes in Net Position, and Schedule of Allocated Administrative Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024 on our consideration of RWA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RWA's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

December 2, 2024



# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

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The Regional Water Authority (RWA) promotes collaboration on water management and water supply reliability programs in the greater Sacramento area. The following discussion and analysis of the RWA financial performance provides an overview of the financial activities for the fiscal year ending June 30, 2024, and 2023. This discussion and analysis should be read in conjunction with the financial statements, which can be found on pages 6 to 42 of this report.

### **Description of Basic Financial Statements**

RWA maintains its accounting records in accordance with generally accepted accounting principles for a special-purpose government engaged in business-only type activities as prescribed by the Government Accounting Standards Board. The basic financial statements include the statement of net position, statement of revenues, expenses, changes in net position, and statement of cash flows.

RWA's statement of net position includes all assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether RWA's financial position is improving or deteriorating.

The statement of revenues, expenses, and changes in net position reports all of RWA's revenues and expenses during the period indicated. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., interest income, pension expense and amounts due to vendors).

The statement of cash flows shows the amount of cash received and paid out for operating activities, as well as cash received from interest earnings.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the financial data provided in the financial statements. The notes to the financial statements can be found on pages 17 to 42 of this report.

# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

### Condensed Statements of Net Position

For the fiscal years ending June 30, the following condensed comparative Statements of Net Position are presented:

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Current Assets	\$ 3,257,106	\$ 3,524,312	\$ (267,206)	\$ 3,394,268	\$ 130,044
Non-Current Assets	-	117,369	(117,369)	788,863	(671,494)
Capital Assets	224,936	19,168	205,768	58,163	(38,995)
<b>Total Assets</b>	<b>3,482,042</b>	<b>3,660,849</b>	<b>(178,807)</b>	<b>4,241,294</b>	<b>(580,445)</b>
Deferred Outflows	706,072	731,602	(25,530)	585,643	145,959
<b>Total Assets and Deferred Outflows</b>	<b>4,188,114</b>	<b>4,392,451</b>	<b>(204,337)</b>	<b>4,826,937</b>	<b>(434,486)</b>
Current Liabilities	969,153	1,415,559	(446,406)	905,117	510,442
Non-Current Liabilities	998,907	460,613	538,294	709,205	(248,592)
<b>Total Liabilities</b>	<b>1,968,060</b>	<b>1,876,172</b>	<b>91,888</b>	<b>1,614,322</b>	<b>261,850</b>
Deferred Inflows	217,306	286,838	(69,532)	580,225	(293,387)
<b>Net Position:</b>					
Invested in Capital Assets	-	9,246	(9,246)	12,238	(2,992)
Restricted	357,881	526,712	(168,831)	599,879	(73,167)
Unrestricted	1,644,867	1,693,483	(48,616)	2,020,273	(326,790)
<b>Total net position</b>	<b>\$ 2,002,748</b>	<b>\$ 2,229,441</b>	<b>\$ (226,693)</b>	<b>\$ 2,632,390</b>	<b>\$ (402,949)</b>

### *Fiscal Year 2024 Compared to Fiscal Year 2023*

Total current assets decreased \$267,206, primarily due to a decrease in restricted cash and investments related to subscription programs of \$1,010,586, offset by an increase in unrestricted cash and investments of \$175,092 and an increase in receivables of \$558,139. Increased activity in the Water Efficiency Program, Common Interest Management Services, Regional Water Bank programs resulted in a decrease in restricted cash and investments available to those programs, as well as an increase in related receivables.

Non-current assets decreased by \$117,369. This is due to the Other Post Employment Benefits (OPEB) representing a liability for the year ended June 30, 2024, as opposed to an asset for the year ended June 30, 2023.

Capital Assets increased \$205,768, primarily due to recognizing a right-of-use asset for the new office lease that the RWA moved into on July 1, 2023.

Current liabilities decreased by \$446,406, primarily due to decreases in the current portion of subscription program advances for the Regional Water Bank and Common Interest Management Services. Non-current liabilities increased by \$538,294, primarily due to increases in the non-current portion of subscription

# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

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program advances for the Common Interest Management Services and lease liability related to the RWA new office lease.

Net position invested in capital assets has no balance due to the lease liability associated with the RWA new office lease, restricted net position decreased by \$168,831 due to the spend down of WEP projects, and unrestricted net position declined by \$48,616 for a total decrease in net position of \$226,693 from the prior year.

### *Fiscal Year 2023 Compared to Fiscal Year 2022*

Total current assets, mainly cash and investments increased \$130,044, primarily due to the close-out and release of retention of grants and improved performance of LAIF interest earnings. The June 30, 2023 receivables reflect amounts earned for fulfillment of obligations from the Proposition 1 (Round 1), Proposition 84 (Round 3), Regional Water Bank project along with the 2022 Urban Planning grant, 2021 Urban Drought grant, Bonneville Environmental Foundation (BEF), 2014 Drought grant and Other Water Efficiency Programs (WEP).

Non-current assets decreased by \$671,494. This is due to a decrease in net pension assets due to a change of market conditions as of the pension valuation date of June 30, 2021. In the prior year's valuation date, investment income on the investment pools were unusually large, which resulted in a significant reduction in the net pension liability of the plan and caused RWA's share of the plan assets to be higher than its share of the pension liability, resulting in a net pension asset. During this period, this has essentially been reversed. RWA made additional contributions to the plan.

The deferred outflows amount is \$731,602. This is comprised of pension in the amount \$450,368 which is slightly down by \$2,084 from last year and OPEB in the amount of \$281,234 which is up by \$148,043 from the prior year. This represents an overall increase of \$145,959 from the prior year.

Current liabilities increased by \$510,442 primarily due to subscription program advances for the second phase of Regional Water Bank and Biological Opinion Support Services. Non-current liabilities decreased by \$248,592 as several RWA and WEP projects such as Regional Water Bank Phase I, Bonneville Environmental Foundation Grant and 2014 Drought Grant came to a close and/or retention was released which reduced unearned revenue.

The deferred inflows amount is \$286,838. This is comprised of pension in the amount \$29,686 which is down from last year by \$34,227 and OPEB in the amount of \$257,152 which is down from last year by \$259,160. This represents an overall combined decrease of \$293,387 from the prior year.

Net position invested in capital assets slightly changed by \$2,992 due to the depreciation of capital assets, restricted net position decreased by \$73,167 due to the spend down of WEP projects, and unrestricted net position declined by \$326,790 for a total change of \$402,949 decrease in net position from the prior year. This type of fluctuation is expected as a result of varying beginning and closure of project and grant programs.

**REGIONAL WATER AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2024 AND 2023**

**Condensed Schedule of Revenues, Expenses, and Changes in Net Position**

For the fiscal years ending June 30, the following condensed schedules of revenues, expenses, and changes in net position are presented:

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Operating Revenues:					
Assessment Income	\$ 1,157,225	\$ 1,149,017	\$ 8,208	\$ 1,074,246	\$ 74,771
Subscription Program Fees	1,758,654	1,591,194	167,460	869,785	721,409
Incentives, Grants and Reimbursements	5,640,462	2,989,712	2,650,750	2,420,970	568,742
Other Income	38,944	4,907	34,037	6,270	(1,363)
Total Operating Revenues	<u>8,595,285</u>	<u>5,734,830</u>	<u>2,860,455</u>	<u>4,371,271</u>	<u>1,363,559</u>
Interest Income	110,806	75,817	34,989	11,937	63,880
Total Revenues	<u>8,706,091</u>	<u>5,810,647</u>	<u>2,895,444</u>	<u>4,383,208</u>	<u>1,427,439</u>
Operating Expenses:					
Administrative Expenses	2,035,674	2,222,452	(186,778)	855,870	1,366,582
Core Program Expenses	20,000	20,000	-	25,000	(5,000)
Subscription Program					
Direct Expenses	1,166,937	1,094,803	72,134	382,010	712,793
Grant Awards	5,658,517	2,874,022	2,784,495	2,372,023	501,999
Other Expenses	30,602	-	30,602	-	-
Total Operating Expenses	<u>8,911,730</u>	<u>6,211,277</u>	<u>2,700,453</u>	<u>3,634,903</u>	<u>2,576,374</u>
Interest Expense	21,054	2,319	18,735	4,140	(1,821)
Total Expenses	<u>8,932,784</u>	<u>6,213,596</u>	<u>2,719,188</u>	<u>3,639,043</u>	<u>2,574,553</u>
Increase in Net Position	<u>(226,693)</u>	<u>(402,949)</u>	<u>176,256</u>	<u>744,165</u>	<u>(1,147,114)</u>
Net Position, July 1	<u>2,229,441</u>	<u>2,632,390</u>	<u>(402,949)</u>	<u>1,888,225</u>	<u>744,165</u>
Net Position, June 30	<u>\$ 2,002,748</u>	<u>\$ 2,229,441</u>	<u>\$ (226,693)</u>	<u>\$ 2,632,390</u>	<u>\$ (402,949)</u>

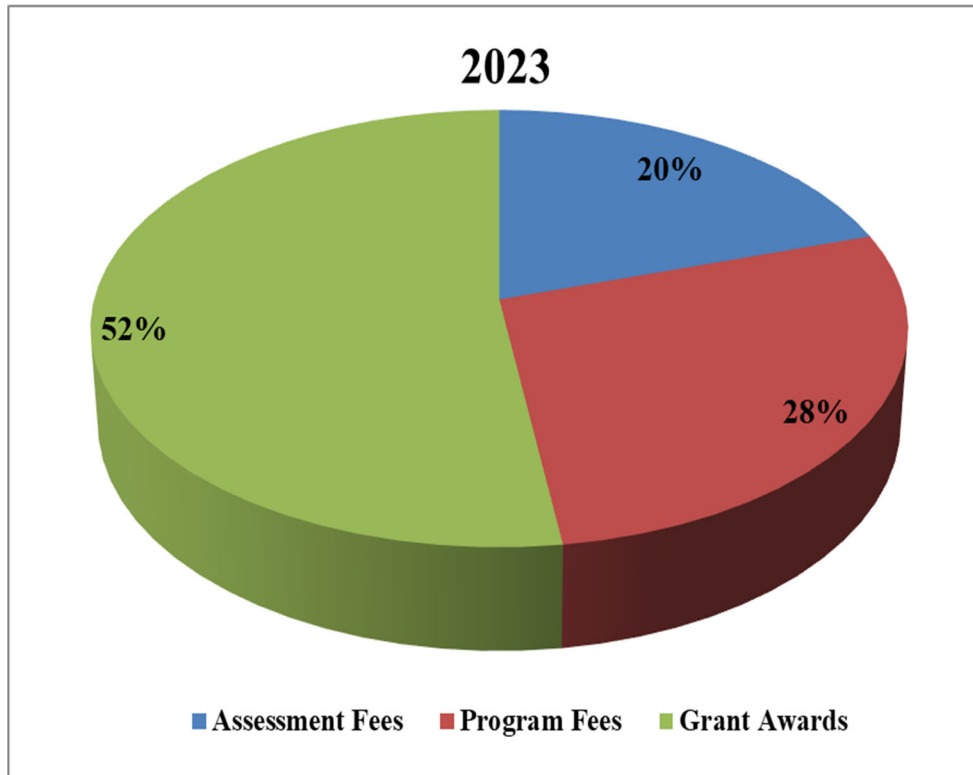
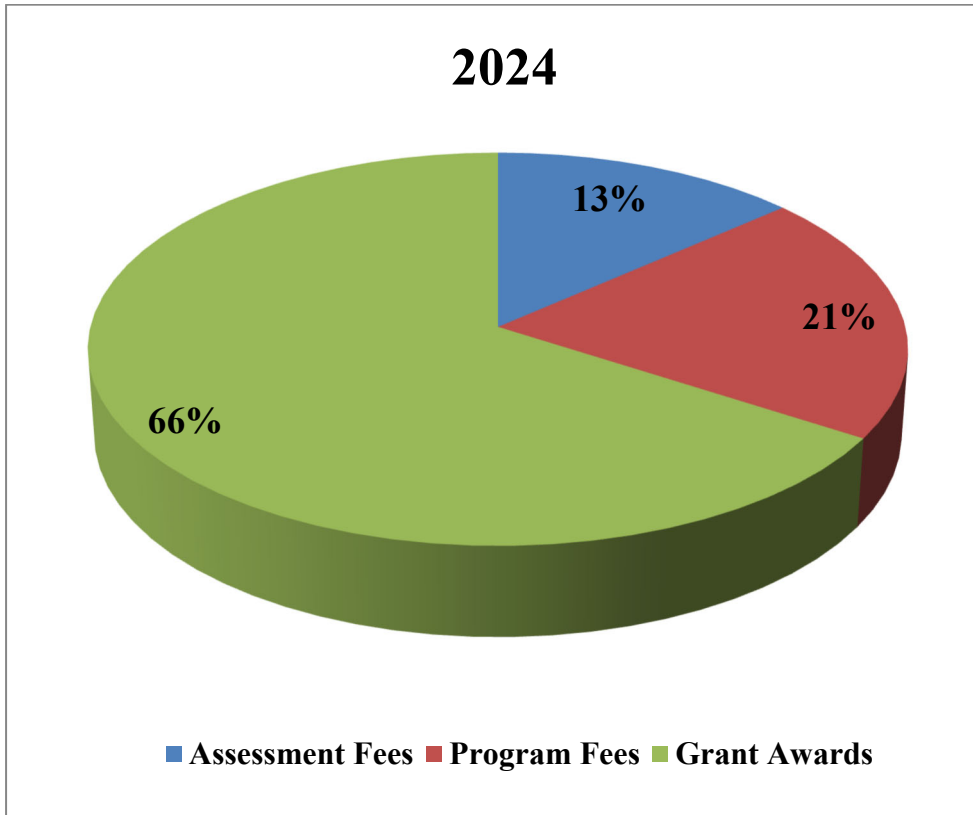
**Operating Revenues**

RWA's operating revenues are substantially derived from assessment fees, subscription program fees (program fees), and grant awards. Grants and incentives are awarded to RWA from state, federal, or local agencies to fund water related projects and conservation, depending upon the grant program. The following pie chart graphically displays the percentage of operating revenues by category.

For fiscal year 2024, the percentage of assessment fees and program fees both decreased by 7%, offset by an increase in grant awards of 14%. This was primarily due to a significant increase in grant awards from the prior year.

# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023



*Fiscal Year 2024 Compared to Fiscal Year 2023*

# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

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**Total revenues** – Total revenues including interest income are \$8,706,091 and was \$2,895,444 higher than the previous year. The increase is primarily the result of an increase in grant revenue of \$2,650,750 along with other less significant increases.

**Assessment fees** – There was no rate increase for the year ended 2024. The \$8,208 increase in assessment fees was primarily due to changes in the number of member agency retail connections.

**Subscription Program Fees** – During fiscal year 2024, the RWA mainly earned subscription program fees from the Water Efficiency Program, Regional Water Bank, Common Interest Management Services. Program fees are not expected to be comparable from year to year. The program fees increased overall by \$167,460. For the details of fees earned by program, see the Program Schedule of Revenues, Expenses and Changes in Net Position in the supplementary section of the financial statements.

**Incentives, grants, and reimbursements** – In fiscal year 2024, RWA earned over \$5.6 million in grant revenues from various grants, including Proposition 1 Round 1, 2021 Urban Drought Implementation grant, Regional Water Bank-Urban Planning grant, Water Efficiency Program-Drought Relief grant and Common Interest Management Services-ARTESIAN grant. These programs contributed largely to the overall \$2.7 million increase in grant awards.

1. Proposition 1 authorized \$510 million in IRWM funding. Funds are allocated to 12 hydrologic region-based Funding Areas including the Sacramento Region. Prop 1 Round 1 grant funds contributed \$1,843,530 to RWA in revenues during this period.
2. The 2021 Urban Drought Implementation is a DWR awarded grant in an amount over \$4 million in grant funding to RWA and two of its members for projects that advance drought and climate resiliency. Funded projects include planning for groundwater wells for the Fair Oaks Water District, Orange Vale Water Company, Carmichael Water District, and grant administration. This project comprised \$2,301,777 towards RWA grant revenue total.
3. The 2022 Urban Planning is a DWR grant that is complimentary to the Regional Water Bank efforts. The amount of revenue received from this grant during the fiscal year is \$278,968.
4. The Water Efficiency Program recognized a total of \$1,163,843 in grant revenues through the Water Efficiency Program's portion of Proposition 1 Round 1, Water Efficiency Program's Drought Relief grant and toilet/washer replacement incentives program.
5. The Common Interest Management Services recognized \$48,428 in grant revenues from the ARTESIAN grant.

Additionally, the RWA received a \$2 million grant from DWR for the Watershed Resilience program subsequent to year end.

**Operating expenses** – Operating expenses fall into five major categories: administrative expenses, core program expenses, subscription program direct expenses, grant awards and other expenses.

**Administrative Expenses** – Total administrative expenses decreased by \$186,778 from the previous fiscal year resulting from a decrease in pension expense of \$312,631 offset by normal inflationary increases in administrative expenses.

# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

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**Core Program Expenses** – For the year ended June 30, 2024, core expenses was unchanged from 2023; continued \$20,000 annual payment from the RWA core to the Powerhouse Science Center exhibits.

**Subscription Program Direct Expenses** – During fiscal year 2023, RWA incurred subscription program expenses from the core program, Water Efficiency Program, Regional Water Bank, and Common Interest Management Services programs. Program expenses are not expected to be comparable from year to year. For the detail of fees earned by program, see the Program Schedule of Revenues, Expenses and Changes in Net Position in the supplementary section of the financial statements.

**Grant Awards** – In fiscal year 2024, RWA expended over \$5.7 million in grant awards for various grants, including Proposition 1 Round 1, 2021 Urban Drought Implementation grant, Regional Water Bank-Urban Planning grant, Water Efficiency Program-Drought Relief grant and Common Interest Management Services-ARTESIAN grant. These programs contributed largely to the overall \$2.8 million net increase in grant expenses.

### *Fiscal Year 2023 Compared to Fiscal Year 2022*

**Total revenues** – Total revenues including interest income are \$5,810,647 and was \$1,427,439 higher than the previous year. The increase is a compilation of increased member dues, higher grant revenues, the start of new subscription programs and improved LAIF interest income performance.

**Assessment fees** – The \$74,771 increase in assessment fees is due to a Board approved dues increase for the year ended June 30, 2023 in the amount of 3.7% for the additional funding needed to support staff salary and benefits, the water policy position as part of RWA's core program as well as the continued set aside of future payments for the unfunded pension.

**Subscription Program Fees** – During fiscal year 2023, RWA mainly earned subscription program fees from the Water Efficiency Program, Regional Water Bank, Common Interest Management Services formerly Major Project Management Services/Biological Opinion Support Services programs and water transfers. Program fees are not expected to be comparable from year to year. The program fees increased overall by \$721,409 mainly due to Water Efficiency Program, the completion of Regional Water Bank Phase I and the kickoff of Regional Water Bank Phase II, and the Common Interest Management Services program. For the details of fees earned by program, see the Program Schedule of Revenues, Expenses and Changes in Net Position in the supplementary section of the financial statements.

**Incentives, grants, and reimbursements** – In fiscal year 2023, RWA earned over \$2.9 million in grant revenues from 2014 Drought Prop 84, Prop 84 Round 3 grants, Proposition 1 Round 1, 2021 Urban Drought Implementation grant, 2022 Urban Planning grant, and the Water Efficiency Program. These programs contributed largely to the overall \$568,742 net increase in grant awards.

1. The 2014 Drought Prop 84 grant revenue increased by \$18,250 as a result of a grant extension. These grant projects are now closed, and all retention has been released.
2. The Prop 84 Round 3 grant increased by \$72,148. This grant provided funding from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to Grantee to assist in financing projects associated with the American River Basin Integrated Regional Water Management (IRWM) Plan. This project is nearing completion.

# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

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3. Proposition 1 authorized \$510 million in IRWM funding. Funds are allocated to 12 hydrologic region-based Funding Areas including the Sacramento Region. Proposition 1 Round 1 contributed \$637,313 to RWA in revenues during this period.
4. The 2021 Urban Drought Implementation is a DWR awarded grant in an amount over \$4 million in grant funding to RWA and two of its members for projects that advance drought and climate resiliency. Funded projects include planning for groundwater wells for the Fair Oaks Water District, Orange Vale Water Company, Carmichael Water District, and grant administration. This project comprised \$951,956 towards RWA grant revenue total.
5. The 2022 Urban Planning is a recent DWR grant that is complimentary to the Regional Water Bank efforts. The amount of revenue received from this grant during the fiscal year is \$75,226.
6. The Water Efficiency Program experienced a total of \$1,234,819 in grant revenues for its own Water Efficiency Program Project funded through 2014 Water Efficiency Program Drought grant, Water Efficiency Program Proposition 1 project, Water Efficiency Program Prop 84 Round 3, as well as some private foundational grants.

Additionally, the Water Efficiency Program received new grant awards from DWR for Direct Installs exceeding \$3 million during fiscal year 2023. Although these grants did not make significant contributions to revenues, these grant awards will contribute significantly to future revenues. The timing of these awards varies from year to year.

**Operating Expenses** – Operating expenses fall into four major categories: administrative expenses, core program expenses, subscription program direct expenses, and grant awards.

**Administrative Expenses** – Total administrative expenses increased by \$1,375,307 from the previous fiscal year resulting from an increase in salary expense with the completion of the 5-year compensation survey and a reversal of the pension asset to a pension liability resulting from market conditions during this period.

**Core Program Expenses** – For the year ended June 30, 2023, core expenses decreased by \$5,000 related to the Powerhouse Science Center exhibits.

**Subscription Program Direct Expenses** – During fiscal year 2023, RWA incurred subscription program expenses from the core program, Water Efficiency Program, Regional Water Bank, and Common Interest Management Services programs. Program expenses are not expected to be comparable from year to year. The program expenses increased overall by \$699,068. For the detail of fees earned by program, see the Program Schedule of Revenues, Expenses and Changes in Net Position in the supplementary section of the financial statements.

**Grant Awards** – In fiscal year 2023, RWA expended over \$2.8 million in grant awards coming from 2014 Drought Prop 84, Prop 84 Round 3 grants, Proposition 1 Round 1, 2021 Urban Drought Implementation grant, 2022 Urban Planning grant, and the Water Efficiency Program. These programs contributed largely to the overall \$501,999 net increase in grant expenses.



# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

### Capital Assets

Capital assets include furniture, equipment, website development, leasehold improvements, right-of-use buildings and right-of-use equipment.

Additional information on the capital assets can be found in Note 3 of this report.

	<u>2024</u>	<u>2023</u>	<u>Increase</u>	<u>2022</u>
Furniture	\$ -	\$ 3,722	\$ (3,722)	\$ 3,722
Equipment	18,561	22,190	(3,629)	22,190
Website Development	-	15,604	(15,604)	15,604
Leasehold Improvements	-	14,785	(14,785)	14,785
Right-to-use Buildings	271,742	71,163	200,579	71,163
Right-to-use Equipment	8,944	8,944	-	8,944
Gross Capital Assets	<u>299,247</u>	<u>136,408</u>	<u>162,839</u>	<u>136,408</u>
Less Accumulated Depreciation	(12,646)	(46,674)	34,028	(42,962)
Less Accumulated Amortization	<u>(61,665)</u>	<u>(70,566)</u>	<u>8,901</u>	<u>(35,283)</u>
Total Accumulated Depreciation and Amortization	<u>(74,311)</u>	<u>(117,240)</u>	<u>42,929</u>	<u>(78,245)</u>
Net Capital Assets	<u>\$ 224,936</u>	<u>\$ 19,168</u>	<u>\$ 205,768</u>	<u>\$ 58,163</u>

### Economic Factors and Assumptions for Fiscal Year June 30, 2025

Periodically, RWA outlines goals and objectives to assist its members in collaborating on programs that will protect and enhance the quality and reliability of the region's water supplies. These goals and objectives drive the annual budget process. The following economic factors and assumptions affected the budget for fiscal year June 30, 2025.

- 1) The RWA Board of Directors approved a 5% membership fee rate increase for fiscal year 2025. The new base retail connection fee is \$2.39 per connection. Member agency fees will vary based on their change in retail connections from the previous year.
- 2) Staff expenses include nine employees, of which the RWA core program is responsible for 3.9 full-time-equivalent employees (FTE), the SGA is responsible for 3.4 FTE, the Water Efficiency Program is responsible for 0.8 FTE and the Common Interest Management Services program is responsible for 0.9 FTE.
- 3) Increases in budgeted staff expenses include increases in salaries/wages due to merit and cost of living adjustments; increases in expenses for pension and OPEB due to changes in actuarial valuations; and normal increases for health benefits due to inflation. Additionally, in accordance with policy and based on the most recent actuarial valuations, the RWA will make additional payments to CalPERS and the OPEB trust related to their respective unfunded liabilities.

# REGIONAL WATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

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- 4) Office expenses budget includes increases in rent due to fiscal year 2025 being the first full year of rent payments for the new RWA office lease.
- 5) The projected budget decreased for professional fees due to the RWA no longer needing an accounting consultant, and other consultant fees expected to remain relatively constant.
- 6) The RWA has an Administrative and Management Services agreement with the Sacramento Groundwater Authority. As part of the agreement, the SGA is responsible for 50% of shared administrative and management costs. Additionally, the allocation of employee costs to SGA is as follows: 50% of the Executive Director, Manager of Technical Services, Finance & Administrative Services Manager and Executive Assistant; 20% of the Manager of Government Relations and Project Research Assistant; and 100% of the Senior Project Manager.
- 7) Subscription program revenues provide reimbursement to RWA for providing staffing and office support to subscription-based programs. These programs include the Water Efficiency Program, Common Interest Management Services and various other programs.
- 8) The RWA received an award for \$55 million from the California Department of Natural Resources and DWR to assist in the construction of groundwater infrastructure. The American River Terms for Ecosystem Support and Infrastructure Assistance Needs (ARTESIAN) agreement was executed in July 2023. The program was in its infancy during fiscal year 2024 and the RWA is expecting significant activity to occur during fiscal year 2025.
- 9) The Watershed Resilience Pilot Program grant from DWR in the amount of \$2 million was awarded subsequent to the fiscal year ending June 30, 2024. The grant provides funding to develop the blueprint and direction for implementation of strategies, projects and actions that will provide a resilient water future.
- 10) The RWA core budget projects a net deficit for fiscal year 2025 that will be offset by operating fund reserves.

### **Requests for Information**

This financial report is designed to provide a general overview of RWA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance and Administrative Services Manager, Regional Water Authority, 2295 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833.

**REGIONAL WATER AUTHORITY**

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 1,414,813	\$ 1,239,721
Restricted Cash and Investments	746,024	1,756,610
Grants/Incentives Receivable	628,964	269,297
Programs Receivable	251,203	40,468
Accounts Receivable	10,201	44,331
Receivable from Sacramento Groundwater Authority (SGA)	115,522	96,462
Interest Receivable	26,944	24,137
Prepaid Expenses	63,435	53,286
Total Current Assets	3,257,106	3,524,312
Non-Current Assets		
Net Other Post Employment Benefits (OPEB) Asset	-	117,369
Capital Assets, Net	224,936	19,168
Total Non-Current Assets	224,936	136,537
Total Assets	3,482,042	3,660,849
<b>DEFERRED OUTFLOWS</b>		
Pension	341,150	450,368
OPEB	364,922	281,234
Total Deferred Outflows	706,072	731,602
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>4,188,114</b>	<b>4,392,451</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable and Accrued Liabilities	450,105	360,216
Compensated Absences, Current Portion	93,926	78,056
Lease Liability, Current Portion	56,188	8,177
Subscription Program Advances, Current Portion	343,535	949,110
Unearned Revenue, Current Portion	25,399	20,000
Total Current Liabilities	969,153	1,415,559
Non-Current Liabilities		
Compensated Absences, Net of Current Portion	52,000	64,500
Lease Liability, Net of Current Portion	207,895	1,745
Subscription Program Advances, Net of Current Portion	388,587	102,665
Unearned Revenue, Net of Current Portion	100,000	120,000
Net Pension Liability	223,583	171,703
Net OPEB Liability	26,842	-
Total Non-Current Liabilities	998,907	460,613
Total Liabilities	1,968,060	1,876,172
<b>DEFERRED INFLOWS</b>		
Pension	14,334	29,686
OPEB	202,972	257,152
Total Deferred Inflows	217,306	286,838
<b>NET POSITION</b>		
Net Investment in Capital Assets	-	9,246
Restricted	357,881	526,712
Unrestricted	1,644,867	1,693,483
Total Net Position	\$ 2,002,748	\$ 2,229,441

The accompanying notes are an integral part of these financial statements.

## REGIONAL WATER AUTHORITY

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	2023
<b>OPERATING REVENUES:</b>		
Assessment Income	\$ 1,157,225	\$ 1,149,017
Subscription Program Fees	1,758,654	1,591,194
Incentives, Grants, and Reimbursements	5,640,462	2,989,712
Other Income	38,944	4,907
<b>Total Operating Revenues</b>	<b>8,595,285</b>	<b>5,734,830</b>
<b>OPERATING EXPENSES:</b>		
Administrative Expenses	2,035,674	2,222,452
Core Program Expenses	20,000	20,000
Subscription Program Direct Expenses	1,166,937	1,094,803
Grant Awards	5,658,517	2,874,022
Other Expenses	30,602	-
<b>Total Operating Expenses</b>	<b>8,911,730</b>	<b>6,211,277</b>
<b>OPERATING LOSS</b>	<b>(316,445)</b>	<b>(476,447)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	110,806	75,817
Interest Expense	(21,054)	(2,319)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>89,752</b>	<b>73,498</b>
<b>DECREASE IN NET POSITION</b>	<b>(226,693)</b>	<b>(402,949)</b>
Net Position, Beginning of Year	2,229,441	2,632,390
<b>NET POSITION, End of Year</b>	<b>\$ 2,002,748</b>	<b>\$ 2,229,441</b>

The accompanying notes are an integral part of these financial statements.

**REGIONAL WATER AUTHORITY**

STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from members and participants	\$ 2,409,834	\$ 2,853,283
Cash received from SGA	786,978	725,534
Cash received from grants and other sources	5,280,795	2,787,969
Cash paid to employees, related benefits and taxes	(1,964,935)	(1,923,956)
Cash paid to suppliers	(2,981,751)	(2,164,618)
Cash paid to subscription program participants	(4,435,779)	(2,312,504)
Net Cash Used by Operating Activities	(904,858)	(34,292)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Principal payments on lease liability	(17,581)	(36,003)
Interest payments on lease liability	(21,054)	(2,319)
Net Cash Used by Capital and Related Financing Activities	(38,635)	(38,322)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on cash and investments	107,999	57,379
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(835,494)	(15,235)
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	2,996,331	3,011,566
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	\$ 2,160,837	\$ 2,996,331
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET:</b>		
Cash and investments	\$ 1,414,813	\$ 1,239,721
Restricted cash and investments	746,024	1,756,610
Total cash and cash equivalents	\$ 2,160,837	\$ 2,996,331
<b>RECONCILIATION OF (LOSS) INCOME FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (316,445)	\$ (476,447)
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation	3,712	3,712
Amortization	62,262	35,283
Change in operating assets and liabilities:		
Grants/Incentives receivable	(359,667)	(27,583)
Programs receivable	(210,735)	(40,468)
Accounts receivable	34,130	(17,066)
Receivable from SGA	(19,060)	(20,936)
Prepaid expenses	(10,149)	(20,788)
Accounts payable and accrued liabilities	89,889	149,433
Compensated absences	3,370	2,244
Subscription program advances	(319,653)	186,508
Unearned revenue	(14,601)	(212,035)
Net pension liability	51,880	465,427
Net OPEB asset/liability	144,211	377,770
Change in deferred outflows/inflows of resources for pension	(99,040)	(182,270)
Change in deferred outflows/inflows of resources for OPEB	55,038	(257,076)
Net Cash Used by Operating Activities	\$ (904,858)	\$ (34,292)
<b>NONCASH TRANSACTIONS:</b>		
Right-of-use asset obtained in exchange for new lease liability	\$ 271,742	\$ -

The accompanying notes are an integral part of these financial statements.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Description of Reporting Entity** – Regional Water Authority (RWA) was formed under a Joint Exercise of Powers Agreement on March 20, 1990 under the previous name of the Sacramento Metropolitan Water Authority. The members of RWA are governmental units in and around the greater Sacramento area of the State of California. RWA also has associate memberships that include public or private entities with water management responsibilities and who are not municipal water suppliers in this region. Lastly, RWA has an affiliate membership class with the purpose to promote communication between water managers and the community and to support RWA’s efforts to educate and inform the public. The mission of RWA is to serve and represent regional water supply interests and assist Regional Water Authority members with protecting and enhancing the reliability, availability, affordability and quality of water resources. RWA promotes regional cooperative projects that will provide reliable long-term water supplies in a cost-effective manner for the benefit of RWA’s membership, rate-payers and consumers.

RWA is governed by a board comprised of two representatives from each of the member agencies. The representatives are appointed by the member agencies.

**Basis of Accounting** – For financial reporting purposes, RWA is considered a special-purpose government engaged in business-only type activities. Accordingly, RWA’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are earned when services are performed and expenses are recorded when an obligation has been incurred.

Operating revenues and expenses are generated and funded through assessments from member agencies, associate and affiliate organizations, and subscription revenues from program participants on a cost reimbursement basis. Additionally, RWA may receive grant awards from federal, state or local agencies. Grants managed on behalf of program participants, administration and depreciation expenses are also considered operating activities. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Administrative expenses are allocated to subscription programs based upon budgeted allocation agreements and based upon staffing resources used.

**Future Pronouncements** – In June 2022, the GASB issued Statement No. 101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for the year ended June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement will implement changes to the financial reporting model including the Management's Discussion and Analysis, Unusual or Infrequent Items, presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information. The provisions of this Statement are effective for year ended June 30, 2026.

In October 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale.

RWA will analyze the impact of these new statements prior to the effective date listed above.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows, the disclosure of contingent assets, deferred outflows, liabilities, and deferred inflows at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, RWA considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Cash and Investments** – RWA participates in an investment pool managed by the State of California, the Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in structured notes and asset-backed securities.

**Capital Assets** – Capital assets, consisting of furniture, website development costs, office equipment and leasehold improvements in excess of \$2,500 per unit acquired after May 17, 2012, with useful lives of more than one year are stated at historical cost and are included in the financial statements. Before May 17, 2012, assets in excess of \$500 with useful lives of more than one year were capitalized at historical cost. Routine repairs and maintenance are charged to operating expenses in the year the expense is incurred. RWA provides for depreciation using the straight-line method over the estimated useful lives of the assets, which is typically five years or over the lease term for leasehold improvements.

Right-to-use lease assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

**Compensated Absences** – Compensated absences are accrued and reported as a liability in the period earned. Amounts payable are included in the Statements of Net Position. RWA’s policy provides vacation leave to employees at a rate of 12 to 25 days per year based upon the number of years of employment and is considered earned on a pro-rata basis for each payroll period. Unused earned vacation leave is paid to employees upon separation. Total vacation hours are accrued and capped at 45 days. Sick leave accrues at a rate of eight hours per calendar month and is capped at 480 hours per employee. Upon termination of employment, the employee’s remaining accrued but unused sick leave will be credited to additional service credit for the California Public Employee Retirement System program (CalPERS) to the extent permitted under the CalPERS-Authority contract and CalPERS law. The Authority does not accrue for unused sick leave since it is not paid out upon termination.

**Net Pension Liability and Related Balances** – For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees’ Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value by CalPERS and not reported by RWA. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications ([www.calpers.ca.gov](http://www.calpers.ca.gov)). Reported results pertain to liability and asset information within the following defined timeframes:

	2024	2023
Valuation Date (VD)	June 30, 2022	June 30, 2021
Measurement Date (MD)	June 30, 2023	June 30, 2022
Measurement Period (MP)	July 1, 2022 to June 30, 2023	July 1, 2021 to June 30, 2022

**Net Other Post-Employment Benefits (OPEB) Liability** – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of RWA’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

	2024	2023
Valuation Date	June 30, 2023	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Measurement Period	July 1, 2022 to June 30, 2023	July 1, 2021 to June 30, 2022

**Deferred Outflows and Inflows** – Deferred outflows of resources is a consumption of net position by RWA that is applicable to a future period and deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Both deferred inflows and outflows of resources



# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

are reported in the statements of net position, but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate. See Note 5 for further details related to the pension deferred outflows and inflows. See Note 6 for additional details related to the OPEB related deferred outflows and inflows.

**Subscription Program Advances** – Program revenue received in advance of subscription-based program costs are recognized as advances. The purpose of these advances is to pay for subscription-based program costs not paid for by grant awards or to provide a cash flow bridge for grant expenses paid for in advance of grant awards received. These advances will be recognized as revenues as program costs are incurred over the life of the projects. Subscription-based programs often straddle multiple fiscal years. At the completion of the subscription-based program, any unused portion of these fees is typically returned to participants. For the years ended June 30, the advances by subscription programs are as follows:

	2024	2023
Common Interest Management Services	\$ 458,587	\$ 521,703
Regional Water Bank	193,954	379,635
Prop 84	40,848	40,848
Rachio Controller	20,223	22,235
Prop 1 Round 1	11,830	31,893
Urban Drought	6,680	13,893
Regional Emergency Preparedness Program	-	41,250
Water Suppliers Incentives	-	318
Less: Current Portion	(343,535)	(949,110)
Non-Current Portion	\$ 388,587	\$ 102,665

**Unearned Revenue** – Unearned revenue is comprised of the following at June 30:

	2024	2023
Powerhouse Science Center	\$ 125,000	\$ 140,000
Annual Assessment	399	-
Less: Current Portion	(25,399)	(20,000)
Non-Current Portion	\$ 100,000	\$ 120,000

The unearned revenue relates to the Powerhouse Science Center water exhibit agreement which represents amounts collected from members but not yet remitted to the Powerhouse Science Center, and a prepayment by a member for the annual assessment.

**Net Position** – RWA’s net position is classified into the following categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and amortization, and related payables and long-term liabilities.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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Restricted: Represents net position which consists of constraints placed on net asset use through external requirements imposed by creditors, grantors, members, or laws and regulations of other governments or constraints by law through enabling legislation. A portion of net assets have been restricted based upon subscription contractual provisions. The restrictions by contract represent fees by participants in excess of program costs for the specific program. These funds are restricted for the intended program by contract, along with expenses to administer these programs. Restricted net position consists of cumulative Water Efficiency Program fees in excess of expenses incurred of \$357,881 and \$526,712 as of June 30, 2024 and 2023, respectively.

Unrestricted: Funds not subject to any outside legal restrictions on use of these funds and may be designated for use by management or the Board.

**Non-exchange Transactions** – The grant awards and incentives received by RWA are considered voluntary non-exchange transactions since these awards and incentives are entered into willingly by the grantors and RWA. In the non-exchange transactions, RWA receives value (benefit) from another party (the grantor) without directly giving equal value in exchange.

Typically, RWA has administrative oversight in distributing these grant and incentive proceeds to program participants. All current grant agreements offer grant awards on a reimbursement basis once allowable costs have been incurred under the program. These requirements must be met in advance of applying for and receiving the funds from the grantors. RWA recognizes revenues and receivables when all applicable eligibility requirements have been met.

Additionally, RWA simultaneously recognizes a grant award expense and grants payable for these grant awards since RWA then will reimburse participating agencies when the actual cash is received.

**Assessment Income** – Each of the member water districts, cities and service districts pay yearly assessments to RWA based on the number of retail water connections each provides. During 2024, the minimum assessment was \$3,819 and the maximum assessment was \$94,342. During 2023, the minimum assessment was \$4,106 and the maximum assessment was \$94,236.

Non-voting associate members pay an annual fee with a maximum annual fee of \$15,637 per year in 2024 and 2023, subject to adjustments from time to time by the RWA Board. Lastly, RWA affiliates pay an annual fee of \$800 and \$750 per year in 2024 and 2023, respectively.

**Subscription Program Fees** – On a subscription basis, RWA provides a water conservation program, media, grant writing, and program and grant administration assistance to certain program participants over and above the core RWA services. Program participants who benefit from these activities reimburse RWA for their share of direct costs and related administrative overhead. For grant and program administration, RWA invoices program revenue in advance to program participants. Amounts received in advance, but not yet earned by RWA for these activities are recorded as subscription program advances in the financial statements.

**Grant Revenue** – RWA coordinates grant applications among program participants and then administers these grant awards. Typically, the program participants incur the expenses and make payments to vendors and request reimbursement for these expenses from RWA. RWA has administrative grant responsibilities and submits the grant reimbursement requests to the grantor. The grant reimbursements are recorded in the financial statements as grants revenue. The amounts payable to the program participants and the related expenses are presented in the financial statements as grant awards.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

**Related Parties** – RWA invoices the Sacramento Groundwater Authority (SGA) for management services and common office costs. SGA was created in 1998 under another Joint Exercise of Powers Agreement. Many of the member agencies of RWA are also member agencies of SGA. Under an Administrative Services Agreement, SGA and RWA are equally responsible for all costs incurred to operate the joint office. Expenses paid on SGA’s behalf by RWA were \$806,038 and \$746,470 for the years ended June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, the amount receivable from SGA was \$115,522 and \$96,462, respectively, for these administrative related costs. The Statements of Revenues, Expenses, and Changes in Net Position reflect the net expenses of RWA after reimbursement by SGA. The Statements of Cash Flows reflect the cash payments from SGA as well as all expenses paid by RWA to employees and suppliers.

### 2. CASH AND INVESTMENTS

Cash and investments on the Statement of Net Position consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash and Investments	\$ 1,414,813	\$ 1,239,721
Restricted Cash and Investments	746,024	1,756,610
	<u>\$ 2,160,837</u>	<u>\$ 2,996,331</u>

Cash and investments balance at June 30 consist of the following:

	<u>2024</u>	<u>2023</u>
Deposits with financial institutions	\$ 145,424	\$ 163,916
Investments in LAIF	2,015,413	2,832,415
Total cash and investments	<u>\$ 2,160,837</u>	<u>\$ 2,996,331</u>

### Investments Authorized by RWA’s Investment Policy

RWA’s investment policy authorizes investments in the local government investment pool administered by the State of California (LAIF). RWA is a voluntary participant in LAIF that is regulated by the California Government Code under oversight by the Local Investment Advisory Board, which consists of five members as designated by state statute. The fair value of RWA’s investment in this pool is reported in the accompanying financial statements at amounts based upon the RWA’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The total fair value of all public agencies invested in PMIA at June 30, 2024 and 2023 was \$179,046,993,600 and \$177,045,532,802, respectively. For information on the types of investments made by LAIF, refer to the State of California Treasurer’s separately issued investment reports. Copies of these investment reports may be obtained by calling (916) 653-3001, by writing to LAIF, 915 Capitol Mall, Room 106, Sacramento, CA 95814, or by logging on to the treasurer’s website at [www.treasurer.ca.gov/pmia-laif/reports/monthly.asp](http://www.treasurer.ca.gov/pmia-laif/reports/monthly.asp).

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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The investment policy does not contain any specific provisions to limit RWA's exposure to interest rate risk, credit risk and concentration of credit risk.

### **Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, an investment's sensitivity to the changes in market interest rates increases as the length of maturity increases. The average maturity of the investments in the LAIF investment pool on June 30, 2024 and 2023 was approximately 217 and 260 days, respectively.

### **Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

### **Concentration of Credit Risk**

LAIF has a separate investment policy, governed by Government Code Sections 16480-16481.2 that provides credit standards for its investments. RWA has 93% and 95% of its cash invested in LAIF for the years ended June 30, 2024 and 2023, respectively.

### **Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and RWA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as LAIF. At June 30, 2024 and 2023, the carrying amount of the deposits was \$145,424 and \$163,916 and the balance in financial institutions was \$478,494 and \$275,373, respectively. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance at June 30, 2024 and 2023, and the remaining amounts were secured by a pledge of securities by the financial institution, but not in the name of RWA.

### **Restricted Cash**

Restricted cash represents cash received by RWA for subscription-based program revenue restricted in use for these programs. The restriction is based upon contractual agreements on how to use the advanced program revenues. Additionally, the amounts received in advance for the Powerhouse Science Center have been restricted.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

As of June 30, restricted cash by program is as follows:

	<b>2024</b>	<b>2023</b>
Common Interest Management Services	\$ 226,419	\$ 650,847
Regional Water Bank	160,636	440,439
Water Efficiency Program	151,641	377,440
Powerhouse Science Center	125,000	160,000
Regional Emergency Preparedness Program	41,250	41,250
Prop 84 Program Management	40,848	40,848
Urban Drought	230	13,893
Prop 1 Round 1	-	31,893
	\$ 746,024	\$ 1,756,610

### 3. CAPITAL ASSETS

A summary of the capital assets at cost is as follows for the year ended June 30:

	<b>Balance June 30, 2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2024</b>
Furniture	\$ 3,722	\$ -	\$ (3,722)	\$ -
Office Equipment	22,190	-	(3,629)	18,561
Website Development	15,604	-	(15,604)	-
Leasehold Improvements	14,785	-	(14,785)	-
Right-of-use Asset - Buildings	71,163	271,742	(71,163)	271,742
Right-of-use Asset - Equipment	8,944	-	-	8,944
Total Capital Assets	136,408	271,742	(108,903)	299,247
Less Accumulated Depreciation	(46,674)	(3,712)	37,740	(12,646)
Less Accumulated Amortization	(70,566)	(62,262)	71,163	(61,665)
Total Accumulated Depreciation and Amortization	(117,240)	(65,974)	108,903	(74,311)
Capital Assets, Net	\$ 19,168	\$ 205,768	\$ -	\$ 224,936

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2023</b>
Furniture	\$ 3,722	\$ -	\$ -	\$ 3,722
Office Equipment	22,190	-	-	22,190
Website Development	15,604	-	-	15,604
Leasehold Improvements	14,785	-	-	14,785
Right-of-use Asset - Buildings	71,163	-	-	71,163
Right-of-use Asset - Equipment	8,944	-	-	8,944
<b>Total Capital Assets</b>	<b>136,408</b>	<b>-</b>	<b>-</b>	<b>136,408</b>
Less Accumulated Depreciation	(42,962)	(3,712)	-	(46,674)
Less Accumulated Amortization	(35,283)	(35,283)	-	(70,566)
<b>Total Accumulated Depreciation and Amortization</b>	<b>(78,245)</b>	<b>(38,995)</b>	<b>-</b>	<b>(117,240)</b>
<b>Capital Assets, Net</b>	<b>\$ 58,163</b>	<b>\$ (38,995)</b>	<b>\$ -</b>	<b>\$ 19,168</b>

On April 5, 2023, RWA entered into a lease agreement for office space at 2295 Gateway Oaks Drive Suite 100 in Sacramento, California beginning July 1, 2023 for a period of 60 months ending June 30, 2028. The intangible right-of-use asset is being amortized over the remaining term of the lease. Terms of this lease are described in Note 4.

On January 11, 2018, RWA entered into a lease agreement for office space at 5620 Birdcage Street Suite 110 and 180 in Citrus Heights, California beginning September 1, 2018 for a period of 60 months ending August 31, 2023. The intangible right-of-use asset is being amortized over the remaining term of the lease. Terms of this lease are described in Note 4.

RWA entered into a 60 month lease agreement for a copier beginning February 20, 2020. The intangible right of use asset is being amortized over the remaining term of the lease. Terms of this lease are described in Note 4.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

### 4. LONG-TERM LIABILITIES

The following summarizes the changes in long-term liabilities for the years ended June 30:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
Compensated Absences	\$ 142,556	\$ 110,580	\$ (107,210)	\$ 145,926	\$ 93,926
Lease Liability	9,922	271,742	(17,581)	264,083	56,188
Subscription Program Advances	1,051,775	474,000	(793,653)	732,122	343,535
Unearned Revenue	140,000	399	(15,000)	125,399	25,399
Net Pension Liability	171,703	51,880	-	223,583	-
Net OPEB Liability	-	26,842	-	26,842	-
Total Long-Term Liabilities	<u>\$ 1,515,956</u>	<u>\$ 935,443</u>	<u>\$ (933,444)</u>	<u>\$ 1,517,955</u>	<u>\$ 519,048</u>

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Compensated Absences	\$ 140,312	\$ 104,819	\$ (102,575)	\$ 142,556	\$ 78,056
Lease Liability	45,925	-	(36,003)	9,922	8,177
Subscription Program Advances	865,267	566,892	(380,384)	1,051,775	949,110
Unearned Revenue	352,035	-	(212,035)	140,000	20,000
Net Pension Liability	-	171,703	-	171,703	-
Total Long-Term Liabilities	<u>\$ 1,403,539</u>	<u>\$ 843,414</u>	<u>\$ (730,997)</u>	<u>\$ 1,515,956</u>	<u>\$ 1,055,343</u>

#### Leases

On April 5, 2023, RWA entered into a lease agreement for office space at 2295 Gateway Oaks Drive Suite 100 in Sacramento, California beginning July 1, 2023. The lease extends through June 30, 2028 and contains base rents of \$5,992 to \$6,744 per month. As part of the lease RWA received seven rent free months. The lease has an option to extend for an additional five-year term at fair market rent rates. For purposes of discounting future payments on the lease, RWA used the discount rate of 8.25%.

On January 11, 2018, RWA entered into a lease agreement for office space at 5620 Birdcage Street Suite 110 and 180 in Citrus Heights, California beginning September 1, 2018. The lease extends through August 31, 2023 and contains base rents of \$2,695 to \$2,965 per month. For purposes of discounting future payments on the lease, RWA used the discount rate of 4.75%.

On February 20, 2020, RWA leased a copier for a term of 60 months at \$229 per month. For purposes of discounting future payments on the leases, the RWA used the discount rate 4.75%.

The leased building and equipment and accumulated amortization of the right-of-use assets are outlined in Note 3. Minimum lease payments over the remaining term of the leases include:

Year ended June 30,	Principal	Interest	Totals
2025	\$ 56,188	\$ 19,702	\$ 75,890
2026	61,416	14,863	76,279
2027	69,056	9,512	78,568
2028	77,423	3,504	80,927
Total	<u>\$ 264,083</u>	<u>\$ 47,581</u>	<u>\$ 311,664</u>

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

### 5. EMPLOYEE PENSION PLANS

#### Plan Description

RWA participates in a public agency cost-sharing multiple-employer defined benefit pension plan (the Plan) administered by California Public Employees' Retirement System (CalPERS). Since RWA has less than 100 active members as of the years ended June 30, 2023 and 2022 (measurement date), qualified employees are covered under the Miscellaneous 2% at 55 Risk Pool. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by State statute. The miscellaneous plan is closed to new employees unless the new employee is considered a classic member as defined by PEPRA.

#### Benefits Provided

The benefits for the Plan are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. To be eligible for service retirement, members must be at least 50 and have a minimum of five years of CalPERS-credited service. Under the PEPRA plan, members after January 1, 2013 must be at least 52.

#### Contributions

Section 20814(c) of the PERL requires employer contribution rates for all public employers are determined on an annual basis by the actuary and are effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Miscellaneous risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. RWA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The required contribution rates were as follows:

	<u>Employer</u>		<u>Employee</u>	
	<u>Classic</u>	<u>PEPRA</u>	<u>Classic</u>	<u>PEPRA</u>
June 30, 2024	12.63%	8.00%	7.00%	8.25%
June 30, 2023	11.06%	7.76%	7.00%	7.25%

Employer contributions rates may change if plan contracts are amended. For the years ended June 30, 2024 and 2023, the employer required contributions to the plan were \$109,012 and \$97,406, respectively. RWA also made additional non-required employer pension contributions of \$36,700 for the year ended



# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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June 30, 2023 towards payment of its unfunded liability. No additional contribution was made for the year ended June 30, 2024.

### **Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

RWA's net pension asset/liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2023 for the year ended June 30, 2024. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. As of June 30, 2024 and 2023 RWA's proportionate share of the Plan's NPL was \$223,583 and \$171,703, respectively.

Using RWA's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for RWA by the actuary for the June 30, 2023 and 2022 measurement dates. The following table shows RWA's employer allocation factors for the Plan as of the fiscal years ending June 30:

#### **2024:**

Proportion - June 30, 2024	0.00447%
Proportion - June 30, 2023	<u>0.00367%</u>
Change – increase	<u><u>0.00080%</u></u>

#### **2023:**

Proportion - June 30, 2023	0.00367%
Proportion - June 30, 2022	<u>(0.01547%)</u>
Change – increase	<u><u>0.01914%</u></u>

For the fiscal years ended June 30, 2024 and 2023, RWA incurred a pension expense of \$254,759 and \$567,390, respectively.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

At June 30, the deferred outflows of resources related to pensions were from the following sources:

	<b>Deferred Outflow of Resources</b>	
	<b>2024</b>	<b>2023</b>
Contributions after measurement date	\$ 109,012	\$ 134,106
Difference between actual and expected experience	11,422	3,448
Changes in assumptions	13,499	17,595
Net difference between projected and actual earnings on plan investments	36,200	31,451
Difference between employer contributions and the employer's proportionate share of contributions	1,532	
Adjustments due to differences in proportions	169,485	263,768
	\$ 341,150	\$ 450,368

The \$109,012 and \$134,106 reported as deferred outflows of resources related to employer contributions after the measurement dates will be recognized as a reduction of the NPL for the years ended June 30, 2025 and 2024, respectively.

At June 30, the deferred inflow of resources related to pensions from the following sources:

	<b>Deferred Inflow of Resources</b>	
	<b>2024</b>	<b>2023</b>
Difference between actual and expected experience	\$ 1,772	\$ 2,309
Differences between employer contributions and the employer's proportionate share of contributions	12,562	27,377
	\$ 14,334	\$ 29,686

Amounts reported as deferred outflows and deferred inflows of resources related to pension will be recognized in future pension expense as follows:

**2024:**

<b>Measurement Period Ended June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2025	\$ 113,599
2026	71,145
2027	32,022
2028	1,038

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

**2023:**

<b>Measurement Period Ended June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2024	\$ 107,434
2025	100,625
2026	59,280
2027	19,238

### Actuarial Assumptions

For the measurement periods ended June 30, 2023 and 2022, the TPL was determined by rolling forward the June 30, 2022 and June 30, 2021 TPL, respectively. The TPL was based on the following actuarial methods and assumptions:

For the measurement period  
ending June 30:

	2023	2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership data for all Funds	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

### Changes in Assumptions

No benefit or assumption changes were made for the measurement period ended June 30, 2023. For the measurement period ended June 30, 2022, changes in actuarial assumptions consisted of decreases in the discount rate, the inflation rate and the post retirement benefit and changes in the mortality rate table.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

### Discount Rate

The discount rate used to measure the total pension liability at June 30, 2023 and 2022 (the measurement date) was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The expected real rates of return by asset class for the measurement periods ended June 30, 2023 and 2022 are as follows:

<u>Asset Class</u>	<u>June 30, 2023</u>	
	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10(a)(b)</u>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
	<u>100.00%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

<b>Asset Class</b>	<b>June 30, 2022</b>	
	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1-10(a)(b)</b>
Global equity - cap-weighted	30.00%	4.45%
Global equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

The long-term expected real rates of return by asset class can be found in CalPERS' Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023 and 2022.

### **Sensitivity of the Proportional Share of the NPL to Changes in the Discount Rate**

The following presents RWA's Proportional Share of the NPL of the Plan, calculated using the discount rates of 6.90% for the measurement periods ended June 30, 2023 and 2022, as well as what the Proportional Share of the NPL would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

#### **2023:**

	<b>Discount Rate - 1% (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>Discount Rate + 1% (7.90%)</b>
Proportionate Share of Plan's NPL	\$ 683,346	\$ 223,583	\$ (154,840)

#### **2022:**

	<b>Discount Rate - 1% (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>Discount Rate + 1% (7.90%)</b>
Proportionate Share of Plan's NPL	\$ 591,298	\$ 171,703	\$ (173,520)

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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### **Payable to the Pension Plan**

RWA had \$2,258 and \$2,096 in outstanding payables to the pension plan at June 30, 2024 and 2023, respectively.

### **Deferred Compensation Plan**

RWA offers its employees a deferred compensation plan (Deferred Plan) created in accordance with Internal Revenue Code Section 457 through CalPERS and is managed by ING. The Deferred Plan is available to all RWA employees and permits them to defer a portion of their salary until future years. The Deferred Plan deferred elections are not available to employees until termination, retirement, death or unforeseeable emergency. RWA does not contribute to the Plan on behalf of its employees. No unfunded accrued liabilities exist for this Plan.

## **6. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

### **Plan Description**

RWA has established a retiree healthcare plan that provides other postemployment health care benefits for eligible retired employees and their dependents through the retiree healthcare plan (the Plan). RWA, through the authorization of their Board of Directors, elected to establish an irrevocable trust for the Plan through the California Employers' Retiree Trust (CERBT) fund, an agent multiple-employer plan, administered by CalPERS. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. The CERBT offers three investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by RWA.

### **Benefits Provided**

RWA's OPEB are provided in accordance with the CalPERS Law. The criteria to determine eligibility includes years of CalPERS service, employee age, and disability due to line of duty. Each eligible employee hired before September 1, 2007 who is covered by CalPERS health insurance subject to age and service limitations, is covered by the retiree health benefits insurance contract under Resolution 1993-001. This retiree benefit also covers qualified dependents. RWA pays for the retiree health benefit coverage as approved under Resolution 1993-001 and may be amended from time to time.

For employees hired after September 1, 2007, an employee must be eligible to retire in accordance with the RWA's CalPERS pension plan rules and have at least five years of credited service with RWA. Premiums are set annually by CalPERS for each retiree and eligible dependents. RWA's annual required contribution toward health benefit coverage premiums for these employees will be calculated as a percentage of the total eligible cost of such coverage based on the retired employees' total credited years of qualifying service under CalPERS' service credit rules. These employees with less than 10 years total CalPERS' service and/or less than five years credited service with the RWA will not be eligible for retiree health care coverage under RWA's plan. Any additional health plan premiums not paid by RWA's contribution toward the cost of the retiree's health benefits coverage must be paid by the retired employee.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

### Employees Covered

As of the June 30, 2023 actuarial valuation, the following inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	6
Inactive employees entitled to but not receiving benefits	1
Participating active employees	<u>9</u>
Total	<u>16</u>

### Contributions

RWA makes annual contributions to the CERBT fund. The current policy is to prefund benefits through annual contributions based on an actuarially determined contribution. For the fiscal year ended June 30, 2024, RWA's benefit payments directly to retirees net of reimbursements was \$69,195 and the estimated implied subsidy was \$12,534, resulting in total payments of \$81,729. For the fiscal year ended June 30, 2023, RWA's cash contributions were \$51,874 in payments to the trust, benefit payments directly to retirees net of reimbursements were \$4,718 and the estimated implied subsidy was \$8,772, resulting in total payments of \$65,364. These assets accumulate and are invested in the CERBT. Employees are currently not required to contribute to the plan.

### Net OPEB Liability/Asset

The net OPEB asset for June 30, 2024 and 2023, was measured as of June 30, 2023 and 2022, respectively. The total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation dated June 30, 2023 and 2021 to determine the June 30, 2024 and 2023 total OPEB liability, based on the following actuarial methods and assumptions:

	2024	2023
Valuation Date	June 30, 2023	June 30, 2021
Funding Method	Entry Age Normal, Level Percent of Pay	Entry Age Normal, Level Percent of Pay
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Discount Rate	6.10%	6.00%
Long-term Return on Assets (net of plan investment expenses and inflation)	6.10%	6.00%
Salary Increase	3.00%	3.00%
Inflation Rate	2.50%	2.50%
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally <sup>(1)</sup>	MacLeod Watts Scale 2022 applied generationally <sup>(1)</sup>
Mortality	CalPERS 2021 Experience Study <sup>(2)</sup>	CalPERS 2017 Experience Study <sup>(3)</sup>
Healthcare Trend	6.50% decreasing to 3.90% <sup>(4)</sup>	5.60% decreasing to 3.90% <sup>(5)</sup>

<sup>(1)</sup> The MacLeod Watts Scale 2022 was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report, published in October 2021 and (2) the demographic assumptions used in the 2021 Annual

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.

- (2) Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of CalPERS using data from 1997 to 2019, except for a different basis used to project future mortality improvements.
- (3) Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of CalPERS using data from 1997 to 2015, except for a different basis used to project future mortality improvements.
- (4) The healthcare trend ranges from increases of 6.50% in 2025 to 3.90% in 2075 and beyond.
- (5) The healthcare trend ranges from increases of 5.60% in 2024 to 3.90% in 2075 and beyond.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or more than the target rate of return of 6.10% and 6.00%, for measurement periods ended June 30, 2023 and 2022, respectively.

The CERBT offers three diversified allocation strategies. RWA has elected to participate in CERBT's Strategy 1 which has the highest long-term expected rate of return and return volatility. The following table shows the target asset allocation for employers participating in CERBT Strategy 1:

<b>Asset Class</b>	<b>2024</b>	<b>2023</b>
Global Equity	49%	49%
Fixed Income	23%	23%
Global Real Estate (REITs)	20%	20%
Treasury Inflation Protected Securities	5%	5%
Commodities	3%	3%
Total	100%	100%

### Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2024 and 2023 was 6.10% and 6.00%, respectively. The projection of cash flows used to determine the discount rate assumed that RWA contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.





# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

### Sensitivity of the Net OPEB Liability/Asset to Changes in the Discount Rate

The following presents the net OPEB liability/asset if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement periods ended June 30:

**2024:**

	<b>Discount Rate -1% (5.10%)</b>	<b>Current Discount Rate (6.10%)</b>	<b>Discount Rate +1% (7.10%)</b>
Net OPEB liability (asset)	\$ 208,787	\$ 26,842	\$ (123,957)

**2023:**

	<b>Discount Rate -1% (5.00%)</b>	<b>Current Discount Rate (6.00%)</b>	<b>Discount Rate +1% (7.00%)</b>
Net OPEB liability (asset)	\$ 33,612	\$ (117,369)	\$ (243,428)

### Sensitivity of the Net OPEB Liability/Asset to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability/asset if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30:

**2024:**

	<b>Medical Trend Rate -1%</b>	<b>Current Medical Trend Rate</b>	<b>Medical Trend Rate +1%</b>
Net OPEB Liability (asset)	\$ (133,269)	\$ 26,842	\$ 221,337

**2023:**

	<b>Medical Trend Rate -1%</b>	<b>Current Medical Trend Rate</b>	<b>Medical Trend Rate +1%</b>
Net OPEB Liability (asset)	\$ (249,885)	\$ (117,369)	\$ 43,291

### OPEB Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available on CalPERS’ website in an annual report titled “California Employers’ Retiree Benefit Trust, Agent Multiple-Employer Other Postemployment Benefits Plan, Schedule of Changes in Fiduciary Net Position by Employer”.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Additionally, CalPERS annually issues an ACFR Report which includes the CERBT fund's financial information.

### Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years at June 30, 2024 and 2023. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 7.44 and 7.17 years at June 30, 2024 and 2023, respectively.

### **OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal years ended June 30, 2024 and 2023, RWA recognized OPEB expense of \$88,072 and \$35,931, respectively. As of fiscal years ending June 30, deferred outflows of resources related to OPEB are from the following sources:

	<b>2024</b>	<b>2023</b>
	<b>Deferred Outflows of Resources</b>	<b>Deferred Outflows of Resources</b>
OPEB contributions subsequent to measurement date	\$ 81,729	\$ 65,364
Changes in assumptions	76,100	105,143
Differences between expected and actual experience	121,425	-
Net differences between projected and actual earnings on OPEB plan investments	85,668	110,727
Total	\$ 364,922	\$ 281,234

As of fiscal years ended June 30, deferred inflows of resources related to OPEB are from the following sources:

	<b>2024</b>	<b>2023</b>
	<b>Deferred Inflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 133,306	\$ 180,420
Changes in assumptions	69,666	76,732
Total	\$ 202,972	\$ 257,152

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

The \$81,729 and \$65,364 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 and 2022 measurement dates will be recognized as a reduction of the net OPEB liability during the fiscal years ended June 30, 2025 and 2024, respectively. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**2024:**

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2025	\$ (3,169)
2026	(10,599)
2027	41,399
2028	3,698
2029	22,837
Thereafter	26,055

**2023:**

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2024	\$ (17,684)
2025	(18,748)
2026	(26,178)
2027	25,820
2028	(11,880)
Thereafter	7,388

### 7. BOARD DESIGNATIONS

The Board establishes and approves the operating fund, membership dues, and subscription program designation target balances on an annual basis as part of the budget process based upon available cash and may modify these targets during the year so as to follow or temporarily modify the Financial/Designation Reserve Policy No. 500.1. The available cash at June 30, 2024 and 2023 is sufficient to set aside the designations for budget purposes.

The designations as of June 30 are as follows:

	<b>2024</b>	<b>2023</b>
<u>Board Designations</u>		
Operating Fund	\$ 917,200	\$ 729,271
Membership Dues	169,700	168,100
Subscription Programs	51,656	52,357
Total Board Designations	<b>\$ 1,138,556</b>	<b>\$ 969,728</b>

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

The operating fund is designed to ensure cash resources are available to fund daily administration and operations for RWA as well as a resource for matching funds for grant partnership opportunities. The operating fund target designation is four to six months of operating expenses. The membership dues stabilization fund is fully funded and designed to supplement operating cash flow in the event a member does not renew and is targeted at 15% of membership dues. The subscription program revenue fund is designed to be used in the event subscription program revenue to support operating expenses does not materialize as planned. This fund is set at 10% of net subscription program support revenue.

### 8. INSURANCE

RWA participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA), a public entity risk pool of California water agencies, for general liability, public officials' liability, property damage, fidelity insurance, workers' compensation and employer's liability. ACWA/JPIA provides insurance through the pool up to a certain level.

RWA pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate ACWA/JPIA.

RWA's deductibles and maximum coverage are as follows:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General, Auto and Public Officials, Errors & Omissions Liability	\$ 5,000,000	\$ 50,000,000	None
Cyber Liability	-	5,000,000	\$50,000 - \$100,000
Property Coverage	10,000,000	490,000,000	\$1,000 - \$100,000 (1)
Fidelity Insurance	100,000	-	1,000
Workers' Compensation Insurance	2,000,000	Statutory	None

(1) Earthquake deductible varies

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Copies of ACWA/JPIA's annual financial reports and other pertinent data may be obtained from their website at [www.acwajpia.org](http://www.acwajpia.org), their office at 2100 Professional Drive, Roseville, CA 95661-3700 or by calling (800) 231-5742.

### 9. COMMITMENTS

In July 2023, RWA entered into a grant agreement with the California Natural Resources Agency and DWR for the American River Terms for Ecosystem Support and Infrastructure Assistance Needs project (ARTESIAN). Under the terms of this agreement RWA will receive up to \$1.1 million for grant administration and RWA is committed to passing-through up to \$53.9 million to participating members

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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for infrastructure projects in return for making available up to 30,000 acre-feet of water through groundwater replenishment for up to 3 years.

In January 2024, RWA entered into an agreement with West Yost Associates, Inc. to provide ARTESIAN grant administration services for an amount not to exceed \$380,000, as of June 30, 2024, the remaining commitment was \$336,213.

### 10. CONTINGENCIES

#### Grant Awards and Payments

RWA participates in numerous grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies. Therefore, to the extent that RWA has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 and 2023 may be impaired. In the opinion of RWA's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

RWA entered into voluntary grant agreements with the California Department of Water Resources (DWR). Five to ten percent of the eligible grant award payment is withheld until program completion. Program completion is considered an eligibility requirement. This contingent grant award revenue is estimated at \$19,217 at June 30, 2024. There was no contingent grant award revenue at June 30, 2023.

#### Powerhouse Science Center

RWA entered into an agreement with the Powerhouse Science to be a title sponsor for two water-related exhibits in the amount of \$500,000. These exhibits will be displayed in the science center in Sacramento and provide educational opportunities on the important role of reliable water supplies and efficient water use in protecting public health and the environment. After RWA's initial \$50,000 payment made July 7, 2014, fixed annual payments of \$25,000 are scheduled to be made over a 14 year period, for a total of \$400,000. The California Water Awareness Campaign (CWAC) paid the remaining \$100,000 to Powerhouse. RWA will provide on-going input for these exhibits and the related programming and materials provided at Powerhouse. RWA levied members an annual assessment over five years to fund this commitment through fiscal year 2019.

### 11. ECONOMIC DEPENDENCIES

RWA incurs common administrative expenses to operate both RWA and SGA. RWA relies upon reimbursement of these expenses by SGA. As discussed in Note 1, summary of significant accounting policies, SGA reimbursed \$806,038 and \$746,470 for the years ended June 30, 2024 and 2023 which represents 28% and 25% of RWA's total administrative expenses, respectively. Additionally, RWA relies upon subscription-based programs to pay for administration expenses of 26% and 23% for the years ended June 30, 2024 and 2023, respectively. To the extent subscription-based programs did not exist or were reduced, RWA membership dues would need to increase to fund operating expenses.

# REGIONAL WATER AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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### 12. SUBSEQUENT EVENTS

In July 2024, RWA entered into a grant agreement with DWR for the Watershed Resilience Pilot Program. Under terms of this agreement RWA will receive up to \$2 million to complete a Watershed Resilience Plan that provides the blueprint and direction for implementation of strategies, projects and actions that will provide a resilient water future. Related to this grant, in July 2024, RWA entered into an agreement for professional Services with Jacobs Engineering Group, Inc. for an amount not to exceed \$1.7 million.

REQUIRED SUPPLEMENTAL INFORMATION



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**REGIONAL WATER AUTHORITY**

**SCHEDULE OF THE PROPORTIONATE SHARE OF  
NET PENSION ASSET/LIABILITY  
Last Ten Years**

	Measurement Date									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension (asset)/liability	0.004471%	0.003669%	-0.015469%	0.002520%	0.001757%	0.002383%	0.003917%	0.004247%	0.012618%	0.013650%
Proportionate share of the net pension (asset)/liability	\$ 223,583	\$ 171,703	\$ (293,724)	\$ 106,279	\$ 70,367	\$ 89,817	\$ 154,391	\$ 147,540	\$ 346,165	\$ 337,276
Covered - employee payroll	\$ 938,751	\$ 847,507	\$ 711,891	\$ 598,436	\$ 511,721	\$ 536,680	\$ 466,290	\$ 365,294	\$ 592,756	\$ 565,797
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	23.82%	20.26%	-41.26%	17.76%	13.75%	16.74%	33.11%	40.39%	58.40%	59.61%
Plan fiduciary net position as a percentage of the total pension liability	77.97%	78.19%	88.29%	75.10%	75.26%	75.26%	73.31%	75.87%	78.40%	79.82%
RWA fiduciary net position as a percentage of the RWA pension (asset)/liability	93.42%	94.42%	110.71%	95.77%	96.82%	95.45%	90.24%	89.09%	83.50%	83.03%

**Notes to Schedule:**

For the measurement period ended June 30, 2023 there was no assumption changes.

For the measurement periods ended June 30, 2022, the discount rate decreased from 7.15% to 6.90%, the inflation rate decreased from 2.50% to 2.30%, the post retirement benefit decreased and the mortality rate table changed.

For the measurement periods ended June 30, 2021, 2020 and 2019 there were no assumption changes.

For the measurement period ended June 30, 2018, the inflation rate was lowered from 2.75% to 2.5%.

For the measurement period ended June 30, 2017, the discount rate decreased from 7.65% to 7.15% due to an assumption change.

For the measurement period ended June 30, 2015, the discount rate changed from 7.50% (net of administrative expenses) to 7.65% to correct for an adjustment to exclude administrative expenses.

There were no benefit changes in any of the years presented.

Historical information is only required for the years in which GASB 68 is applicable. Future years' information will be displayed for up to 10 years as information becomes available.

**REGIONAL WATER AUTHORITY**

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN  
Last Ten Years**

	Fiscal Year									
	<u>2023-2024</u>	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>
Contractually required contribution (actuarially determined)	\$ 109,012	\$ 97,406	\$ 89,293	\$ 76,480	\$ 62,065	\$ 51,840	\$ 49,160	\$ 47,566	\$ 44,595	\$ 70,182
Contributions in relation to the actuarially determined contributions	109,012	134,106	125,993	113,180	77,065	114,840	91,160	89,566	181,995	70,182
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (36,700)</u>	<u>\$ (36,700)</u>	<u>\$ (36,700)</u>	<u>\$ (15,000)</u>	<u>\$ (63,000)</u>	<u>\$ (42,000)</u>	<u>\$ (42,000)</u>	<u>\$ (137,400)</u>	<u>\$ -</u>
Covered - employee payroll	\$ 1,011,406	\$ 938,751	\$ 847,507	\$ 711,891	\$ 598,436	\$ 511,721	\$ 536,680	\$ 466,290	\$ 365,294	\$ 592,756
Contributions as a percentage of covered - employee payroll	10.78%	14.29%	14.87%	15.90%	12.88%	22.44%	16.99%	19.21%	49.82%	11.84%
Contributions valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Contributions measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry age normal									
Amortization Method	Level percentage of payroll, closed									
Remaining amortization period	Varies, not more than 30 years									
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Investment Rate of Return	6.80%	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Inflation	2.30%	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll Growth	2.80%	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary Increases	Varies by entry age and service									
Mortality	Most recent CalPERS Experience Study									

Historical information is only required for the years in which GASB 68 is applicable. Future years' information will be displayed for up to 10 years as information becomes available.

**REGIONAL WATER AUTHORITY**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIO  
For the Measurement Period Ended June 30**

Measurement Period	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>							
Service Cost	\$ 93,184	\$ 83,549	\$ 78,624	\$ 76,149	\$ 66,236	\$ 64,152	\$ 57,930
Interest Cost	77,862	73,189	81,028	75,707	84,785	78,135	71,699
Changes of Benefit Terms	-	-	-	-	1,871	-	-
Actual and Expected Experience Difference	140,280	-	(190,864)	-	(58,867)	-	(141,761)
Assumption Changes	(13,726)	65,842	49,216	-	(152,520)	-	139,794
Benefit Payments	(57,821)	(63,155)	(79,394)	(75,036)	(55,816)	(42,919)	(40,972)
Net change in OPEB Liability	239,779	159,425	(61,390)	76,820	(114,311)	99,368	86,690
Total OPEB Liability - Beginning	1,233,434	1,074,009	1,135,399	1,058,579	1,172,890	1,073,522	986,832
Total OPEB Liability - Ending (a)	<u>\$ 1,473,213</u>	<u>\$ 1,233,434</u>	<u>\$ 1,074,009</u>	<u>\$ 1,135,399</u>	<u>\$ 1,058,579</u>	<u>\$ 1,172,890</u>	<u>\$ 1,073,522</u>
<b>Plan Fiduciary Net Position</b>							
Employer Contributions	\$ 65,364	\$ 56,710	\$ 58,947	\$ 87,282	\$ 84,977	\$ 73,980	\$ 72,745
Net Investment Income	88,419	(211,501)	345,183	45,208	70,945	77,895	90,150
Benefit Payments	(57,821)	(63,155)	(79,394)	(75,036)	(55,816)	(42,919)	(40,972)
Administrative Expenses	(394)	(399)	(475)	(601)	(240)	(520)	(460)
Other Expenses	-	-	-	-	-	(1,297)	-
Net change in plan fiduciary net position	95,568	(218,345)	324,261	56,853	99,866	107,139	121,463
Plan fiduciary net position - Beginning	1,350,803	1,569,148	1,244,887	1,188,034	1,088,168	981,029	859,566
Plan fiduciary net position - Ending (b)	<u>\$ 1,446,371</u>	<u>\$ 1,350,803</u>	<u>\$ 1,569,148</u>	<u>\$ 1,244,887</u>	<u>\$ 1,188,034</u>	<u>\$ 1,088,168</u>	<u>\$ 981,029</u>
Net OPEB Liability (Asset) (a) - (b) = (c)	<u>\$ 26,842</u>	<u>\$ (117,369)</u>	<u>\$ (495,139)</u>	<u>\$ (109,488)</u>	<u>\$ (129,455)</u>	<u>\$ 84,722</u>	<u>\$ 92,493</u>
Plan fiduciary net position as a percentage of OPEB liability (b)/(a)	98.18%	109.52%	146.10%	109.64%	112.23%	92.78%	91.38%
Covered Payroll (d)	\$ 1,259,512	\$ 1,168,267	\$ 1,018,771	\$ 933,449	\$ 799,048	\$ 834,157	\$ 752,115
Net OPEB (Asset) Liability as a percentage of covered payroll (c)/(d)	2.13%	-10.05%	-48.60%	-11.73%	-16.20%	10.16%	12.30%

**Notes to Schedule:**

Historical information is only required for the years which GASB 75 is applicable. Future years' information will be displayed for up to 10 years as information becomes available.

**REGIONAL WATER AUTHORITY**

**SCHEDULE OF OPEB CONTRIBUTIONS  
For the Measurement Period Ended June 30**

Fiscal Year Ended June 30	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC) (a)	\$ 79,297	\$ 60,646	\$ 56,710	\$ 58,626	\$ 87,603	\$ 84,977	\$ 73,980
Contributions in Relation to ADC	81,729	(65,364)	(56,710)	(58,947)	(87,282)	(84,977)	(73,980)
Contribution Deficit (Excess)	<u>\$ (2,432)</u>	<u>\$ (4,718)</u>	<u>\$ -</u>	<u>\$ (321)</u>	<u>\$ 321</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll (b)	\$ 1,526,256	\$ 1,259,512	\$ 1,168,267	\$ 1,018,771	\$ 933,449	\$ 799,048	\$ 833,750
ADC as a % of covered employee payroll (a)/(b)	5.35%	5.19%	4.85%	5.79%	9.35%	10.63%	8.87%

**Notes to Schedule:**

Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2017	June 30, 2017	July 1, 2015
Actuarial Cost Method				Entry Age Normal			
Amortization Method/Period	Level Percent of Pay over a open 30-year period			Level Percent of Pay over a closed 10-year period			
Asset Valuation Method				Market Value of Assets			
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Salary Increase	3.00%	3.00%	3.00%	3.25%	3.25%	3.25%	3.25%
Investment Rate of Return	6.00%	6.50%	6.50%	6.90%	7.00%	7.00%	7.00%
Healthcare Trend	5.6% in 2024, fluctuating down to 3.9% by 2075			6.50% in 2021, stepping down by 0.5% to 5.00% in 2024	6.50% in 2021, stepping down by 0.5% to 5.00% in 2024		7.50% in 2017, stepping down by 0.5% to 4.50% in 2023
Retirement Age				From 50 to 75			
Mortality	CalPERS 2017 Experience Study; Projected with MacLeod Watts Scale 2022			CalPERS 2017 Experience Study; Projected with MacLeod Watts Scale 2018	CalPERS 2014 Experience Study; Projected with MacLeod Watts Scale 2017		CalPERS 2014 Experience Study; Projected with MacLeod Watts Scale 2014

**Notes to Schedule:**

Historical information is only required for the years which GASB 75 is applicable. Future years' information will be displayed for up to 10 years as information becomes available.

SUPPLEMENTARY INFORMATION

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Regional Water Authority  
Statement of Revenues, Expenses and Changes in Net Assets - By Program  
For the Year Ended June 30, 2024

	<b>Agency Core Program</b>	<b>Water Efficiency Program</b>	<b>Common Interest Management Services</b>	<b>Regional Water Bank</b>	<b>Prop 1 Round 1</b>	<b>Urban Drought</b>	<b>Total RWA</b>
<b>Operating Revenues</b>							
Assessment Income	\$ 1,157,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,157,225
Subscription Program Fees	-	498,377	592,320	640,681	20,063	7,213	1,758,654
Incentives, Grants, and Reimbursements	3,916	1,163,843	48,428	278,968	1,843,530	2,301,777	5,640,462
Other Income	38,944	-	-	-	-	-	38,944
<b>Total Operating Revenues</b>	<b>1,200,085</b>	<b>1,662,220</b>	<b>640,748</b>	<b>919,649</b>	<b>1,863,593</b>	<b>2,308,990</b>	<b>8,595,285</b>
<b>Operating Expenses</b>							
Administrative Expenses	\$ 1,301,920	304,103	289,784	77,747	44,630	17,490	2,035,674
Core Program Expenses	20,000	-	-	-	-	-	20,000
Subscription Program Direct Expenses	-	296,700	302,353	567,884	-	-	1,166,937
Grant Awards	-	1,230,248	43,788	274,018	1,818,963	2,291,500	5,658,517
Other Expenses	30,602	0	-	0	-	0	30,602
<b>Total Operating Expenses</b>	<b>1,352,522</b>	<b>1,831,051</b>	<b>635,925</b>	<b>919,649</b>	<b>1,863,593</b>	<b>2,308,990</b>	<b>8,911,730</b>
<b>Net Operating Income</b>	<b>(152,437)</b>	<b>(168,831)</b>	<b>4,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(316,445)</b>
<b>Nonoperating Revenues/ Expenses</b>	<b>89,752</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,752</b>
<b>Net Income (Loss)</b>	<b>\$ (62,685)</b>	<b>\$ (168,831)</b>	<b>\$ 4,823</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(226,693)</b>
<b>Net Position, Beginning of the Year</b>							<b>2,229,441</b>
<b>Net Position, End of the Year</b>							<b>\$ 2,002,748</b>



Regional Water Authority  
Statement of Revenues, Expenses and Changes in Net Assets - By Program  
For the Year Ended June 30, 2023

	<b>Agency Core Program</b>	<b>Water Efficiency Program</b>	<b>Common Interest Management Services</b>	<b>Regional Water Bank</b>	<b>Prop 1 Round 1</b>	<b>Urban Drought</b>	<b>Prop 84</b>	<b>Water Transfers</b>	<b>Total RWA</b>
<b>Operating Revenues</b>									
Assessment Income	\$ 1,149,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,149,017
Subscription Program Fees	-	501,291	521,222	489,683	14,743	6,106	10,488	47,661	1,591,194
Incentives, Grants, and Reimbursements	-	1,234,819	-	75,226	637,313	951,956	90,398	-	2,989,712
Other Income	4,907	-	-	-	-	-	-	-	4,907
<b>Total Operating Revenues</b>	<u>1,153,924</u>	<u>1,736,110</u>	<u>521,222</u>	<u>564,909</u>	<u>652,056</u>	<u>958,062</u>	<u>100,886</u>	<u>47,661</u>	<u>5,734,830</u>
<b>Operating Expenses</b>									
Administrative Expenses	\$ 1,537,846	271,975	281,802	38,520	35,442	9,607	10,488	36,772	2,222,452
Core Program Expenses	20,000	-	-	-	-	-	-	-	20,000
Subscription Program Direct Expenses	221,876	372,068	45,946	454,913	-	-	-	-	1,094,803
Grant Awards	(14,854)	1,165,234	-	71,415	616,614	947,762	72,997	14,854	2,874,022
Other Expenses	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>1,764,868</u>	<u>1,809,277</u>	<u>327,748</u>	<u>564,848</u>	<u>652,056</u>	<u>957,369</u>	<u>83,485</u>	<u>51,626</u>	<u>6,211,277</u>
<b>Net Operating Income</b>	<u>(610,944)</u>	<u>(73,167)</u>	<u>193,474</u>	<u>61</u>	<u>-</u>	<u>693</u>	<u>17,401</u>	<u>(3,965)</u>	<u>(476,447)</u>
<b>Nonoperating Revenues/ Expenses</b>	<u>73,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,498</u>
<b>Net Income (Loss)</b>	<u>\$ (537,446)</u>	<u>\$ (73,167)</u>	<u>\$ 193,474</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 693</u>	<u>\$ 17,401</u>	<u>\$ (3,965)</u>	<u>(402,949)</u>
<b>Net Position, Beginning of the Year</b>									<u>2,632,390</u>
<b>Net Position, End of the Year</b>									<u>\$ 2,229,441</u>

# REGIONAL WATER AUTHORITY

## SCHEDULE OF ALLOCATED ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED JUNE 30, 2024

RWA manages the SGA and shares 50% of the common administrative costs. Additionally, RWA administers subscription-based programs and allocates administrative costs to run these programs. The information below details total administrative expenses incurred by RWA by type and how these costs are then allocated to SGA and the various subscription-based programs. The remaining net agency administrative expenses are expected to be paid for by member annual assessment dues or by designations.

The allocation of administrative expenses for the year ended June 30, 2024 is:

	<b>Staff Expenses</b>	<b>Office Expenses</b>	<b>Professional Fees</b>	<b>Total Administrative Expenses</b>
RWA Administrative Expenses	\$ 2,174,924	\$ 239,846	\$ 426,942	\$ 2,841,712
Allocated to Sacramento Groundwater Authority	(660,534)	(80,894)	(64,610)	(806,038)
Total RWA Administrative Expenses - Net of SGA allocation	1,514,390	158,952	362,332	2,035,674
Allocated Administrative Expenses to Subscription Programs				
Water Efficiency Program	(275,543)	(17,904)	(10,656)	(304,103)
Common Interest Management Services	(262,294)	(16,834)	(10,656)	(289,784)
Regional Water Bank	(77,747)	-	-	(77,747)
Prop 1 Round 1	(44,630)	-	-	(44,630)
Urban Drought	(17,490)	-	-	(17,490)
Total Allocated Administrative Expenses - Subscription Programs	(677,704)	(34,738)	(21,312)	(733,754)
Net Agency Administrative Expenses - Agency Core Program	\$ 836,686	\$ 124,214	\$ 341,020	\$ 1,301,920

**REGIONAL WATER AUTHORITY**  
**SCHEDULE OF ALLOCATED ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

The allocation of administrative expenses for the year ended June 30, 2023 is:

	<b>Staff Expenses</b>	<b>Office Expenses</b>	<b>Professional Fees</b>	<b>Total Administrative Expenses</b>
RWA Administrative Expenses	\$ 2,351,111	\$ 190,043	\$ 427,768	\$ 2,968,922
Allocated to Sacramento Groundwater Authority	(613,159)	(77,708)	(55,603)	(746,470)
Total RWA Administrative Expenses - Net of SGA allocation	<u>1,737,952</u>	<u>112,335</u>	<u>372,165</u>	<u>2,222,452</u>
Allocated Administrative Expenses to Subscription Programs				
Water Efficiency Program	(246,410)	(10,308)	(15,257)	(271,975)
Common Interest Management Services	(272,159)	(7,417)	(2,226)	(281,802)
Regional Water Bank	(38,520)			(38,520)
Prop 1 Round 1	(35,442)			(35,442)
Urban Drought	(9,607)			(9,607)
Prop 84	(10,488)			(10,488)
Water Transfers	(36,772)			(36,772)
Total Allocated Administrative Expenses - Subscription Programs	<u>(649,398)</u>	<u>(17,725)</u>	<u>(17,483)</u>	<u>(684,606)</u>
Net Agency Administrative Expenses - Agency Core Program	<u>\$ 1,088,554</u>	<u>\$ 94,610</u>	<u>\$ 354,682</u>	<u>\$ 1,537,846</u>

## OTHER REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Regional Water Authority  
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and special revenue fund of the Regional Water Authority (RWA) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise RWA's basic financial statements, and have issued our report thereon dated December 2, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered RWA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RWA's internal control. Accordingly, we do not express an opinion on the effectiveness of RWA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of RWA's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether RWA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors  
Regional Water Authority

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of RWA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RWA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Richardson & Company, LLP*

December 2, 2024



550 Howe Avenue, Suite 210  
Sacramento, California 95825

Telephone: (916) 564-8727  
FAX: (916) 564-8728

## GOVERNANCE LETTER

To the Board of Directors  
Regional Water Authority  
Sacramento, California

We have audited the financial statements of the Regional Water Authority (the Authority) for the year ended June 30, 2024 and have issued our report thereon dated December 2, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS), *Government Auditing Standards*

As stated in our engagement letter dated September 23, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

### Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. No internal control related matters were noted during our audit. Recommendations mentioned in the prior year management letter have been adequately addressed.



We are required by the audit standards to identify potential risks of material misstatement during the audit process. We have identified the following significant risk of material misstatements as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as significant risks during audit planning. No such weaknesses were identified during our audit.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated September 23, 2024.

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2023/24. We noted no transaction entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include the retirement and other postemployment benefits contributions and related liabilities, the depreciable lives and method used to depreciate capital assets, the discount rate used to calculate the lease liability and right-to-use asset and the accrual of grants receivable. The liability for retirement and other postemployment benefits was determined by an actuarial valuation, which is required to be performed every two years. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the following:

Pension Liability: Information on the Authority's pension plans, including the Authority's share of the unfunded pension liability, is shown in Note 5. The Authority's share of the unfunded pension liability at June 30, 2023, the most recent measurement date, was \$223,583 which is reflected as a liability in the Authority's financial statements as of June 30, 2024. As a result of the changes in the net pension liability and related deferred inflows and outflows, the Authority's pension expense is \$254,759.

Liability for Other Postemployment Benefits: The postemployment benefit (OPEB) disclosure in Note 6 shows that the Authority's share of the unfunded OPEB liability at June 30, 2023, the most recent measurement date, was a liability of \$26,842 which is reflected as a liability in the Authority's financial statements as of June 30, 2024. As a result of the recording of the net OPEB liability and related deferred inflows and outflows, the Authority's OPEB expense is \$88,072 primarily to record changes in the net OPEB liability and deferred outflows and inflows.

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We had no adjustments as a result of our audit.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 2, 2024.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Items Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to required supplementary information (RSI) as reported in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Program Schedule of Revenues, Expenses and Changes in Net Position and the Schedule of Allocated Administrative Expenses, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

*Richardson & Company, LLP*

December 2, 2024



Topic: Adopt 2025 Policy Principles  
Type: Legislative Matter  
Item For: Consent Calendar; Action  
Purpose: Policy 100.5 and Strategic Plan Priority- Advocacy Objective A

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SUBMITTED BY:	Ryan Ojakian Manager of Government Relations	PRESENTER:	Ryan Ojakian Manager of Government Relations
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**EXECUTIVE SUMMARY**

This is a consent item for the Board of Directors to review and adopt the updates to the 2025 Policy Principles. Feedback was solicited and provided by the Regulatory and Advocacy Program Committee and approved by the Executive Committee.

**STAFF RECOMMENDED ACTION**

Adopt the 2025 policy principles.

**BACKGROUND**

The RWA updates policy principles annually. This typically occurs at the January RWA board meeting. The 2024 Policy Principles were adopted in January of 2024. Input on revisions to 2024 Policy Principles was solicited from the Regulatory and Advocacy program committee. The proposed 2025 Policy Principles were approved by the Executive Committee at the December Executive Committee meeting. The suggested revisions were mostly grammatical and stylistic in nature. A track changes proposed changes to the proposed 2025 policy principles as compared to the adopted 2024 policy principles is attached.

**FINDING/CONCLUSION**

This information/discussion is consistent with Policy Principles adopted as part of RWA policy 100.5 and Strategic Plan Priority - Advocacy Objective A

# RWA Legislative and Regulatory Priority and Policy Issues

(Pending approval by the Board January 9, 2025)

This updates the policy principles adopted by the board on January [18, 2024 with grammatical and stylistic changes.](#)

## Introduction

The Regional Water Authority (RWA) Legislative and Regulatory Advocacy Program (Advocacy Program) has been created as part of the commitment to regional collaboration and unity in pursuit of the region's common goals as acknowledged by the "RWA Strategic Plan". The intent of the Advocacy Program is to positively influence legislative and regulatory actions to protect, preserve and improve the region's water supply reliability, quality, and affordability.

This advocacy effort takes on many forms including high level commitment to increasing the region's profile in California water politics; a focused and agreed upon set of priorities; a clear and resolute set of Policy Principles to guide advocacy positions and decisions; and fostering beneficial coalitions with allied organizations. The success of these advocacy efforts will be directly linked to maintaining the level of excellence this region has demonstrated in the stewardship of our water resources. This stewardship has resulted in the preservation and enhancement of our local watersheds; protection of a federally designated Wild and Scenic River running through a metropolitan area of over 2 million people (the Lower American River); and a reliable and diverse water supply supporting the growth of the local economy.

The Priority Issues and companion Policy Principles that are adopted by the RWA Board and included herein serve as the foundation for RWA's Advocacy Program. The Priority Issues are the long-standing, foundational issues that are at the core of RWA's mission and stand the test of time. An example of a Priority Issue adopted as part of the Advocacy Program is the "protection of the water rights and entitlements of RWA member agencies". Vigilant protection of these valuable, local assets will be a perpetual priority for RWA and its member agencies. The Policy Principles that support each of the Priority Issues are also long-term in nature though the RWA Advocacy Program should carefully consider and modify these on a regular basis to stay abreast of the ever-changing politics of California's water resources management.

Combined, the Priority Issues and Policy Principles adopted by the Board of Directors serve as the Advocacy Platform that will guide development of annual legislative and regulatory work plans. The advocacy platform allows RWA staff and member agencies to operate within an agreed upon set of guidelines when advocating for the region's common goals.

Following the Priority Issues and Policy Principles are the guidelines the Advocacy Program will use for determining recommended positions and prioritizing legislation that is introduced as part of each legislative session.

Finally, this document includes an overview of the California legislative process and calendar, as well as an overview of key state agencies with which we engage.

## Priority Issues

### **Ensure a Diverse, Resilient, and Reliable Water Supply**

Increasing conjunctive use of surface and groundwater resources, along with cost-effective investments in recycled water, stormwater capture, water use efficiency, and watershed management in recognition of the connection between the upper and lower watershed, will best secure the region's long-term water supply reliability in response to climate change. These actions will also serve to improve the environment, support continued growth of the region's economy, and meet the needs of the region's growing population.

### **Policy Principles**

- Promote legislative and regulatory measures that enhance local [agencies' utilities'](#) ability to share regional water resources.
- Promote and support the development and expansion of the Sacramento Regional Water Bank. Enhance state support of the Water Bank through bond funds or other funding sources.
- Support and participate in Folsom Reservoir and Central Valley Project operational improvements to assure a reliable surface water supply to RWA agencies.
- Develop infrastructure necessary to access surface water entitlements.
- Advance efforts to streamline CEQA compliance for water resource projects that diversify or strengthen this regions water supply reliability.
- Promote and support development of regulations that enhance water supply reliability and protect groundwater resources under local management by the region's groundwater sustainability agencies.
- Provide priority focus on multi-agency, multi-benefit, and/or landscape-scale projects that span the entire American River watershed, from ridgetop to valley floor.
- Support policies, funding and investments that promote upper watershed health, which provides direct benefit to all communities through long term regional water supply reliability.
- Support measures that help expedite and cost-effectively integrate new water resources such as stormwater reuse and recycled water into the region's water supply portfolio.
- Continue to increase conjunctive use capabilities within the region.
- Sponsor and/or support legislation that guarantees investments made in regional water supply reliability and drought resilience are available for their intended purposes.

- Support cost-effective surface water and groundwater storage projects.

### **Protect the Water Rights and Entitlements of RWA Member Agencies**

Water rights issues are complex and contentious. This region’s surface water rights and entitlements and long-standing management of groundwater resources have been critical in the shaping of the local economy and are vital for the future. Our reasonable and beneficial use of water has and will continue to assure the region’s water rights and entitlements provide the region with abundant, affordable and high-quality water while maintaining and protecting the environmental resources of the Lower American River and the region’s upper watersheds.

### **Policy Principles**

- Support and defend the existing water rights priority system. Support legislation or administration to authorize more effective enforcement of water-right priorities ~~in~~ ~~order~~ to affirm existing water rights, with safeguards to ensure that additional enforcement does not impair those rights or the ability to pursue future water rights.
- Support enforcement of the existing water rights laws.
- Maintain area-of-origin protections.
- Oppose any unreasonable curtailments of our area’s water rights that impact our beneficial use of water.
- Promote legislation that supports and clarifies the multiple beneficial uses of water.
- Support legislation like the Sustainable Groundwater Management Act and regulatory action that allows for retaining groundwater rights and local groundwater management.
- Support new laws, policies, and regulations embracing concepts that recognize inherent regional differences that drive water use efficiency, conservation, and conjunctive use.
- Ensure that water rights are preserved, recognized, and supported by all federal, state, and local agencies. This includes rights to conserved water.
- Promote system operations that ensure delivery of water supplies based on water rights and contract obligations.
- Proactively engage with the SWRCB and other state and federal agencies, and other interested parties, concerning the Bay-Delta water quality control plan and any related water-right matters in coordination with affected member agencies.
- Support and emphasize adherence to existing law applying to the state required reporting to “identify opportunities for streamlined reporting, and eliminate redundant data submissions” as a prism through which all future state proposals and current requirements should be evaluated.

### **Maximize Funding Opportunities Beneficial to RWA Member Agencies**

The region is prepared to make and support investments that will improve water supply reliability and protect the environment, including the Lower American River and upper American River watershed. Large-scale infrastructure projects such as improvements at Folsom

Reservoir, increased or new storage capacity, additional facilities on the Sacramento River, expanded groundwater, recycled water, transmission and distribution facilities, and improved headwater management will help prepare the region for the future while protecting the environment and increasing water supply reliability.

### **Policy Principles**

- Assure that any funding that is required from this region be returned to this region for the benefit of this region.
- Support policies that provide funding allocations based on merit of the project and the impact or benefit.
- Promote the statewide benefits that our actions provide due to our unique location within the State's water system.
- Support eligibility of CPUC-regulated water utilities to access grant funding for the benefit of their customers. Support Proposition 218 reform that improves water agencies' ability to fund programs that help diversify the region's water supply portfolio.
- Promote statewide funding to increase flexibility for the CVP.
- Support legislation that provides funding for local and regional water resources infrastructure projects.
- Support funding models that do not punitively impact rural and less developed communities such as the upper watershed areas. Support funding for agencies to develop and utilize storm water capture projects.
- Ensure state funding is available to utilities in proportion to cost associated with state-imposed mandates.

### **Protect Authority to Set Water Rates Appropriate for Accessible and Reliable Service.**

RWA is comprised of public water suppliers. Local utilities provide approximately 85 percent of all funding for water management in California. Climate change driven changes in hydrology, aging infrastructure and deferred maintenance, and population growth, are increasing the need for additional investments and creating higher costs for local agencies. Additionally, the affordability of water for those least fortunate is a growing challenge statewide. Further complicating the situation, Proposition 218 limits the ability to both raise revenue and address affordability concerns through rate management.

Each water system is unique. Careful balancing and thoughtful prioritization are necessary for water agencies to allocate their limited rate payer resources to reliably deliver high quality affordable water on an on-going basis.

Recently, state agencies have taken actions to require both robust conservation and ensure access to water for all. Taken in totality, these efforts would appear to necessitate water to be both expensive and ~~inexpensive~~cheap at the same time. Additionally, retail water is used for multiple purposes, indoor, outdoor, and fire protection, among others, and water pricing reflects the need to meet ~~all of~~all these purposes.



Local agencies are best positioned to set water rates that meet all of these sometimes competing challenges. RWA supports policies that maintain local agencies' authority to set their agency's water rates, and rate structure, as they determine appropriate to ensure the continued reliable delivery of high-quality affordable water to their communities. Likewise, regulated utilities should have the ability to make rate proposals to their economic regulators that balance the competing challenges common to water providers.

### **Policy Principles**

- Help develop and support policies that meet water management goals without also exacerbating the challenge of water affordability.
- Help develop and support policies that preserve limited water agency funds to be used for their self-identified highest priority projects to adapt to climate change, increase water use efficiency, and minimize impacts to affordability.
- Help develop and support policies that promote investments from water suppliers statewide in their local and sometimes distant source watershed to maintain and enhance water quantity and quality and maintain and improve environmental conditions.
- Help develop and support policies that reduce the local agency investment load to more equitable levels than the current 85 percent.
- Support policies that recognize existing affordability assistance programs and expand on affordability assistance opportunities, from Proposition 218 compliant, non-ratepayer sources.
- Support ratepayer assistance programs that are funded from progressive sources of revenue and without the use of a water tax.
- Support ratepayer debt relief and/or prohibitions on late fees and penalties only if water utilities are made whole from state or federal funds.

### **Ensure The Region Has Tools To Adapt To Climate Change**

The primary impacts in California from climate change include the loss of snowpack, increasing volatility in precipitation patterns, rising temperature stress on riverine ecosystems, sea level rise, and expanding intensity and number of wildfires. Water management is already being challenged by these climate driven alterations. These challenges will only be exacerbated in the future. However, the specific impacts will vary from watershed to watershed. The water supply and environmental effects experienced will depend on ~~a number of~~ several variables that will be different for each water agency and in each source watershed.

In the American River watershed, Reclamation's 2022 American River Basin Study, analyzed several future scenarios out to the year 2085. Results show precipitation will come more as

rain and occur in a narrower more volatile window. This will disrupt current water management operations balancing water supply, flood control, and environmental flows. Additionally, historical fire management practices have increased the threat of severe fire in the upper watershed along with resulting effects intensifying – including increasingly negative water quality impacts.

These hydrologic changes will necessitate changes to water management and future water management planning. Immediate action to address and mitigate these impacts is necessary to ensure the resiliency of the region. The region is prepared to invest our share, but those investments must correspond to benefits in our source watershed and in the region. There must be recognition that the lion's share of water originating in the region has been developed for use outside of the region and that those outside entities should invest equally in the benefits they receive from the region.

### Policy Principles

- Support policies that will enhance the analysis and characterization of the impacts of climate change on a watershed scale.
- Support policies to develop plans to address climate change through existing local agencies and integrated regional water management processes in a holistic way.
  - Plans should address source watersheds and connect surface, groundwater, and environmental stewardship. Plans should address geographically specific climate impacts expected. Making a “single standard” by which plans are structured is impractical.
  - Plans should be able to demonstrate resiliency to drought, flood, and fire threats, demonstrate durable environmental sustainability, demonstrate scalability to limit stranding investments, and demonstrate the ability for long-term sustainability.
  - Plans should be developed in collaboration with a diverse set of interested parties.
- Support incentives for collaboration across disciplines. To efficiently address watershed management, surface water, groundwater, and environmental sustainability there is a need for enhanced collaboration and joint scientific, technical and implementation efforts.
- Support policies that enhance the ability to implement regional conjunctive use, and water banking.
- Support policies that prioritize state funding assistance for plans that can be verified to comprehensively include adaptation, particularly in source watersheds, and address statewide impacts from climate change.
- Support policies and funding that encourage landscape-scale project investments.

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- [Promote and support funding for water infrastructure used for fire mitigation, suppression, and firefighting.](#)

### **Promote Balanced Statewide Water Management Solutions Beneficial to the Greater Sacramento Region**

RWA recognizes the need for a statewide water plan that assures a reliable water supply for all regions in the state. RWA supports a statewide solution, including protection of the Delta that is balanced and beneficial to the Sacramento region's water supply reliability. This includes both surface water reliability and groundwater reliability as managed pursuant to the Sustainable Groundwater Management Act (SGMA).

#### **Policy Principles**

- Ensure improvements or modifications to the statewide water system are protective of this region's water supply, including groundwater use and banking consistent with this region's groundwater sustainability plans.
- Support statewide water plans and policies that recognize and honor previous investments made to assure this region's water supply reliability.
- Encourage revisions to policies and operations that streamline water transfers, including transfers of conserved water.
- Support statewide water storage solutions that provide benefit<sub>z</sub> or are neutral<sub>z</sub> to the region's water supply reliability and flood protection.
- Support legislation, policies, and regulation that advances groundwater recharge.
- Support policies that acknowledge climate change is diminishing snowpack and the ability of the State Water Project and Federal Central Valley Project to meet demands and recognize that upper watershed management and groundwater recharge are necessary to address these hydrologic changes.
- Encourage statewide water planning efforts that recognizes water management differs based on climate, population density, return flows, and other regional geographic and hydrologic factors.
- Promote modifications to state and federal operations that protect the region's ability to use regional resources.

### **Promote Water Efficiency and Water Conservation**

Our region invests in water efficiency and water conservation [measures](#) that are locally cost effective, feasible, and improve the water supply reliability of the region. Water efficiency makes good business sense and is key to assuring we continue our reasonable use of water consistent with our water rights and contracts. The biggest driver of water use in the region is outdoor use in hot dry summers. In the 2015 drought<sub>z</sub> the region led the state in water savings

producing 12 percent of savings while making up only 5 percent of the state's population. Continued improvement on water use efficiency will depend on a consistent regulatory target.

#### **Policy Principles**

- Assure any water efficiency or conservation requirements balance costs with benefits.
- Assure any water loss requirements are cost effective.
- Unique factors such as climate, land use, geography (upper watershed vs. lower watershed) and return flows must be taken into consideration when developing statewide laws and regulations.
- Assure policies and regulations avoid negative impacts on urban tree canopy and other beneficial landscape.
- Promote policies that recognize the differences between water efficiency and water conservation.
- Promote a better understanding of water use efficiency based on local supplies and site-specific factors.
- Define appropriate water efficiency and or conservation goals and objectives that consider local conditions.
- Develop partnerships with other local agencies on public affairs campaigns/messaging.
- Promote public-private partnerships with businesses that lead to greater water efficiency and benefit the local economy.
- Assure that the region receives the benefit of its water efficiency and conservation efforts, including through water transfers consistent with state laws recognizing the transferability of conserved water.

#### **Support Stewardship of the Region's Environmental Resources**

The region's management of water resources is committed to the preservation of the Lower American River and tributary watersheds as demonstrated by the historic Water Forum Agreement enacted in 2000. The Lower American River is a federally designated Wild and Scenic River running through a metropolitan area of over 2 million people that still supports one of the prime cold-water fisheries in the State and is home to [Fall Run Chinook Salmon \(species of concern under ESA\)](#) and threatened Central Valley Steelhead [under the federal ESA](#).

#### **Policy Principles**

- Support flow management standards that protect the ecosystem of the Lower American River, prevent low storage in Folsom Reservoir that would interfere with this region's water supplies, and improve flood safety.
- Promote legislative and regulatory initiatives supporting conjunctive use that will make more surface water available for the Lower American River in dry years.
- Support implementation of infrastructure projects that will improve temperature control and access to cold water at Folsom Reservoir.

- Promote regulatory practices and budget reforms that improve forest management and prioritize funding to support such practices. Ensure all beneficiaries fund the practices.

## **RWA Legislative Analysis Process**

### **Process for Adopting Positions on Introduced Legislation**

The Priority Issues and Policy Principles will be adopted by the RWA Board of Directors and serve as the Advocacy Platform, for which RWA works from in the legislative and regulatory arenas.

Each new legislative session, RWA staff and the contract lobbyist will screen newly introduced legislation using the adopted Advocacy Platform as a guide. Bills that are relative to RWA's platform or are otherwise considered noteworthy to RWA interests are presented to the Regulatory and Advocacy Program (RAP) committee for analysis and consideration.

Through this collaborative process, the RAP committee determines a recommended position on each bill and then assigns a priority (see the list of formal positions and priorities below). During this process, bills may be removed from further consideration and additional bills may be added to RWA's list based on input from the RAP committee or other factors. The committee's recommendations are taken to the RWA Executive Committee for further discussion and approval, consistent with RWA Policy 100.5.

Many of these initial positions and priorities will change as bills are amended throughout the course of the legislative process. The RAP committee will be routinely updated on the status of bills as they move through the legislative process and will decide upon changes in position and priority as the process dictates. In time sensitive situations, RWA staff may change a current position and/or priority with the approval of the RWA Executive Director and concurrence of general counsel. Such changes will be done using the adopted Priority and Policy Issues Platform as guidance. The RAP committee will be updated of changes as soon as possible and the Executive Committee will be asked to ratify such changes at its first meeting following the changes.

### **Formal Positions**

Support - A bill that would benefit RWA or one or more RWA members (without detriment to others), and/or is generally good public policy

Support if Amended - A bill that could benefit RWA, or one or more RWA members, if amended. This position implies that RWA is ready to offer specific amendments.

Oppose - A bill detrimental to RWA or one or more RWA members.

Oppose Unless Amended - A bill that is detrimental to RWA or one or more RWA members, that could be amended to remove the detrimental provisions. This position implies that RWA is ready to offer specific amendments, and will move to a neutral position if accepted.

Watch - A bill of interest to RWA and its members that does not affect RWA directly, or for other reasons does not yet merit a position. May be a “spot” or “intent” bill that does not yet have meaningful language.

Neutral - Generally a bill from which we have removed an Oppose or Oppose Unless Amended position due to amendments or other factors.

### **Bill Priorities**

High Priority - A bill of major significance with direct impact to RWA or a number of RWA members. RWA has a formal position and is actively lobbying, writing letters, offering amendments, testifying in committee, and taking other direct actions as necessary. “Watch” bills can be considered high priority, especially early in the legislative process, depending on the topic, the author, or other factors that warrant heightened monitoring.

Medium Priority - A bill of interest but not anticipated to have major significance to RWA or more than a few of its members. RWA has a formal position but is not actively lobbying legislators. RWA and/or RWA members may submit letters, provide testimony or take other actions as part of other groups or coalition or, in some situations, directly. Individual RWA members may be more active depending on the topic of the bill.

Low Priority - A bill in an area of interest to RWA, but with little potential impact. RWA will only have a Watch position on such bills. No immediate action is planned but these bills will be monitored to assure they don’t evolve into a high priority status. Individual RWA members may be more active depending on the nature of the bill.

## The California Legislative Process Calendar

Below is a general guideline to the legislative calendar. Both the Senate and Assembly develop (coordinated) calendars each year and those calendars should be referenced for specifics.

### January – February

- Bills are introduced in their houses of origin. All introduced bills must be drafted in Legislative Counsel form by the Legislative Counsel's Office. Legislative Counsel's deadline for submission is three weeks prior to the bill introduction deadline.
- Deadline for introducing bills to be heard that year is the end of the third week of February.
- Bill is given a "first reading" in its house of origin, and must be in print for 30 days before they can be acted on.
- In even numbered years bills still in their house of origin must pass through that house by the end of January.

### March – April

- Bills are heard in their respective policy committees.
  - Bills with a fiscal impact must be out by the beginning of May.
  - Bills without fiscal impact must be out by late May.

### May

- Fiscal committees in house of origin hear bills
- Bills go to the "floor" for vote by full house by last week of May.

### June – August

- Process is repeated in the other house.
  - June through early July in policy committees
  - Recess for most of July
  - Mid-August considered by fiscal committees.

### August-September

- Floor sessions held in both houses.
- All bills must be out of the Legislature and to the Governor's desk by August 31<sup>st</sup> in even numbered years and early September in odd numbered year.

Governor has 30 days from the end of session to take action on bills.

## State Regulatory Agencies and Processes



**State Water Resources Control Board**

- Water Rights
- Water Conservation
- Drinking Water Program
- Grants
- Discharge Programs (through the Regional Water Quality Control Boards)

**Department of Water Resources**

- Sustainable Groundwater Management Act Regulations and Implementation
- Water Efficiency
- State Water Project
- Grants - IRWM



Topic: Adopt 2025 Federal Platform  
Type: Legislative Matter  
Item For: Consent Calendar; Action  
Purpose: Policy 100.5 and Strategic Plan Priority- Advocacy Objective A

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SUBMITTED BY:	Jim Peifer Executive Director	PRESENTER:	Jim Peifer Executive Director
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**EXECUTIVE SUMMARY**

This is a consent item for the Board of Directors to review and adopt the 2025 Federal Platform. Feedback was solicited from the Cap to Cap water team.

**STAFF RECOMMENDED ACTION**

Adopt the 2025 policy principles.

**BACKGROUND**

The RWA updates Federal Platform annually. This typically occurs at the January RWA board meeting. The 2025 Federal Platform revises the previous 2024 platform to include the lead and copper rule.

DRAFT

## **2025 Regional Water Authority Federal Legislative Platform**

### **The Sacramento Regional Water Bank (Water Bank)**

We are fortunate to have about 1.8 million acre-feet of available storage capacity under our feet (about twice the size of Folsom Reservoir). To take advantage of this natural storage capacity, RWA is spearheading an effort to increase utilization of the Water Bank in the near term with potential additional recharge of 60,000 acre-feet annually in wet years for future use in dry years, with this potentially expanding to beyond 90,000 acre-feet in the near future if necessary infrastructure investments can be realized. This volume is almost equal to the water supply of cities the size of Sacramento. The Water Bank could also benefit Central Valley Project operations, so Reclamation has provided funding to support technical work and planning to support the Water Bank's expansion. Future federal recognition of the Water Bank is critical to increasing its capabilities, as well as federal funding to help build new infrastructure.

- **RWA Supports:** Federal investment in the Sacramento Regional Water Bank to support technical, governance and operational framework development, as well as related infrastructure for future expansion. Funding sources include USBR, USACE and USEPA.

### **Folsom Cold Water Pool Management**

During the 5-year drought period that ended in 2016, elevated water temperatures on the American River were devastating to fisheries. We anticipate with a warmer climate and earlier runoff; cold water will become more critically important. To improve cold water pool management at Folsom Reservoir, the Army Corps of Engineers has already been authorized to construct a new Temperature Control Device (TCD) and has appropriated almost \$38 million toward its construction.

- **RWA Supports:** The inclusion of the TCD as an Army Corps of Engineers priority project.

### **Watershed Stewardship and Forest Management**

Managing our water resources from their origin at the headwaters and in the upper watershed is critical. Unmanaged and unhealthy forests extend and intensify fire seasons. Runoff from heavy rain events after wildfires contaminate water resources with topsoil, contaminants and ash, as well as sending eroded soils into downstream reservoirs.

- **RWA Supports:** Increased and predictable funding for greater investments in ecological forest management and fire suppression practices on U.S. forest lands consistent with the 2020 Memorandum of Understanding with the State of California.

### **Water Use Efficiency**

The Sacramento region has increased its efforts in Water Use Efficiency in recent decades. Over the last 20 years, the region's water use has been steady even though the population grew 37 percent from 1.5 million to 2.1 million people. Increasing water use efficiency will be important to align this region with the State's policy of "Making Water Conservation a California Way of Life." Financial assistance will be necessary to continue to increase efficiency.

- **RWA Supports:** Increased funding assistance in the form of grants in existing programs such as Reclamation's Water Smart program and similar Federal Assistance programs.

### **Legacy Groundwater Issues**

As a critical part of our water portfolio, groundwater comes with its own challenges. One is contamination, including the family of PFAS chemicals. Without remediation, the ability to optimize conjunctive use and expansion of the Water Bank cannot be fully realized.

- **RWA Supports:** The federal government should accept responsibility and partner with communities to fund clean-up of legacy contamination from the operation of military bases and other federal facilities, while also securing financial support from polluters.

### **Infrastructure Investment and Financing**

The pandemic has highlighted the critical value of reliable water service, so much so that water service shut offs for lack of payment has been widely prohibited. There is a long-standing, multi-billion-dollar deficit in necessary investment in new water infrastructure, as well as rehabilitation of existing facilities.

- **RWA Supports:** Significant federal funding of programs that provide job recovery, financial support and grants to leverage local investments (e.g. WaterSMART, WIFIA, State Revolving Funds, etc.), as well as increased direct capital investment funding for Reclamation, EPA, and the Corps of Engineers.

### **RiverArc**

The RiverArc project would enable large parts of both Sacramento and Placer counties to divert water supplies from the Sacramento River instead of the American River. This would allow more cold water to be preserved at Folsom Reservoir and improve environmental management of American River flows, both to benefit fisheries. RiverArc can also increase the upper potential of the Water Bank by increasing regional conjunctive use capabilities, as well as enhancing Central Valley Project operational flexibility with respect to managing demands on Folsom Reservoir. Reclamation has supported the project by helping to fund initial technical studies.

- **RWA Supports:** Continued federal financial support of the RiverArc project for technical, governance and operational framework development, as well as funding for the project's conveyance, treatment and related infrastructure.

### **Lead and Copper Rule Testing**

As part of the Lead and Copper Rule Revisions (LCRR) adopted in 2021 by USEPA agencies, Local agencies are required to inventory all customer owned service lines and report them to the state and make the inventory publicly available on their agency website. The LCRR allowed for agencies to consult a statistical sample to determine if there are any customer owned lead service lines. With the adoption of the Lead and Copper Rule Improvements regulation in October 2024, water agencies that found, through their investigation and statistical analysis that they have no customer owned lead service lines are now required to prove through a second investigation and statistical analysis that our original analysis is valid. This comes at significant costs to ratepayers with no direct benefit.

- **RWA Supports:** an offramp developed for agencies that 1) have not found lead service lines within their system, 2) through compliance of the lead and copper rule testing have not detected lead in their water, and 3) based on the age of their system should be provided an appropriate offramp from unnecessary costly investigations.



Topic: 2025 RWA Board Officers and Executive Committee - Elections and Appointments  
 Type: New Business  
 Item For: Action, Motion to Approve  
 Purpose: Policies 100.1, 200.1, 200.3

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SUBMITTED BY: Jim Peifer Executive Director PRESENTER: Chair

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**EXECUTIVE SUMMARY**

This action item is for the Board of Directors to approve five of the 2025 RWA Executive Committee members.

**STAFF RECOMMENDED ACTION**

Approve Directors Sean Bigley, Brett Ewart, Robert Wichert, Sean Twilla, and Ron Greenwood to serve on the Executive Committee (the two EC members appointed by the RWA Chair will be ratified at the March board meeting per the action at the previous special meeting)

**BACKGROUND**

Policy 200.3 provides the process for the RWA Board of Directors to select the Chair, Vice Chair, and members of the Executive Committee. The process is summarized as flows:

- The membership elects the chair at the November Board meeting (Mr. William Roberts was elected chair).
- The membership votes for the vice chair and three members of the Executive Committee.
- The contracting members (investor-owned utilities) propose a member for the Executive Committee.
- The RWA Chair appoints two members to the Executive Committee.
- The Sacramento Groundwater Authority (SGA) Chair appoints a member to the Executive Committee, provided their agency is a member of the RWA.

Chair Vacancy

Mr. Roberts is retiring from the City of West Sacramento this month and thus is vacating his position as incoming Chair. The preceding special meeting resulted in the election of a new Chair and Vice Chair. Another result is that incoming Chair did not make the proposed nominations of their two Executive Committee members for consideration by the Board of Directors. This last issue also was addressed in the preceding special meeting.

Election Results

An election by mailed ballot to the RWA members was conducted and counted on December 17, 2024 per Policy 200.3. The election determined the Vice Chair and executive committee members.

## Agenda Item 6

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The results were:

Vice Chair: Michael Saunders (Georgetown Divide Public Utilities District)

Executive Committee: Sean Bigley (City of Roseville), Brett Ewart (City of Sacramento), and Robert Wichert (Sacramento Suburban Water District)

The Investor-Owned Utilities are proposing Sean Twilla (Golden State Water Company) as their nominee for the Executive Committee.

Chris Hunley, SGA Chair, is proposing Ron Greenwood (Carmichael Water District) as its nominee to the Executive Committee.

Staff and counsel recommend that the Board approve the above five nominees as members of the 2025 RWA Executive Committee. Per the action at the preceding special meeting, a Chair and Vice-chair were elected, and the Board approved a motion to authorize the new Chair to appoint their two preferred candidates to the Executive Committee, subject to ratification of those appointments at the March 2025 board meeting.

Finally, the Board has authorized the Executive Committee to draft and present amendments to Policy 200.3 to address a similar situation if it occurs in the future.



Topic: Approval of a Memorandum of Understanding Between RWA and California Municipal Utilities Association  
Type: New Business  
Item For: Action; Recommend Approval  
Purpose: Policy 200.2

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SUBMITTED BY: Jim Peifer  
Executive Director

PRESENTER: Jim Peifer  
Executive Director

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**EXECUTIVE SUMMARY**

This is an action item for the Board to consider and approve a Memorandum of Understanding between the Regional Water Authority and the California Municipal Utilities Association.

**STAFF RECOMMENDED ACTION**

Approve the Memorandum of Understanding between the Regional Water Authority and the California Municipal Utilities Association.

**BACKGROUND**

The California Municipal Utilities Association (CMUA) represents publicly owned electric utilities, water agencies, and gas and oil services statewide and where members of CMUA collectively provide water service to 75 percent of Californians and electric service to 25 percent of the state.

**FINDING/CONCLUSION**

Executive Director Peifer in discussion with Ms. Danielle Blacet of CMUA developed an agreement that could mutually benefit both agencies to collaborate on legislative, regulatory and membership activities as they relate to water and wastewater issues important to our collective membership.

**ATTACHMENT**

Attachment 1- Memorandum of Understanding between the Regional Water Authority and the California Municipal Utilities Association

**Memorandum of Understanding between  
California Municipal Utilities Association and Regional Water Authority**

This Memorandum of Understanding (the **“MOU”**) is entered into on \_\_\_\_\_, 2025 by and between California Municipal Utilities Association (CMUA) and Regional Water Authority (RWA) also individually referred to as **“Party”**, and collectively **“the Parties.”**

WHEREAS, the CMUA represents its members’ interests on energy and water issues before the California Legislature, the Governor’s Office, and regulatory bodies, such as the California Energy Commission, the California Air Resources Board, the Department of Water Resources, the California Independent System Operator, and the State Water Resources Control Board; and

WHEREAS, the RWA is a joint powers authority with 22 member agencies; and

WHEREAS, The RWA’s mission is to serve and represent the interests of the regional water providers and stakeholders for the purpose of improving water supply reliability, availability, quality and affordability; and

WHEREAS, the CMUA represents publicly owned electric utilities, water agencies, and gas and oil services statewide and where members of CMUA collectively provide water service to 75 percent of Californians and electric service to 25 percent of the state; and

WHEREAS, the CMUA would benefit from RWA’s participation in CMUA by leveraging the experience and capabilities of RWA’s staff; and

WHEREAS, the RWA would benefit from participating in CMUA as CMUA is an association with a proven track record of advocating positive outcomes on policy matters in support of their member’s interests; and

WHEREAS, the City of Sacramento, the City of Roseville, the Placer County Water Agency and the Sacramento Municipal Utilities District are mutual members of the RWA and CMUA; and

WHEREAS, many RWA member agencies provide wastewater service to their customers and CMUA advances; and



WHEREAS, the partnership between CMUA and RWA would allow for improved legislative and regulatory advocacy; and

WHEREAS, the Parties desire to enter into an agreement to more intentionally collaborate on legislative, regulatory and membership activities as they relate to water and wastewater issues important to our collective memberships; and

WHEREAS, the Parties desire to memorialize certain terms and conditions of their anticipated endeavor;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. **Purpose and Scope.** The Parties intend for this MOU to provide the foundation and structure for any and all possible coordination and collaboration on legislative, regulatory and membership activities. This MOU is an agreement between the Parties to work together in such a manner to encourage an atmosphere of collaboration and alliance in the support of an effective and efficient partnership to establish and maintain objectives and commitments with regards to water and wastewater issues.
2. **Objectives.** The Parties agrees as follows:
  - 2.1. The Parties shall work together in a cooperative and coordinated effort so as to bring about the achievement and fulfillment of the purpose of the MOU.
  - 2.2. It is not the intent of this MOU to restrict the Parties to this Agreement from their involvement or participation with any other public or private individuals, agencies, or organizations.
  - 2.3. This MOU is not intended to create any rights, benefits, and/or trust responsibilities by or between the Parties.
  - 2.4. The MOU shall in no way obligate either Party to financially contribute to the other organization.
  - 2.5. The MOU shall in no way obligate either Party to agree to a position taken by the other party, and allows for objection and disagreement if necessary.

3. **Term.** This Agreement shall commence upon the Effective Date, as stated above, and will continue until one or more Parties terminate the agreement.
4. **Termination.** This Agreement may be terminated at any time by either Party upon 30 days written notice to the other Party.
5. **Representations and Warranties.** Both Parties represent that they are fully authorized to enter into this Agreement. The performance and obligations of either Party will not violate or infringe upon the rights of any third-party or violate any other agreement between the Parties, individually, and any other person, organization, or business or any law or governmental regulation.
6. **Indemnity.** The Parties each agree to indemnify and hold harmless the other Party, its respective affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from the negligence of or breach of this Agreement by the indemnifying party, its respective successors and assigns that occurs in connection with this Agreement. This section remains in full force and effect even after termination of the Agreement by its natural termination or the early termination by either party.
7. **Limitation of Liability.** Under no circumstances shall either Party be liable to the other Party or any third Party for any damages resulting from any part of this agreement such as, but not limited to, loss of revenue.
8. **Severability.** In the event any provision of this Agreement is deemed invalid or unenforceable, in whole or in part, that part shall be severed from the remainder of the Agreement and all other provisions should continue in full force and effect.
9. **Waiver.** The failure by either Party to exercise any right, power, or privilege under the terms of this Agreement will not be construed as a waiver of any subsequent or future exercise of that right, power, or privilege or the exercise of any other right, power, or privilege.

10. **Legal and Binding Agreement.** This Agreement is legal and binding between the Parties as stated above. The Parties each represent that they have the authority to enter into this Agreement.
11. **Governing Law and Jurisdiction.** The Parties agree that this Agreement shall be governed by California law.
12. **Entire Agreement.** The Parties acknowledge and agree that this Agreement represents the entire agreement between the Parties. In the event that the Parties desire to change, add, or otherwise modify any terms, they shall do so in writing to be signed by both parties.

The Parties agree to the terms and conditions set forth above as demonstrated by their signatures as follows:

**California Municipal Utilities Association**

**Regional Water Authority**

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Danielle Blacet

Chair

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Topic: Watershed Resilience Pilot Project Update  
Type: Old Business  
Item For: Information  
Purpose: Strategic Plan Planning Objective C

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SUBMITTED BY:	Ryan Ojakian Director of Government Affairs	PRESENTER:	Ryan Ojakian Director of Government Affairs
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**EXECUTIVE SUMMARY**

This information item is to update the Board of Directors on developments with the Watershed Resilience Pilot Project.

**STAFF RECOMMENDED ACTION**

None. This item is for information only.

**BACKGROUND**

Ryan Ojakian, Director of Government Affairs and Jim Peifer, Executive Director will provide an oral report on recent updates for the Watershed Resilience Pilot Project.

**Attachments**

- Attachment 1- Draft Gap Analysis Memo
- Attachment 2- Draft Boundary Memo

## American River Watershed Gap Analysis Memorandum (Draft)

<b>Date:</b>	11/22/2024	<b>Jacobs Engineering Inc.</b>
<b>Project name:</b>	American River Basin Watershed Resilience Plan	2485 Natomas Park Drive
<b>Attention:</b>	Ryan Ojakain, Jim Peifer, Trevor Joseph	Suite 600
<b>Client:</b>	Regional Watershed Authority	Sacramento, CA 95833-2937
<b>Prepared by:</b>	Vijay Kesavan	United States
<b>Reviewed by:</b>	Tapash Das, Ibrahim Khadam	T +1.916.920.0300
		F +1.916.920.8463
		www.jacobs.com

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### 1. Purpose and Scope

The American River Watershed (ARW) Resilience Pilot project aims to assess and enhance the resilience of the ARW in California and develop a watershed resilience plan. The gap analysis for the ARW Resilience Pilot project serves as a foundation for understanding the current state of knowledge and identifying areas where additional information or research is needed in delivering a multisectoral resilience assessment of the ARW. This analysis supports several key tasks outlined in the project's scope of work, including the compilation of existing climate vulnerability assessments, preparation of an updated historical watershed water budget, and development of adaptation and implementation strategies. This analysis aims to highlight areas where additional work is needed to enhance the region's resilience to climate impacts, with a specific focus on informing the existing climate change vulnerability planning and modeling analysis in the American River Basin region. The table in Attachment 1 provides a full list of reports and studies assessed in this effort.

### 2. Study Area

The proposed study area encompasses the entire American River, Cosumnes River, and Bear River watersheds, as well as eastside tributaries of the Feather River and Sacramento River between the Bear River mouth and Mokelumne River mouth and includes the City of West Sacramento. The studies reviewed encompass all or part of the proposed study area. Detailed discussion about the study area is available in the Watershed Delineation Task Memo.

### 3. Methodology

The gap analysis drew upon a diverse array of key studies. Approximately 70 reports and studies were assessed as part of this process and organized broadly into the categories of assessment they support, as presented in Attachment 1. The methodology involved includes the following:

1. Research and inventory: Compiling studies and reports on the ARW, including surrounding areas (such as the Cosumnes and Sacramento River watersheds).
  2. Organization: Sorting studies by water sector, category, and geographic study area.
  3. In-depth review: Conducting detailed analyses of studies most relevant to the project scope.
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4. Task-by-task alignment: Mapping each of these resources as sources of information to support the project scope, particularly the technical analysis components.

### 3.1 Key Documents Reviewed

Key document types reviewed include the following:

- Groundwater Sustainability Plans (GSPs)
- Local Hazard Mitigation Plans
- Urban Water Management Plans (UWMPs)
- Integrated Regional Water Management Plans (IRWMPs)
- Central Valley Flood Protection Plan (CVFPP)
- Sacramento and San Joaquin Rivers Basin Study

Other documents and efforts reviewed for this project are summarized below.

The *North American Basin Regional Drought Contingency Plan (RDGP)* is a comprehensive planning document developed to enhance drought resilience in the Sacramento region. This plan builds upon existing regional efforts, including the Sacramento Water Forum Agreement, and addresses vulnerabilities revealed during the severe drought from 2012 to 2017. It serves as a strategic guide for improving water supply reliability and environmental protection in the face of future climate change and drought conditions.

The *Regional Water Reliability Plan (RWRP)* serves as a key planning document to guide water reliability efforts for water management in the Sacramento region. Developed by the Regional Water Authority (RWA) and its member agencies, it aims to improve the overall reliability of the region's water supplies and systems. Its region-specific analysis and recommendations make it an essential reference for any major water projects or planning in the area.

The *American River Basin Study Interior Region 10—California Great Basin (ARBS)* (refer to Attachment 1) serves as a key planning document to guide climate adaptation efforts for water management in the ARW that supplies water to the Sacramento region and beyond. Its basin-specific projections and adaptation strategies make it an essential reference for any major water projects or planning in the American River Basin.

The California Department of Water Resources' (DWR's) *California Watershed Resilience Assessment* (refer to Attachment 1) offers a watershed-scale approach to water management challenges and was prepared as part of DWR's Watershed Resilience Program. Its recent completion and focus on watershed resilience align closely with the goals of the ARW Resilience Pilot project, providing up-to-date methodologies for assessing and enhancing resilience in the face of climate change.

Modeling completed for the Regional Water Authority (RWA) CalSim–CoSANA Integration for Sacramento Regional Water Bank integrates regional water banking operations into broader water system modeling, providing valuable information on groundwater–surface water interactions and regional water management strategies.<sup>1</sup>

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<sup>1</sup> CalSim is a water resources planning model that simulates the operations of California's water projects and infrastructure, and Cosumnes, South American, and North American (CoSANA) is an integrated water resources model that uses the Integrated Water Flow Model.

The **2022 Central Valley Flood Protection Plan Update** (refer to Attachment 1) presents comprehensive flood management strategies for the Central Valley, including the American River Basin. It focuses on climate resilience, performance tracking, and alignment with other state efforts.

The US Department of the Interior's Bureau of Reclamation (Reclamation's) *Sacramento and San Joaquin Rivers Basin Study* (refer to Attachment 1) provides a basin-wide assessment of climate change impacts on water resources, including detailed projections of changes in runoff, water temperature, and reservoir operations. Its comprehensive approach and focus on the Sacramento and San Joaquin basins offer valuable context for understanding the broader regional water system dynamics that affect the ARW.

Reclamation and DWR's *Long-term Operation of the Central Valley Project and State Water Project* (refer to Attachment 1) is an ongoing consultation process resulting in a new biological opinion expected in 2024, providing updated information on operational constraints and environmental requirements affecting water management in the Central Valley.

The US Army Corps of Engineers' *American River Watershed Common Features 2016 Project* (refer to Attachment 1) is a project focusing on reconstructing the levee system and increasing the capacity of the Lower American River Channel to handle larger flood flows, with expected completion between 2024 and 2026 for various components.

### **3.2 Primary Technical Tasks for the American River Watershed Resilience Plan**

In addition to a broad review of the existing studies and reports, each of these items was reviewed with respect to its ability to support specific tasks associated with the development of the American River Watershed (RWA) resilience plan. The primary technical tasks that studies were mapped to are listed below:

- Assess climate vulnerability and state of watershed
- Assess climate vulnerabilities and risks
- Develop adaptation strategies
- Develop performance tracking strategy

These tasks represent key elements of the watershed resilience plan scope of work.

### **3.3 Gap Analysis Limitations**

While the American River Basin Study and related documents provide a comprehensive assessment of water management challenges and potential solutions in the American River Basin, it is important to acknowledge certain limitations. Future projections, especially those related to climate change and long-term water demand, inherently involve uncertainty. Adaptation strategies, in general, do not cover the breadth of the water resource sectors included in the current scope and most identified adaptation strategies would require more detailed feasibility studies before implementation. In addition, these studies represent a snapshot in time; they may not fully account for very recent developments or policy changes that could impact water management in the region. Many studies were conducted 10 to 15 years ago, potentially limiting their ability to capture current watershed conditions.

## 4. Summary of Gap Analysis Findings

Table 1 summarizes a review of existing studies, reports, and data for the American River Basin. The following is an overview of some key studies that will be leveraged to support project technical tasks. Table 2 lists these studies by the sectors that they support.

### 4.1 Assess Climate Vulnerability and State of Watershed

The following list summarizes an overview of the key studies that informed our understanding of climate vulnerabilities in the American River watershed.

- Existing vulnerability assessments, such as those in the ARBS, DWR California Watershed Resilience Assessment, and California's Fourth Climate Change Assessment (refer to Attachment 1), provide a strong foundation but may not fully address all sectors or geographic areas in the expanded study boundary.
- More detailed vulnerability assessments are needed for the Cosumnes River watershed and West Sacramento.
- Assessments of climate impacts on groundwater resources and ecosystems may require updating or expansion for the entire study area.
- While water supply and flood management are well-covered, gaps exist in comprehensive assessments for ecosystems, water quality, and recreation sectors. Gaps also exist for comprehensive wildfire risk and impact assessments for the entire expanded study area, particularly for the following:
  - The Cosumnes River watershed
  - The north slope of the Bear watershed
  - Analysis of potential cascading effects of wildfires on water resources across the entire watershed
  - Integration of wildfire risk into vulnerability assessments and adaptation strategies for all sectors
- The following are equity considerations:
  - Identify and map frontline and Tribal communities across the entire expanded study area.
  - Assess how climate vulnerabilities disproportionately affect low-income and minority populations.
  - Evaluate the adaptive capacity of vulnerable communities to respond to climate impacts.

### 4.2 Assess Climate Vulnerabilities and Risks

This list summarizes the historical water budget data that exists for much of the ARW. Gaps may exist in data for the Cosumnes River watershed and newly included areas.

- An integrated water resources model of the CoSANA groundwater subbasins that simulates detailed surface water and groundwater budgets for the Cosumnes, South and North American basin may be useful for this purpose.
- Updated data accounting for recent changes in land use, water management practices, and climate patterns is required for a comprehensive water budget.
- Equity considerations are limited in prior work, specifically in the following areas:
  - Water access and affordability issues for disadvantaged communities



- Analysis of how historical water management practices have impacted different socioeconomic groups
- Evaluation of the distribution of water resources and infrastructure across communities.

### **4.3 Develop Adaptation Strategies**

This list summarizes an overview of the reports and key studies that include the development of adaptation strategies for the project study area.

- Existing adaptation strategies, such as those outlined in the ARBS, *DWR Watershed Resilience Framework and Toolkit — A Guide to Accelerate Resiliency in California's Watersheds, Sacramento and San Joaquin Rivers Basin Study*, and the CVFPP (refer to Attachment 1) provide a good starting point but may not cover all sectors or geographic areas in the expanded study boundary.
- There is a need for adaptation strategies specific to the Cosumnes River watershed and West Sacramento.
- Cross-sectoral and multi-benefit adaptation options that address multiple vulnerabilities simultaneously should be developed.

### **4.4 Develop Implementation Strategies**

This list summarizes an overview of the reports and key studies that include the development of implementation strategies for the project study area.

- Most adaptation strategies identified in existing reports lack implementation approaches to move them from concepts to actual projects.
- While some implementation strategies exist, more detailed feasibility assessments (such as technical, financial, and regulatory) are needed for proposed adaptation strategies across the entire study area.
- Information on funding sources, regulatory requirements, and institutional capacities may be lacking for newly included areas.

### **4.5 Develop Performance Tracking Strategy**

This list summarizes an overview of the reports and key studies that include the development of performance tracking strategies for the project study area.

- Existing monitoring and evaluation metrics may not cover the entire expanded study area.
- Standardized metrics (that can be applied consistently across diverse subwatersheds and jurisdictions) are needed.
- The development of more comprehensive vulnerability metrics and thresholds for all major water sectors, particularly for ecosystems, water quality, and recreation is needed.
- Baseline data for performance indicators may be lacking, especially for newly included areas, such as the Cosumnes River watershed and West Sacramento.

## 4.6 Gap Analysis Summary

Table 1 summarizes gap analysis findings by primary technical tasks. Table 1 shows information available for each task and the main information gaps that will need to be filled in the watershed resilience plan. Table 2 is an overview of the existing studies by the water sector.

**Table 1. Summary of Gap Analysis Findings**

Task	Information Available	Information Gaps
Assess climate vulnerability and state of watershed	<ul style="list-style-type: none"> <li>▪ Climate change impact assessments for the American River Basin</li> <li>▪ Vulnerability assessments for water supply, environmental needs, and flood management</li> <li>▪ Flood risk assessments for the lower watershed areas</li> <li>▪ Historical, current conditions, and future with climate change (2040) detailed surface water and groundwater budgets</li> <li>▪ Regional context for water management and climate vulnerabilities</li> <li>▪ Flood risk reduction measures for the lower American River</li> <li>▪ Analysis of climate change impacts on groundwater dependent ecosystems and interconnected surface waters</li> <li>▪ Current operational strategies for Folsom Dam</li> <li>▪ Forest lands, especially in upper watershed</li> <li>▪ Primary aquatic habit on the lower American River</li> <li>▪ Detailed agricultural water budgets under existing and future climate change conditions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Detailed climate vulnerability assessments for the Cosumnes River watershed and West Sacramento</li> <li>▪ Integration of flood risk data with other climate vulnerabilities</li> <li>▪ Climate change impacts on water quality in newly included areas</li> <li>▪ Socioeconomic vulnerability assessments, particularly for disadvantaged communities</li> <li>▪ Vulnerability assessments for urban water systems in West Sacramento and other newly included urban areas</li> <li>▪ Catalog of historical weather-related events and impacts</li> </ul>
Assess vulnerabilities and risks	<ul style="list-style-type: none"> <li>▪ ARBS: Historical water budget data for the ARW</li> <li>▪ Comprehensive water budget data for Cosumnes River watershed and newly included areas</li> <li>▪ Regional Water Reliability Plan: Water supply and demand projections</li> </ul>	<ul style="list-style-type: none"> <li>▪ Comprehensive water budget data for Cosumnes River watershed and newly included areas</li> <li>▪ Integrated groundwater-surface water interaction analysis across multiple groundwater basins</li> <li>▪ Impacts of climate change on historical water budget trends</li> </ul>

Technical Memorandum

Task	Information Available	Information Gaps
	<ul style="list-style-type: none"> <li>▪ Sacramento Water Bank: Groundwater recharge and management info</li> <li>▪ El Dorado County Water Resources Development and Management Plan: Water budget for El Dorado County</li> <li>▪ Sacramento Valley Water Management Agreement: Regional water management coordination strategies</li> <li>▪ Water Budget Handbook: Guidance on developing water budgets with or without models</li> <li>▪ Sacramento Water Allocation Model: Detailed water allocation model for the Sacramento River Hydrologic Region</li> </ul>	<ul style="list-style-type: none"> <li>▪ Water use and availability data specific to disadvantaged communities</li> <li>▪ Historical water budget data accounting for environmental water needs and instream flow requirements</li> <li>▪ Comprehensive assessment of impacts on headwaters, forests, and wildfire</li> </ul>
<p>Develop adaptation strategies</p>	<ul style="list-style-type: none"> <li>▪ ARBS: Some monitoring and evaluation metrics for previously studied areas</li> <li>▪ Regional Water Reliability Plan: Performance indicators for regional water management</li> <li>▪ Sacramento Area Flood Control Agency's Storm Drainage Master Plan: Local-scale flood risk assessment metrics</li> <li>▪ Sacramento Valley Water Management Agreement: Inter-agency water management practice indicators</li> </ul>	<ul style="list-style-type: none"> <li>▪ Standardized performance metrics applicable across diverse subwatersheds and jurisdictions in the expanded study area</li> <li>▪ Baseline data for performance indicators in newly included areas (for example, Cosumnes River watershed, north slope of Bear watershed, south slope of Cosumnes watershed)</li> <li>▪ Long-term monitoring strategies for climate adaptation effectiveness across the entire watershed</li> <li>▪ Integration of performance tracking across multiple agencies and jurisdictions, including newly added areas</li> <li>▪ Adaptive management indicators for climate resilience</li> <li>▪ Equity-focused performance metrics</li> <li>▪ Community-based monitoring and reporting mechanisms</li> <li>▪ Indicators for ecosystem health and biodiversity in the expanded study area</li> <li>▪ Metrics for assessing the effectiveness of groundwater-surface water management integration</li> </ul>

**Table 2. Overview of Studies and Reports by Sector**

Category/Sector	Study/Plan
Climate Change and Resilience	<ul style="list-style-type: none"> <li>▪ <i>Sacramento and San Joaquin Basins Study Technical Report</i></li> <li>▪ <i>California Watershed Resilience Assessment</i></li> <li>▪ <i>Risk-Informed Future Climate Scenario Development for the State Water Project Delivery Capability Report</i></li> <li>▪ <i>California Water Plan Update 2023 Technical Series - Watershed Hub Resilience Indicators and Metrics</i></li> <li>▪ <i>American River Basin Study (Reclamation)</i></li> <li>▪ <i>Nevada Irrigation District Water and Climate Change Plan for Water Final Technical Memorandum</i></li> </ul>
Headwaters and Wildfire	<ul style="list-style-type: none"> <li>▪ <i>Tahoe-Central Sierra Initiative Capacity Needs for Forest Health and Wildfire Resilience</i></li> <li>▪ <i>Tahoe-Central Sierra Initiative Blueprint for Resilience</i></li> <li>▪ <i>Tahoe-Central Sierra Initiative Assessment of Current Landscape Conditions</i></li> <li>▪ <i>California Wildfire &amp; Forest Resilience Task Force Sierra Nevada Regional Profile</i></li> </ul>
Communities	<ul style="list-style-type: none"> <li>▪ <i>Protecting Californians from Extreme Heat: A State Action Plan to Build Community Resilience</i></li> <li>▪ <i>Placer County Sustainability Plan</i></li> <li>▪ <i>City of Sacramento Climate Action Plan</i></li> <li>▪ <i>City of Roseville Communitywide Sustainability Action Plan</i></li> <li>▪ <i>Sacramento County Climate Action Plan</i></li> <li>▪ <i>El Dorado County Climate Change Vulnerability Assessment</i></li> </ul>
Ecosystem	<ul style="list-style-type: none"> <li>▪ <i>Cosumnes Watershed Restoration Landscape</i></li> <li>▪ <i>The Lower American River Modified Flow Management Standard</i></li> <li>▪ <i>Working Landscapes: The Natural Capital of the Upper American River Watershed (El Dorado Water Agency [EDWA])</i></li> </ul>
Energy (Hydropower)	<ul style="list-style-type: none"> <li>▪ <i>2030 Zero Carbon Plan (Sacramento Municipal Utility District [SMUD])</i></li> <li>▪ <i>Delivering Low Emission Energy (Pacific Gas and Electric Company)</i></li> <li>▪ <i>Upper American River Hydropower Summary</i></li> <li>▪ <i>El Dorado Hydroelectric Project 184</i></li> </ul>
Flood	<ul style="list-style-type: none"> <li>▪ <i>Sacramento Area Flood Control Agency 500-year Resiliency Plan</i></li> <li>▪ <i>Sacramento County Flood Climate Change adaptation measures (<a href="https://saccounty.net">FLOODMeasures (saccounty.net)</a>)</i></li> </ul>
Groundwater	<ul style="list-style-type: none"> <li>▪ <i>North American Subbasin GSP</i></li> <li>▪ <i>South American Subbasin GSP</i></li> <li>▪ <i>Cosumnes Subbasin GSP</i></li> </ul>
Recreation	<ul style="list-style-type: none"> <li>▪ <i>Folsom Lake State Recreation Area. (California Department of Parks and Recreation)</i></li> <li>▪ <i>American River Parkway. (Sacramento County Department of Regional Parks)</i></li> </ul>

## Technical Memorandum

Category/Sector	Study/Plan
	<ul style="list-style-type: none"> <li>▪ <i>Recreation Implementation Plan. Hydro License Implementation, Upper American River Project, Federal Energy Regulatory Commission Project No. 2101 (SMUD)</i></li> <li>▪ <i>Upper American River Watershed (Sacramento River Watershed Program)</i></li> <li>▪ <i>Outdoor Recreation in the Upper American River Watershed: An Analysis of Economic Impact and Value (EDWA)</i></li> </ul>
Water Supply	<ul style="list-style-type: none"> <li>▪ <i>2020 Urban Water Management Plans</i></li> <li>▪ <i>California Water Plan 2023 Update - Sacramento River Hydrologic Region Report</i></li> <li>▪ <i>Handbook for Water Budget Development</i></li> <li>▪ <i>American Basin Integrated Water Management Plan</i></li> <li>▪ <i>Sacramento Regional Water Bank</i></li> <li>▪ <i>Water Resources Development and Management Plan (EDWA)</i></li> <li>▪ <i>Cosumnes, American, Bear, and Yuba Integrated Regional Water Management Plan</i></li> <li>▪ <i>Upper American River Basin Regional Drought Contingency Plan (EDWA)</i></li> <li>▪ <i>North American Basins Drought Contingency Plan (RWA)</i></li> <li>▪ <i>Regional Water Reliability Plan (RWA)</i></li> </ul>
Watershed Planning	<ul style="list-style-type: none"> <li>▪ <i>Programmatic Watershed Plan (EDWA)</i></li> <li>▪ <i>Bear River Watershed Restoration Plan 2018</i></li> <li>▪ <i>American River Basin Storm Water Resource Plan</i></li> <li>▪ <i>Implementation of the Programmatic Watershed Plan for the Upper American River Watershed (EDWA)</i></li> <li>▪ <i>Review of Groundwater Recharge and Surface Water-groundwater Interactions for the Lower Cosumnes River</i></li> </ul>

Note: Refer to Attachment 1 for more detail about listed documents.

**Attachment 1**  
**Regional Water Authority Gap Analysis**  
**Matrix**



Gap Analysis Literature Review

Author/Agency	Document	Published	Summary	Study Location	Sharepoint Link	Website Link
Bureau of Reclamation	Sacramento and San Joaquin Rivers Basin Study Technical Report	March 2016	Overview and comprehensive study of water resources in the Sacramento and San Joaquin Basins, including analysis of historical and projected future water supply and demand under various climate and socioeconomic scenarios.	Sacramento and San Joaquin Basins, including the Central Valley, Sacramento River system, San Joaquin River system, and Tulare Lake region	<a href="#">Sacramento and San Joaquin Rivers Basin Study Technical</a>	
CA DWR	California Watershed Resilience Assessment	2024	This report presents a statewide assessment of watershed resilience in California, evaluating the ability of watersheds to maintain key functions and services under climate change. It uses indicators across five categories (water, land, biodiversity, people, and management) to score and rank watershed resilience at the HUC-10 scale.	Statewide assessment of California watersheds at the HUC-10 scale (933 watersheds). Focuses on watershed functions related to water resources and ecosystem services.	<a href="#">California Watershed Resilience Assessment</a>	<a href="https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/California-Water-">https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/California-Water-</a>
CA DWR	Risk-Informed Future Climate Scenario Development for the State Water Project Delivery Capability Report	December 2023	This report describes a new approach for developing climate change scenarios to assess future delivery capability of California's State Water Project (SWP). It uses a hybrid method combining bottom-up stress testing with top-down climate model projections to create risk-informed climate scenarios.	California's State Water Project, focusing on the Central Valley watershed area (approximately 39 million acres)	<a href="#">Risk Informed Future Climate Scenario</a>	
CA DWR	California Water Plan Update 2023 Technical Series - Watershed Hub Resilience Indicators and Metrics	Aug 2024	Documents the development of a proposed set of indicators and metrics to assess current water resources conditions for watersheds across California. Describes methods used to evaluate water-related indicators and select a subset for statewide use across watersheds.	Statewide		
City of Roseville	Urban Water Management Plan (2020)	July 2022	Comprehensive plan outlining the City's water supply sources, demand projections, conservation measures, and strategies for water management. Includes analysis of supply reliability, drought risk assessment, and water shortage contingency planning. The UWMP evaluates water supply demands in relation to expected water demands over a 30-year horizon. It also identifies planned water projects that help with reliability and resiliency, including additional water supplies, recycled water and water use efficiency. In addition to the UWMP, the WSCP helps to ensure we have available supplies and plans in the event of shortages due to climate change, population or other uncertainties.	City of Roseville service area	<a href="#">Roseville Urban Water Management Plan</a>	
CA DWR	California Water Plan 2023 Update - Sacramento River Hydrologic Region Report	December 2023	The California Water Plan 2023 Update includes an overview of the Sacramento River Hydrologic Region. This includes information on watershed boundaries, water use, critical water resource challenges and considerations, water supply, future climate risks, and key findings from the watershed resilience assessment.	Sacramento River Hydrologic Region, from Modoc County to Solano County, 27,200 sq miles	<a href="#">California Water Plan 2023 Update</a>	
CA DWR	Handbook for Water Budget Development	February 2020	The purpose of the Handbook for Water Budget Development: With or Without Models (Water Budget Handbook), prepared by the California Department of Water Resources (DWR), is to provide the California water resources community with a resource to develop water budgets for any geographic area and time period, using modeling and non-modeling approaches.	Statewide (Not location based)	<a href="#">Water Budget Handbook</a>	<a href="https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Groundwater-Management/Data-and-Tools/Files/Water-">https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Groundwater-Management/Data-and-Tools/Files/Water-</a>
El Dorado Water Agency	Water Resources Development and Management Plan	October 2019	The WRDMP connects the identified water resource-related challenges to achieving the County General Plan vision with the Agency's implementation programs through an array of resource management strategies. Resource management strategies represent strategic directives that may mitigate the identified challenges through coordinated and collective efforts of all responsible parties. Key actions are established, along with the primary responsible agency(ies), and Agency's corresponding roles in leading, facilitating, or supporting a given activity are also clarified and consistent with its authority and best ways for the Agency to create direct value and benefits for all communities in El Dorado County.	El Dorado County	<a href="#">El Dorado Water Resources Development and Management Plan</a>	<a href="https://www.eldoradocounty.ca.gov/edwateragency/Programs-Projects/EDWA-Programs-Projects/Water-Resources-Development-and-Management-Plan">https://www.eldoradocounty.ca.gov/edwateragency/Programs-Projects/EDWA-Programs-Projects/Water-Resources-Development-and-Management-Plan</a>
Georgetown Divide Public Utility District	Integrated Regional Water Management Plan	2021	Defines current water resources issues and conflicts. Identifies and updates management goals and objectives, including those for water supply, water quality, environment and habitat, land use, and recreation. Evaluates and updates alternative water management strategies and identifies opportunities for cooperative actions among water resource management entities and key stakeholder. Incorporates findings from state-mandated needs assessment of the CABY region disadvantaged communities. Provides implementation plan for priority projects. Establishes management framework. Incorporates climate change research.	Cosumnes, American, Bear, and Yuba Watersheds	<a href="#">Georgetown Divide PUD IRWMP</a>	<a href="https://www.gd-pud.org/files/61994e911/CABY+IRWMP+-+2021+Update+%281%29.pdf">https://www.gd-pud.org/files/61994e911/CABY+IRWMP+-+2021+Update+%281%29.pdf</a>



Author/Agency	Document	Published	Summary	Study Location	Sharepoint Link	Website Link
Georgetown Divide Public Utility District	<b>Urban Water Management Plan (2021)</b>	<b>March 2023</b>	Outlines the water management strategies for the Georgetown Divide Public Utility District, including water supply sources, demand projections, conservation measures, and contingency planning for water shortages. Discusses the primary water source and future water management strategies. The Georgetown Divide Public Utility District (the District) has prepared this 2020 Urban Water Management Plan (UWMP) to be utilized as a resource/planning document for the District and to meet State of California Department of Water Resources (DWR) requirements. The District is classified as an urban water supplier that provides treated water to approximately 3,800 customers and seasonal irrigation water to approximately 400 customers from a single surface water supply, Stumpy Meadows Reservoir.	Georgetown Divide service area	<a href="#">Georgetown Divide Urban Water Management Plan</a>	<a href="https://www.gd-pud.org/draft-2020-urban-water-management-plan">https://www.gd-pud.org/draft-2020-urban-water-management-plan</a>
Nevada Irrigation District	<b>Nevada Irrigation District Water and Climate Change</b>	<b>September 2023</b>	This article, part of a four-part series, is our effort to explain, interpret and explore the implications of climate change for NID and its customers. This article is intended to also help educate the community on NID's operational and planning preparations to mitigate and adapt to a changing climate.	NID Service Area (Upper Watershed)	<a href="#">NIDWaterandClimateChange</a>	
Nevada Irrigation District	<b>Plan for Water Final Technical Memorandum</b>	<b>July 2024</b>	The Plan for Water (PFW) is a collaborative process to review NID's historical and projected available water supply and demands. The PFW will support NID's decisions about future investments and changes in water management practices to ensure the community enjoys the same high-quality water and reliable water system it has now and for the coming years. The PFW modeling includes a hydrological model, demand model, and operations model development.	448 sq. mi. located on the western slope of the Sierra Nevada Mountains and covering portions of three counties: Nevada, Placer, and Yuba (see Figure 2-1).The NID watersheds include the upper reaches of the Yuba River, Bear River, and Deer Creek.	<a href="#">NID Plan for Water</a>	<a href="https://www.nidwater.com/plan-for-water">https://www.nidwater.com/plan-for-water</a>
North American Subbasin (Sacramento Groundwater Authority GSA, Reclamation District 1001 GSA, South Sutter Water District GSA, Sutter County GSA, West Placer GSA)	<b>North American Subbasin Groundwater Sustainability Plan</b>	<b>December 2021</b>	North American Subbasin Groundwater Sustainability Plan is a framework to provide for the sustainability of the NASb of the Sacramento Valley Groundwater Basin for the next 20 years. The NASb, designated as subbasin No. 5-021.64 by the DWR, is bounded on the north by the Bear River, on the south by the American River, to the west by the Feather and Sacramento rivers, and on the east by the Sierra Nevada foothills.	535 square-mile subbasin that includes portions of Placer, Sacramento, and Sutter counties (see figure ES-1)	<a href="#">North American Subbasin GSP</a>	
Placer County Water Agency	<b>2020 Urban Water Management Plan</b>	<b>June 2021</b>	The 2020 UWMP describes and evaluates the reliability of PCWA's existing and planned water supplies to meet forecast near-term and long-term customer water demands. The plan assesses the availability and sufficiency of surface, groundwater, and recycled water assets and the vulnerability of these supplies to seasonal, climactic, seismic, and regulatory conditions.	Placer County - Service area extends from the community of Alta on the east, westward down the Interstate 80 corridor, and bounded by the Sutter County to the west, Sacramento County and El Dorado County to the south and Nevada County to the north. The service area includes retail treated water deliveries to the communities of Alta, Monte Vista, Applegate, Colfax, Auburn, Loomis, Rocklin, and much of the surrounding unincorporated areas within Placer County. PCWA also provides wholesale treated water to the City of Lincoln, , Cal-Am for use in their franchise area west of Roseville and south of Baseline Road, and to other relatively small mutual water companies and townsfranchise area west of Roseville and south of Baseline Road, and to other relatively small mutual water companies and towns.	<a href="#">PCWA Urban Water Management Plan</a>	<a href="https://www.pcwa.net/about-pcwa/environmental-planning">https://www.pcwa.net/about-pcwa/environmental-planning</a>
Regional Water Authority	<b>American River Basin Integrated Water Management Plan</b>	<b>July 2018</b>	The 2018 American River Basin (ARB) IRWMP Update - Multi-benefit approach to water resources planning. Identifies projects for flood risk reduction, water quality improvement, and potential groundwater recharge. Limited explicit climate change analysis. This plan is the application of the DWR definition of integrated water management within a region with a breadth and focus defined locally by stakeholders. These stakeholders dependent on the natural resources of the greater Sacramento region have been engaged in planning and implementing regional plans and projects to meet water supply demands and protect our environment, as represented in the ARB IRWMP.	Sacramento County except for very southeastern "tail" portion of county, and lower watershed portions of Placer and El Dorado Counties. The Placer County portion covers up to the boundary with Sutter County. Only the most western part of El Dorado County is included. County map with IWRMP boundary is on page 2-5, and watershed map is on page 2-7.	<a href="#">American River Integrated Water Management Plan (2018)</a>	<a href="https://rwah2o.org/programs/integrated-regional-water-management/american-river-basin-irwmp-2018-update/">https://rwah2o.org/programs/integrated-regional-water-management/american-river-basin-irwmp-2018-update/</a>
Regional Water Authority	<b>American River Basin Storm Water Resource Plan</b>	<b>May 2018</b>	Describes an ongoing process to identify watershed-based runoff management methodologies for the American River Basin. Contains processes for developing and implementing projects and programs that manage stormwater and dry weather flows to improve water quality, reduce localized flooding, increase water supplies, protect the	American River Basin	<a href="#">ARB_SWRP_Final_5-25-18</a>	



Gap Analysis Literature Review

Author/Agency	Document	Published	Summary	Study Location	Sharepoint Link	Website Link
			environment, and enhance communities. A stormwater resource plan (SWRP), describes an ongoing process to identify watershedbased runoff management methodologies for the American River Basin (ARB) in northern California. This SWRP contains processes for developing and implementing projects and programs that manage stormwater and dry weather flows to improve water quality, reduce localized flooding, increase water supplies, protect the environment, and enhance communities. Projects will be developed both for new development and for existing landscapes to restore watershed processes and provide a variety of benefits.			
Regional Water Authority	<b>Sacramento Regional Water Bank</b>	-	Water providers in the Sacramento region are developing the Sacramento Regional Water Bank (Water Bank). The Water Bank is an innovative groundwater storage program that will improve regional water supply reliability in the near-term and into the future. The Sacramento region's unique setting—at the confluence of the Sacramento and American rivers near Folsom Reservoir and overlying the North American and South American groundwater subbasins—is ideal for the Water Bank's development. The Water Bank will allow the region to sustainably increase use of groundwater as a local water source during dry periods, allowing reduced surface water diversions to help meet local environmental needs.	Sacramento and America River Basin	<a href="#">Sacramento Regional Water Bank</a>	
Sacramento County Water Agency	<b>2020 Urban Water Management Plan</b>	<b>June 2021</b>	The 2020 UWMP is an update to SCWA's 2015 UWMP and presents new data and analysis as required by the California Department of Water Resources (DWR) and the California Water Code (CWC) since 2015. The 2020 UWMP is also a comprehensive water planning document that describes existing and future supply reliability, forecasts future water uses, presents demand management progress, and identifies local and regional cooperative efforts to meet projected water use.	Sacramento County Water Agency service area (all within the County of Sacramento and defined in Figure ES-1).	<a href="#">SCWA Urban Water Management Plan</a>	<a href="https://waterresources.saccounty.gov/scwa/Documents/Engineering%20Reports/SCWA%202020%20Urban%20Water%20Management%20Plan.pdf">https://waterresources.saccounty.gov/scwa/Documents/Engineering%20Reports/SCWA%202020%20Urban%20Water%20Management%20Plan.pdf</a>
Sierra Streams Institute, The Bear River Watershed Stakeholder Group	<b>Bear River Watershed Restoration Plan 2018</b>	<b>May 2018</b>	The mission of the Bear River Watershed Group is to provide a structure within which all stakeholders are able to reach consensus on the issues facing the watershed in order to create and implement a collaborative, science-based restoration plan.	The Bear River Watershed	<a href="#">Bear River Watershed Resoration Plan</a>	
South American Subbasin (Northern Delta Groundwater Sustainability Agency, Omochumne-Hartnell Water District, Reclamation District 551, Sacramento Central Groundwater Authority, Sacramento County, Sloughhouse Resource Conservation District)	<b>South American Subbasin Groundwater Sustainability Plan</b>	<b>October 2021</b>	The South American Subbasin GSP outlines a 20-year plan for sustainable groundwater management activities that consider the needs of all users in the SASb and ensures a viable groundwater resource for beneficial use by many groups, including potable water purveyors, agricultural, agricultural residential, domestic, commercial and industrial users, and various environmental services. This GSP is intended to achieve a sustainable regime that balances pumping and recharge and considers the needs of all water users.	South American Subbasin within the larger Sacramento Valley Groundwater Basin. A majority of the SASb is surrounded by rivers including the American River on the northern boundary, the Cosumnes and Mokelumne Rivers on the south, and the Sacramento River forming the western boundary. The eastern boundary is located at the transition between the alluvial sediments of the groundwater basin and the bedrock of the foothills of the Sierra Nevada mountains (see figure ES-2).		<a href="https://sasbgroundwater.org/groundwater-plan">https://sasbgroundwater.org/groundwater-plan</a>
State of California	<b>Protecting Californians From Extreme Heat: A State Action Plan to Build Community Resilience</b>	<b>April 2024</b>	State action plan focused on addressing extreme heat impacts in California. It outlines strategies across four key action tracks: building public awareness, strengthening community services and response, increasing resilience of the built environment, and utilizing nature-based solutions.	Statewide		
Upper American River Programmatic Watershed Group	<b>Programmatic Watershed Plan</b>	<b>November 2023</b>	The PWP - presents a holistic approach to leverage natural, built, and social capitals to create and reinforce the expansion of natural, built, and social capacities for watershed sustainability and community resilience. In this context, capital means the physical and nonphysical (e.g., institutional and trust) assets and resources within the associated natural, built, or social environments; capacity means the ability leverage available and accessible capital to create individual and watershed-wide benefits.	Upper American River Watershed	<a href="#">UpperAmRWatershedPlan_Nov2023</a>	
US Bureau of Reclamation; Placer County Water Agency, El Dorado County Water Agency, Regional Water Authority	<b>American River Basin Study (ARBS) Interior Region 10 - California-Great Basin</b>	<b>August 2022</b>	Building on the Sacramento-San Joaquin Rivers Basin Study, this American River Basin Study (ARBS) developed data, tools, analyses, and climate change adaptation strategies specific to the American River Basin. The ARBS examined strategies to integrate or better coordinate local and Federal water management practices to improve regional water supply reliability, while enhancing Reclamation's flexibility in operating Folsom Reservoir to meet flow and water quality standards in the Sacramento-San Joaquin Delta (Delta) and to protect endangered fishery species in the Lower American River.	Covers the entire American River Watershed, including Folsom Lake, the lower American River, and surrounding groundwater basins	<a href="#">1_ARBS-Study</a>	

Gap Analysis Literature Review

Author/Agency	Document	Published	Summary	Study Location	Sharepoint Link	Website Link
Placer County	Placer County Sustainability Plan	January 2020	Comprehensive plan to reduce greenhouse gas emissions and enhance community resilience to climate change impacts in Placer County. Includes GHG inventories, emissions forecasts, reduction targets, and adaptation strategies.	Placer County, CA	<a href="#">Placer County Sustainability Plan</a>	<a href="https://www.placer.ca.gov/DocumentCenter/View/42940/PCS-P-ADOPTION2?hidId=">https://www.placer.ca.gov/DocumentCenter/View/42940/PCS-P-ADOPTION2?hidId=</a>
Sierra Business Council	Community-Wide and County Operations 2015 Greenhouse Gas Emissions Inventories	January 2018	Detailed GHG emissions inventories for community-wide and county government operations in Placer County for 2015, with comparisons to 2005 baseline. Provides sector-by-sector breakdown of emissions sources.	Placer County, CA		
Placer County	Placer County Local Hazard Mitigation Plan Update	2016	Hazard mitigation plan that assesses risks from natural and human-caused hazards and outlines strategies to reduce vulnerabilities. Includes climate change considerations and analyzes 13 hazard types.	Placer County, CA		
Cosumnes Subbasin GSAs	Cosumnes Subbasin Groundwater Sustainability Plan	December 2021	Comprehensive plan to achieve groundwater sustainability in the Cosumnes Subbasin by 2042. Includes basin setting, water budget, sustainable management criteria, monitoring network, and projects/management actions.	Cosumnes Subbasin	<a href="#">Consumnes Subbasin GSP</a>	<a href="https://www.cosumnesgroundwater.org/groundwater/cosumnes-gsp/">https://www.cosumnesgroundwater.org/groundwater/cosumnes-gsp/</a>
EKI Environment & Water, Inc.	Technical Memorandum - Cosumnes Subbasin Data Management System	June 2019	Documents the development and contents of the Cosumnes Subbasin Data Management System (DMS), which compiles groundwater and surface water data for the basin	Cosumnes Subbasin		
Woodard & Curran	CoSANA Model Report	October 2021	Documents the development of the Cosumnes-South American-North American (CoSANA) integrated hydrologic model used for water budget and projected scenario analysis   Cosumnes, South American, and North American Subbasins	Historical (WY 1999-2018) and Projected (WY 2019-2072)	<a href="#">CoSANA Model Report</a>	<a href="https://www.cosumnesgroundwater.org/wp-content/uploads/2021/10/CoSANA-Model-Report.pdf">https://www.cosumnesgroundwater.org/wp-content/uploads/2021/10/CoSANA-Model-Report.pdf</a>
California Tahoe Conservancy	Integrated Vulnerability Assessment of Climate Change in the Lake Tahoe Basin	2020	Climate change is amplifying the background stressors on natural resources, infrastructure, and communities in the Lake Tahoe Basin (Basin). Land managers and policy-makers are increasing the Basin's resilience and ability to adapt. Doing this now protects people and nature, and saves money. This vulnerability assessment provides residents, visitors, businesses, and public agencies with state-of-the-art information on how patterns of temperature and precipitation will change (called "impacts"), and how these patterns will affect the things people care about (called "implications"). The common scenarios and analyses provided will help public agencies and stakeholder organizations anticipate climate change implications, and better design and maintain their future projects that improve the quality of life, land, and waters in Tahoe. This assessment is written for a technical audience, and will feed directly into a Basinwide adaptation action plan written for all audiences.	Lake Tahoe Basin	<a href="#">Integrated-Vulnerability-Assessment-of-Climate-Change-in-the-Lake-Tahoe-Basin_2020.pdf</a>	<a href="https://tahoe.ca.gov/wp-content/uploads/sites/257/2020/04/Integrated-Vulnerability-Assessment-of-Climate-Change-in-the-Lake-Tahoe-Basin_2020.pdf">https://tahoe.ca.gov/wp-content/uploads/sites/257/2020/04/Integrated-Vulnerability-Assessment-of-Climate-Change-in-the-Lake-Tahoe-Basin_2020.pdf</a>
California Tahoe Conservancy	Integrated Vulnerability Assessment of Climate Change in the Lake Tahoe Basin - Technical Memos	2020	The tech memos cover a range of vulnerability assessments and topics such as aquatic resources, groundwater, soil moisture, forest biology, forest ecosystem, riparian and aspen ecosystems, meadow ecosystems, wildlife connectivity, public health vulnerability, washoe cultural resources, Lake Tahoe Surface Elevation, Recreation resources, Lake Tahoe Basin Infrastructure, etc.	Lake Tahoe Basin	<a href="https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Tahoe%20Basin%20IVA-2020-04-15.pdf">https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Tahoe%20Basin%20IVA-2020-04-15.pdf</a>	<a href="https://tahoe.ca.gov/wp-content/uploads/sites/257/2020/04/Lake-Tahoe-Basin-IVA-2020-04-15.pdf">https://tahoe.ca.gov/wp-content/uploads/sites/257/2020/04/Lake-Tahoe-Basin-IVA-2020-04-15.pdf</a>
Tahoe- Central Sierra Initiative	Tahoe-Central Sierra Initiative 10-Year Regional Plan	March 2023	The 10-Year Regional Plan charts the path forward for TCSI and identifies two overarching goals and six strategies for improving social and ecological resilience across 2.4 million acres. These goals and strategies build on the progress the partnership made when it developed a scientific foundation for restoring resilience and integrate the recent state and national strategies. These strategies call for: <ul style="list-style-type: none"> <li>• Restoring resilience to forested watersheds,</li> <li>• Building shared stewardship,</li> <li>• Supporting local economies, and</li> <li>• Establishing healthy and resilient communities that can withstand and adapt to wildfire.</li> </ul> The TCSI is taking a systematic approach to restore resilience across a 2.4-million acre landscape that spans multiple ecosystems and ownerships.	Forest ecosystems and communities in the Sierra Nevada (Central Sierra and Lake Tahoe Basin) across 2.4 million acres. Steppe- Mixed Coniferous Forest Alp ecoregion. Six watersheds: Yoba, Truckee, Lake Tahoe, Upper Bear, North Fork American, South Fork American.	<a href="https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Tahoe%20Basin%20IVA-2020-04-15.pdf">https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Tahoe%20Basin%20IVA-2020-04-15.pdf</a>	<a href="https://www.tahoeceentralsierra.org/wp-content/uploads/2023/09/1.-TCSI-10-Year-Regional-Plan.pdf">https://www.tahoeceentralsierra.org/wp-content/uploads/2023/09/1.-TCSI-10-Year-Regional-Plan.pdf</a>

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Tahoe- Central Sierra Initiative	Capacity Needs for Forest Health and Wildfire Resilience	2024	Within the context of TCSI's 10-Year Regional Plan, capacity refers to the individual and combined ability of agencies, organizations, and Tribes to effectively plan, implement, and sustain the foundational activities that enhance forest resilience. Beyond financial resources, capacity in this context encompasses organizational strength in managing internal operations, effective collaboration, community engagement, and partnership building. Additionally, it includes the ability to plan, permit, and prepare for project implementation, successfully execute projects on the ground, and continuously monitor, evaluate, and adapt based on evolving needs. For the purposes of this report, TCSI defined capacity by the following categories: organizational, collaboration and partnerships, landscape strategy and planning, project implementation, community outreach, and monitoring.	Forest ecosystems and communities in the Sierra Nevada (Central Sierra and Lake Tahoe Basin) across 2.4 million acres. Steppe- Mixed Coniferous Forest Alp ecoregion. Six watersheds: Yoba, Truckee, Lake Tahoe, Upper Bear, North Fork American, South Fork American.	<a href="https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/Tahoe-Central%20Sierra%20Initiative/CapacityN">https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/Tahoe-Central%20Sierra%20Initiative/CapacityN</a>	<a href="https://www.tahoecentralsierra.org/wp-content/uploads/2024/08/TCSI-CAPACITY-REPORT-6.pdf">https://www.tahoecentralsierra.org/wp-content/uploads/2024/08/TCSI-CAPACITY-REPORT-6.pdf</a>
Tahoe- Central Sierra Initiative	Blueprint for Resilience	2023	The TCSI Blueprint is a set of strategy maps that identify opportunities for forest protection and adaptation across the study area. It is the culmination of an effort to improve resilience to anticipated climate change and wildfire as well as beetle- and drought-caused tree mortality. The TCSI group, along with scientists and forest managers versed in the concept of resilience, defined resilience based on 10 ecological and social pillars. The TCSI Blueprint includes evaluations of 30 unique metrics, such as large tree density and probability of high-severity fire, that describe conditions across five of the pillars of resilience: forest resilience, fire-adapted communities, fire dynamics, biodiversity conservation, and carbon sequestration. The TCSI Blueprint uses a novel application of the Ecosystem Management Decision Support tool to evaluate spatial data layers against target conditions that are indicative of resilient landscapes. The TCSI Blueprint integrates assessments of both current and future conditions under climate change to reflect where management can likely make the most impact toward achieving functions on the landscape now and into the future.	Forest ecosystems and communities in the Sierra Nevada (Central Sierra and Lake Tahoe Basin) across 2.4 million acres. Steppe- Mixed Coniferous Forest Alp ecoregion. Six watersheds: Yoba, Truckee, Lake Tahoe, Upper Bear, North Fork American, South Fork American.	<a href="https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/Tahoe-Central%20Sierra%20Initiative/Blueprint-for-Resilience-Publication.pdf?csf=1&amp;web=1&amp;e=NAnGO">https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/Tahoe-Central%20Sierra%20Initiative/Blueprint-for-Resilience-Publication.pdf?csf=1&amp;web=1&amp;e=NAnGO</a>	<a href="https://research.fs.usda.gov/psw/understory/blueprint-resilience-tahoe-central-sierra-initiative">https://research.fs.usda.gov/psw/understory/blueprint-resilience-tahoe-central-sierra-initiative</a>
Tahoe- Central Sierra Initiative	Assessment of Current Landscape Conditions		Climate change, high-severity wildfire, and drought threaten the resilience of forests and communities in the Sierra Nevada. The area burned by high-severity wildfires annually is increasing, and prolonged droughts coupled with beetle outbreaks have the potential to result in massive tree mortality, leaving extremely large areas of dead trees. These factors, along with fire suppression and unsustainable logging practices, shaped the forests we know today, which are less resilient to wildfire and drought than pre-European settlement forests. The Tahoe-Central Sierra Initiative (TCSI) is a partnership of state and federal agencies, non-governmental organizations (NGOs), the timber industry, and researchers that was established to improve forest and social resilience to climate change and other stressors across a 978,381-hectare (2.4 million-acre) landscape. Increasing forest heterogeneity and decreasing fuel loads through ecologically based forest management will likely improve the forest and human communities' ability to adapt to future wildfires and drought under a changing climate. To provide a foundation for achieving resilience, TCSI established a four-part Roadmap to Resilience: Framework for Resilience, Assessment of Current Landscape Conditions, Assessment of Future Landscape Conditions, Blueprint for Resilience. This report aims to understand current forest and landscape conditions, including fire and beetle/ drought risk and biomass-processing capacity and sets baseline conditions for key resources within the study area.	Forest ecosystems and communities in the Sierra Nevada (Central Sierra and Lake Tahoe Basin) across 2.4 million acres. Steppe- Mixed Coniferous Forest Alp ecoregion. Six watersheds: Yoba, Truckee, Lake Tahoe, Upper Bear, North Fork American, South Fork American.	<a href="https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/Tahoe-Central%20Sierra%20Initiative/assessmentofcurrentconditions.pdf?csf=1&amp;web=1&amp;e=KH1Z2g">https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/Tahoe-Central%20Sierra%20Initiative/assessmentofcurrentconditions.pdf?csf=1&amp;web=1&amp;e=KH1Z2g</a>	<a href="https://research.fs.usda.gov/psw/understory/assessment-current-landscape-conditions-tahoe-central-sierra-initiative">https://research.fs.usda.gov/psw/understory/assessment-current-landscape-conditions-tahoe-central-sierra-initiative</a>
California Wildfire & Forest Resilience Task Force	Sierra Nevada Regional Profile	September 2022	In the sections that follow we have used the framework from the Pillars of Resilience to describe in detail the nature of each of: healthy and resilient forests, carbon storage, water security, biodiversity conservation, air quality, economically robust communities, and resilient and fire safe communities. The intent is to provide the reader with foundational background information related to each of those pillar categories, share findings from stakeholder surveys and interviews and describe in more detail the underlying make up of each pillar in terms of two to three select metrics being used to describe it.	The Sierra Nevada Region includes the Sierra Nevada, Southern Cascades and Eastside or Inyo region. It is home to over 880,000 people across 23 counties and encompasses one of the largest stretches of protected wilderness in the nation	<a href="https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/C">https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/C</a>	<a href="https://wildfiretaskforce.org/sierra-nevada-regional-profile/">https://wildfiretaskforce.org/sierra-nevada-regional-profile/</a>

Gap Analysis Literature Review

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City of Sacramento Department of Utilities	City of Sacramento Comprehensive Flood Management Plan	May 2024	The City, like other urban areas, faces risks to life and property from many natural and man-made hazards, including fire, earthquake, terrorism, toxic spills, wind, drought, wildfire, and flood. Most notably, of all these risks, flooding poses the greatest threat to the residents of Sacramento. Given the City's high flood risk and vulnerability, this Comprehensive Flood Management Plan (CFMP) is maintained and implemented by City government to guide the City's flood risk reduction and mitigation efforts. This CFMP, initiated by the City's Department of Utilities (DOU), will serve as the City's strategic plan to reduce flood risk over the next five years (2024-2029).	Sacramento, CA	<a href="https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/C">https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/C</a>	<a href="https://www.cityofsacramento.gov/content/dam/portal/dou/utilities/stormwater/flood-preparedness/documents/CFMP%202024%20with%20Append">https://www.cityofsacramento.gov/content/dam/portal/dou/utilities/stormwater/flood-preparedness/documents/CFMP%202024%20with%20Append</a>
City of Sacramento	City of Sacramento Climate Implementation Work Plan	2021	The purpose of this work plan is to identify the City of Sacramento's priority climate initiatives for implementation in the calendar year of 2021. Specifically, this work plan is a road map of critical, near-term climate work, including a new staff position that the City Manager is creating to coordinate, direct, and accelerate City efforts to address climate change through a highly collaborative process that involves all departments.	Sacramento, CA	<a href="https://www.cityofsacramento.gov/content/dam/portal/pw/climate-action/2021ClimateImplementationPlan">City of Sacramento Climate Implementation Work Plan</a>	<a href="https://www.cityofsacramento.gov/content/dam/portal/pw/climate-action/2021ClimateImplementationPlan">https://www.cityofsacramento.gov/content/dam/portal/pw/climate-action/2021ClimateImplementationPlan</a>
City of Roseville	City of Roseville Communitywide Sustainability Action Plan	October 2010	The main objective of the City of Roseville Communitywide Sustainability Action Plan (SAP) is to set forth a comprehensive strategy to address emerging sustainability issues related to land use patterns, transportation, building design, energy use, water demand, and waste generation. The SAP outlines a road-map to reduce GHGs and air pollutant emissions within the community (i.e., vehicle emissions, emissions related to energy production) and to promote economic growth based on clean technology and sustainable practices.	Roseville, CA	<a href="https://www.cityofsacramento.gov/content/dam/portal/pw/climate-action/2021ClimateImplementationPlan">City of Roseville Communitywide Sustainability Action Plan</a>	<a href="https://www.roseville.ca.us/government/departments/development_services/planning/citywide_planning_documents">https://www.roseville.ca.us/government/departments/development_services/planning/citywide_planning_documents</a>
Sacramento County	Sacramento County Climate Action Plan	July 2024	The Climate Action Plan (CAP) provides a roadmap to achieve the following objectives for the unincorporated county and the County: 1) Implement County's Final Environmental Impact Report for the Sacramento County General Plan of 2005-2030 (General Plan), adopted in November 2011, Mitigation Measure CC-2 to prepare and adopt a CAP that will reduce greenhouse gas (GHG) impacts from implementing the General Plan. 2) Include reasonably foreseeable projects and population growth in GHG emissions forecasts. 3) Identify GHG emission reduction targets tailored to the unincorporated county and the County's government operations that align with State and County climate goals. 4) Establish GHG emissions reduction measures and actions to achieve the County's GHG emissions reduction targets for communities in the unincorporated county and County operations. 5) Set a framework of sufficiently adaptable long-term strategies that will consider and incorporate, as appropriate, additional GHG reduction strategies that embrace continued innovation, technological advances, and creating high-quality jobs in the county. 6) Provide a mechanism for streamlining project-level GHG emissions analysis consistent with Section 15183.5 of the State California Environmental Quality Act (CEQA) Guidelines. 7) Develop climate adaptation measures to guide the County to a more resilient future.	Sacramento County	<a href="https://www.cityofsacramento.gov/content/dam/portal/pw/climate-action/2021ClimateImplementationPlan">Sacramento County CAP</a>	<a href="https://planning.saccounty.gov/PlansandProjects/In-Progress/Documents/Climate%20Action%20Plan/SEIR%20Documents/SactoCo.CAP_wApdcs_071224.pdf">https://planning.saccounty.gov/PlansandProjects/In-Progress/Documents/Climate%20Action%20Plan/SEIR%20Documents/SactoCo.CAP_wApdcs_071224.pdf</a>  <a href="https://green.saccounty.net/Sustainability/Pages/FLOODMeasures.aspx">https://green.saccounty.net/Sustainability/Pages/FLOODMeasures.aspx</a>
El Dorado County	El Dorado County Climate Change Vulnerability Assessment	May 2023	The County has prepared this CVA to support the unincorporated County community in preparing for, responding to, and recovering from hazard events intensified by climate change. The CVA provides a framework for understanding climate change science and modelling forecasts and for the consideration of incorporating adaptation and resilience goals and policies to include in the County's General Plan Noise, Public Health, and Safety Element.	El Dorado County	<a href="https://www.cityofsacramento.gov/content/dam/portal/pw/climate-action/2021ClimateImplementationPlan">El Dorado County Climate Change Vulnerability Assessment</a>	<a href="https://www.eldoradocounty.ca.gov/files/assets/county/v/1/documents/land-use/long-range-planning/granicus-minrated-">https://www.eldoradocounty.ca.gov/files/assets/county/v/1/documents/land-use/long-range-planning/granicus-minrated-</a>
Bureau of Land Management	Consumnes Watershed Restoration Landscape	2023	The Bureau of Land Management is infusing \$161 million for ecosystem restoration and resilience on the nation's public lands, as part of the Biden Harris Administration's Investing in America agenda. The proposed work will focus on 21 "Restoration Landscapes" across 11 western states, restoring public lands, strengthening communities and local economies, advancing climate resilience and furthering our commitment to Tribal collaboration and partnership.	Cosumnes Watershed	<a href="https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20">https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20</a>	<a href="https://www.blm.gov/sites/default/files/docs/2023-05/BLM-CA-Cosumnes-Watershed-Restoration-">https://www.blm.gov/sites/default/files/docs/2023-05/BLM-CA-Cosumnes-Watershed-Restoration-</a>



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Sacramento Water Forum	<b>The Lower American River Modified Flow Management Standard</b>	2015	The Sacramento Water Forum has developed a Modified Flow Management Standard (Modified FMS) for the lower American River. Designed to protect anadromous salmonids and avoid catastrophic water shortages in the basin, the Modified FMS represents the best path forward for protecting local resources without re-directing negative impacts to other regions. The lower American River is the only urban waterway in the United States to be designated a "Wild and Scenic River" (Figure 1) by state and federal governments. The river is home to 43 fish species, including federally threatened steelhead and struggling fall-run Chinook salmon. Folsom Dam and Reservoir, located at the confluence of the North and South Fork American rivers, provide flood control and drinking water to nearly 1 million residents of the Sacramento region. In particular, about 500,000 people in the cities of Folsom and Roseville and in the San Juan and El Dorado Water Districts depend on diversions directly from Folsom Reservoir as their primary water supply.	Lower American River	<a href="https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/Lower%20American%20River%20Modified%20Flow%20Management%20Standard?csf=1&amp;web=1&amp;e=">https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/Lower%20American%20River%20Modified%20Flow%20Management%20Standard?csf=1&amp;web=1&amp;e=</a>	<a href="https://www.waterboards.ca.gov/waterresources/water_issues/programs/bay_delta/california_waterfix/exhibits/docs/petitioners_exhibit/dwr/dwr_915.pdf">https://www.waterboards.ca.gov/waterresources/water_issues/programs/bay_delta/california_waterfix/exhibits/docs/petitioners_exhibit/dwr/dwr_915.pdf</a>
El Dorado Water Agency	<b>Working Landscapes: The Natural Capital of the Upper American River Watershed</b>	2024	Working landscapes and the ecosystem goods and services (EGS) they provide are critical to people's health and wellbeing. Understanding the value of these lands is crucial for informed decision-making, economic development, and conservation efforts. The purposes of this valuation are (1) to estimate the value of EGS that the UARW generates, and (2) to show the distribution of that value locally, within California, and beyond. This effort is part of the planning efforts by El Dorado Water Agency (Agency) to improve sustainable watershed management and community resilience. For more details, see UARW Programmatic Watershed Plan. The valuation process includes the identification of EGS provided by the UARW and the monetization of a subset of the identified EGS where data allows. To help illustrate the benefits of EGS, this report also includes provisioning and beneficiary maps of selective EGS showing where the benefits (e.g., water supply, water quality, hydropower energy, carbon, and beauty) are produced, and where they are used.	Upper American River watershed (UARW)		<a href="https://www.eldorado-county.ca.gov/edwateragency/Programs-Projects/Watershed-Management/Upper-American-River-Watershed-Program">https://www.eldorado-county.ca.gov/edwateragency/Programs-Projects/Watershed-Management/Upper-American-River-Watershed-Program</a>
SMUD	<b>2030 Zero Carbon Plan</b>		In July 2020, Sacramento Municipal Utility District's (SMUD's) Board of Directors adopted a climate emergency declaration, prompting SMUD to develop a bold and ambitious plan for reaching zero carbon by 2030 while ensuring we continue to provide safe, reliable, affordable and inclusive power to our customers and community. This 2030 Zero Carbon Plan is a flexible road map to eliminate greenhouse gas emissions (GHG) from our power supply by 2030. It was developed following completion of several technical studies.	SMUD	<a href="https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis">https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis</a>	<a href="https://www.smud.org/Corporate/Environmental-Leadership/2030-Clean-Energy-Vision">https://www.smud.org/Corporate/Environmental-Leadership/2030-Clean-Energy-Vision</a>
Sacramento Municipal Utility District	<b>Upper American River Hydropower Project Summary</b>	2015	The Upper American Project is located on the Rubicon River, Silver Creek, and South Fork American River. The project uses water from both the South Fork American and Rubicon River watersheds, which drain the western slope of the Sierra Nevada Mountains. The project developments span more than 81 river miles and have an elevation change of about 6,000 feet msl from the uppermost Rubicon reservoir to the downstream reach of the Slab Creek/White Rock development. In addition to generation-related facilities, the project includes 47 recreation areas that include campgrounds, day use facilities, boat launches, trails, and a scenic overlook.	The Upper American River Project consists of seven developments located on the Rubicon River, Silver Creek, and South Fork American River in El Dorado and Sacramento Counties in central California. These seven developments occupy 6,190 acres of federal land within the Eldorado National Forest and 54 acres of federal land administered by the Bureau of Land Management (BLM). The proposed The Iowa Hill Development will be located in El Dorado County and will occupy 185 acres of federal land within the Eldorado National Forest.	<a href="https://jacobsengineering.sharepoint.com/sites/CPW8Y34200/ProjTeam_Int/Forms/AllItems.aspx?newTargetListUrl=https%3A%2F%2Fjacobsengineering%2Eshare">https://jacobsengineering.sharepoint.com/sites/CPW8Y34200/ProjTeam_Int/Forms/AllItems.aspx?newTargetListUrl=https%3A%2F%2Fjacobsengineering%2Eshare</a>	
Sacramento County Department of Regional Parks	<b>American River Parkway Plan</b>	2008	The Parkway Concept can be summarized as follows: The American River Parkway is a unique regional facility which shall be managed to balance the goals of: a) preserving naturalistic open space and protecting environmental quality within the urban environment, and b) contributing to the provision of recreational opportunities in the Sacramento area. Overall guidance on the approach to preservation and management of the Parkway are embodied in both the Plan's Goals and the Concept Policies.	The American River Parkway is an open space greenbelt which extends approximately 29 miles from Folsom Dam at the northeast to the American River's confluence with the Sacramento River at the southwest.		<a href="https://regionalparks.saccounty.gov/Parks/Pages/ParkwayPlan.aspx">https://regionalparks.saccounty.gov/Parks/Pages/ParkwayPlan.aspx</a>
SMUD	<b>Recreation Implementation Plan. Hydro License Implementation, Upper American River Project, FERC Project No. 2101</b>	2015	The Federal Energy Regulatory Commission (FERC) issued SMUD a fifty-year license to operate the Upper American River Project (UARP or Project) on July 23, 2014 (License). FS Condition 41 requires SMUD to develop this Recreation Implementation Plan in coordination with the FS. SWRCB Condition 14 requires the Plan to include provisions for SMUD to consult with the SWRCB and the Central Valley Regional Water Quality Control Board (CVRWQCB) regarding any water quality permits and approvals necessary for the construction or rehabilitation of recreation facilities. This Plan will guide SMUD and FS staff in designing and constructing recreation facilities described in FS Conditions 44 and 45. In addition, the Plan addresses the process for identifying and prioritizing additional recreation measures (see FS Conditions 42, 44, 45, 48).	SMUD	<a href="https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/SMUD%20-%20Recreation/FERC%202101%20Recre">https://jacobsengineering.sharepoint.com/:b:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/SMUD%20-%20Recreation/FERC%202101%20Recre</a>	<a href="https://www.smud.org/-/media/Documents/In-Our-Community/Recreational-Areas/UARP/Hydro-License-Compliance/Recreation-Management-Plans/FERC-2101-">https://www.smud.org/-/media/Documents/In-Our-Community/Recreational-Areas/UARP/Hydro-License-Compliance/Recreation-Management-Plans/FERC-2101-</a>

Gap Analysis Literature Review

Author/Agency	Document	Published	Summary	Study Location	Sharepoint Link	Website Link
El Dorado Water Agency	<b>Outdoor Recreation in the Upper American River Watershed: An Analysis of Economic Impact and Value</b>	2024	The upper American River watershed (UARW) is a significant asset for outdoor recreation that serves both locals and visitors from around California and beyond. The UARW's significance in outdoor recreation is largely attributed to its wealth of natural capital. As demand for outdoor recreation continues to grow, placing additional pressure on the UARW's natural capital, a more detailed accounting of visitation and usage of recreational lands in the watershed can inform decision making, resource allocation, and engagement with interested parties. The primary objective of this economic study of outdoor recreation in the UARW (Study) was to evaluate both the economic impacts, stemming from tourist spending, and the broader economic benefits supported by outdoor recreation lands in the UARW. Key components of this study include quantifying visitation patterns, developing expenditure profiles, estimating the economic impact of outdoor recreation-related spending, and quantifying the non-market benefits of such recreation. This study employed advanced data analytics, integrating geospatial and mobile location data to enhance and augment the existing observed visitation data.	Upper American River Watershed	<a href="https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/El%20Dorado%20Water%20Agency%20Outdoor%20Recreation%20in%20the%20Upper%20American%20River%20Water">https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/El%20Dorado%20Water%20Agency%20Outdoor%20Recreation%20in%20the%20Upper%20American%20River%20Water</a>	<a href="https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/202402_edwa_uarw-recreation-analysis.pdf">https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/202402_edwa_uarw-recreation-analysis.pdf</a>
California State Parks; California Department of Parks and Recreation and U.S. Bureau of Reclamation	<b>Folsom Lake Recreation Area &amp; Folsom Powerhouse State Historic Park General Plan/Resources Management Plan</b>	2010	Provides comprehensive direction for management of Folsom Lake SRA and Folsom Powerhouse SHP. Addresses recreation use, resource protection, facilities, interpretation, operations. Proposes modest expansion of camping, improvements to boat launch facilities, trail system enhancements. Emphasizes day use recreation opportunities given proximity to urban areas. Includes direction for protection of natural and cultural resources. Provides for expansion of Folsom Lake Marina. Addresses wildland-urban interface issues with neighboring development	Folsom Lake State Recreation Area and Folsom Powerhouse State Historic Park	<a href="https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis">https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis</a>	
El Dorado Water Agency	<b>Upper American River Basin Regional Drought Contingency Plan</b>	September 2021	The Upper American River Basin (UARB) Regional Drought Contingency Plan (RDCP) lays out a plan to increase the resiliency of water resources in the face of future climate change conditions and droughts for the El Dorado County area west of the Sierra Nevada Crest (i.e., the West Slope). The ongoing drought, after only a few years of respite from the 2012-2016 drought, is a constant reminder to water managers and consumers in the West Slope of the severe vulnerabilities faced during droughts.	Upper American River Basin	<a href="https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/uarb_rdcpl_publicdraft_sept2021.pdf">https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/uarb_rdcpl_publicdraft_sept2021.pdf</a>	<a href="https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/uarb_rdcpl_publicdraft_sept2021.pdf">https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/uarb_rdcpl_publicdraft_sept2021.pdf</a>
El Dorado Water Agency	<b>Programmatic Watershed Plan</b>	2019	The WRDMP connects the identified water resource-related challenges to achieving the County General Plan vision with the Agency's implementation programs through an array of resource management strategies. Resource management strategies represent strategic directives that may mitigate the identified challenges through coordinated and collective efforts of all responsible parties. Key actions are established, along with the primary responsible agency(ies), and Agency's corresponding roles in leading, facilitating, or supporting a given activity are also clarified and consistent with its authority and best ways for the Agency to create direct value and benefits for all communities in El Dorado County	El Dorado County	<a href="https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/El%20Dorado%20Water%20Resources%2">https://jacobsengineering.sharepoint.com/:f:/r/sites/CPW8Y34200/ProjTeam_Int/RWA%20ARP%20Task%207%20-%20Gap%20Analysis/Past%20Studies/El%20Dorado%20Water%20Resources%2</a>	<a href="https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/uarb_rdcpl_publicdraft_sept2021.pdf">El Dorado Water Agency - El Dorado County</a>
RWA	<b>Review of Groundwater Recharge and Surface Water-Groundwater Interactions for the Lower Cosumnes River</b>	February 2021	This document reviews and synthesizes existing research on groundwater recharge processes and surface water-groundwater interactions in the lower Cosumnes River watershed. It provides background on basin conditions, summarizes current understanding of surface water-groundwater interactions and recharge processes, identifies key data gaps, and includes an annotated bibliography of relevant literature.	Lower Cosumnes River watershed from Michigan Bar gage downstream to confluence with Mokelumne River, and associated underlying groundwater basins	<a href="https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/uarb_rdcpl_publicdraft_sept2021.pdf">Review of Groundwater Recharge and Surface Water-Groundwater</a>	<a href="https://www.researchgate.net/publication/361649984_Review_of_Groundwater_Recharge_and_Surface">https://www.researchgate.net/publication/361649984_Review_of_Groundwater_Recharge_and_Surface</a>
United States Forest Service	<b>Mosquito Fire BAER</b>	November 2022	This document contains an evaluation of the effects of the 2022 Mosquito Fire on the watershed. It includes changes to soils, vegetation, and hydrology.	Middle Fork American upstream of Foresthill	<a href="https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/uarb_rdcpl_publicdraft_sept2021.pdf">Mosquito Fire BAER</a>	<a href="https://inciweb.wildfire.gov/incident-information/leaf">https://inciweb.wildfire.gov/incident-information/leaf</a>
United States Forest Service	<b>Caldor Fire BAER</b>	October 2021	This document contains an evaluation of the effects of the 2021 Caldor Fire on the watershed. It includes changes to soils, vegetation, and hydrology.	South Fork American and Upper Cosumnes watersheds	<a href="https://www.eldorado-county.ca.gov/files/assets/county/v/1/documents/water-agency/uarb_rdcpl_publicdraft_sept2021.pdf">Caldor Fire BAER</a>	<a href="https://www.fs.usda.gov/Internet/FSE_DOCUMENTS/fsenrd9">https://www.fs.usda.gov/Internet/FSE_DOCUMENTS/fsenrd9</a>
RWA	<b>North American Basins Drought Contingency Plan</b>	October 2017	The RDCP focuses on mitigation actions and near-term responses specifically related to drought conditions. The Regional Water Reliability Plan (RWRP) and Regional Drought Contingency Plan (RDCP) are closely related planning efforts to evaluate the vulnerabilities of the water resources of the region	American River watershed, from Sacramento to the Sierra Nevada mountains, as well as adjacent areas served by American River water in the Bear River and Cosumnes River watersheds.		
RWA	<b>Regional Water Reliability Plan</b>	May 2019	Regional Water Reliability Plan (RWRP) developed by the Regional Water Authority (RWA) and its member agencies in the Sacramento region aims to improve the overall reliability of the region's water supplies and systems. This plan focuses on high-level identification of vulnerabilities, mitigation actions, regional conjunctive use potential, and interest in establishing a regional water bank.	American River watershed, from Sacramento to the Sierra Nevada mountains, as well as adjacent areas served by American River water in the Bear River and Cosumnes River watersheds.		
Sacramento County	<b>Sacramento County Climate Adaptation Measures</b>	2024	The Draft Sacramento County Climate Action Plan (CAP) aims to reduce greenhouse gas (GHG) emissions in the unincorporated County through a variety of quantified and unquantified GHG reduction measures. Although the final CAP is not yet approved, consistent	Sacramento County		<a href="https://green.sacounty.net/Sustainability/Pages/ClimateAdaptationMeasures">https://green.sacounty.net/Sustainability/Pages/ClimateAdaptationMeasures</a>

Gap Analysis Literature Review

Author/Agency	Document	Published	Summary	Study Location	Sharepoint Link	Website Link
			<p>with the Board of Supervisor's declared climate emergency and direction to achieve carbon neutrality, this dashboard shows the County's progress toward achieving the identified measures and other sustainability initiatives.</p>			<p><a href="#">/Pages/LEEDMeasures.aspx</a></p>

## American River Watershed Resilience Pilot—Watershed Delineation

**Date:** November 22, 2024  
**Project name:** American River Watershed Resilience Pilot  
**Prepared by:** Reed Thayer, PE

2485 Natomas Park Drive  
Suite 600  
Sacramento, CA 95833-2937  
United States  
T +1.916.920.0300  
F +1.916.920.8463  
[www.jacobs.com](http://www.jacobs.com)

### 1. Introduction

This technical memorandum describes the development of study area boundary that will be used for the American River Watershed (ARW) Resilience Pilot for the Regional Water Authority. This boundary builds upon the 2022 study area boundaries developed for the *American River Basin Study* (ARBS) by the US Department of the Interior Bureau of Reclamation (Reclamation) (Reclamation 2022) and the California Department of Water Resources' (DWR's) *California Watershed Resilience Assessment* (DWR 2024). The boundary developed for the ARW Resilience Pilot is in line with the watershed-level focus of the *California Water Plan Update 2023* (DWR 2023).

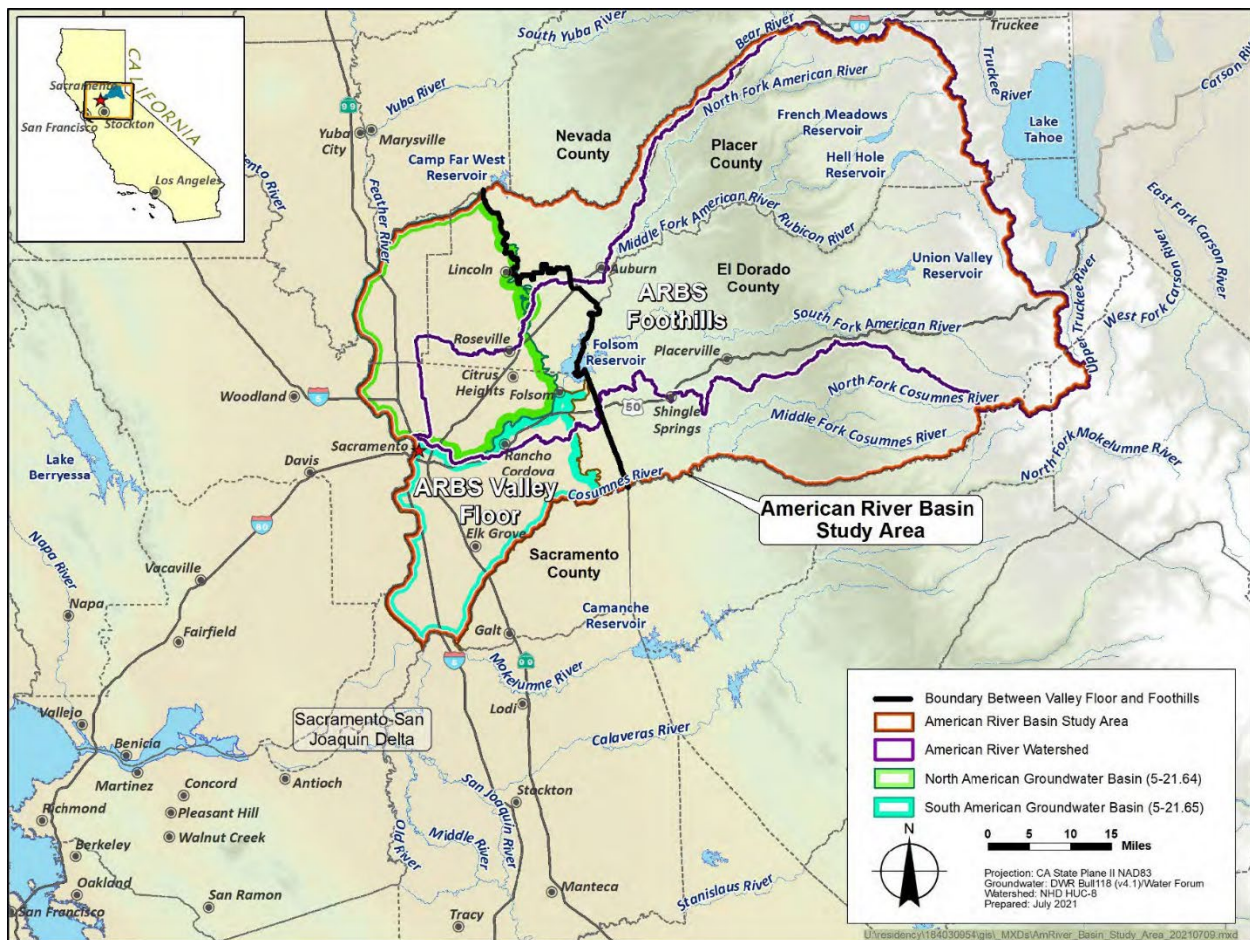
This technical memorandum describes the differences between the proposed study area boundary and those developed by Reclamation and DWR for their respective studies.

### 2. Description of Previous Study Area Boundaries

#### 2.1 American River Basin Study

Reclamation developed the ARBS as part of the WaterSMART Basin Studies program, which is a series of watershed studies that evaluated future supply and demand and proposed resiliency strategies. Figure 1 shows the study area boundary. The study area boundary includes the ARW with the addition of the Bear River watershed south of the Bear River, Feather River and Sacramento River eastside tributaries between the Bear River mouth and the Mokelumne River mouth, and the Cosumnes River watershed north of the Cosumnes River. This boundary was intended to include non-federal partners outside of the ARW that receive American River water and the two groundwater basins that overlap with the ARW (Reclamation 2022).





Source: Reclamation 2022

Figure 1. American River Basin Study Boundary

## 2.2 California Watershed Resilience Assessment

California Water Plan Update 2023 recommended a watershed-scale approach to developing solutions to California’s water management challenges (DWR 2023). In response, DWR proposed a series of watershed resilience assessments. A total of 48 watersheds were delineated across the state, following US Geological Survey Hydrologic Unit Code (HUC)-8 boundaries. The program of assessments combined the American River and Bear River watersheds, referred to as American-Bear. Figure 2 shows the American-Bear study area, which consists of the following HUC-8s:

- 18020129: South Fork American
- 18020128: North Fork American (includes Middle Fork)
- 18020126: Upper Bear
- 18020108: Lower Bear



Source: DWR 2024

Figure 2. American-Bear Watershed

### 3. Proposed Study Area Boundary

For the ARW Resilience Pilot, the proposed boundary largely builds upon the Reclamation ARBS boundary. The boundary includes the entire American River, Cosumnes River, and Bear River watersheds, eastside tributaries of the Feather River and Sacramento River between the Bear River mouth and Mokelumne River mouth, and the City of West Sacramento.

Figure 3 shows the proposed watershed study area superimposed on the Reclamation ARBS boundary and the DWR study areas. The blue line delineates the revised watershed study area, the red line delineates the boundary of the Reclamation ARBS study area, and the purple lines delineate the HUC-8 boundaries that make up the DWR study area.



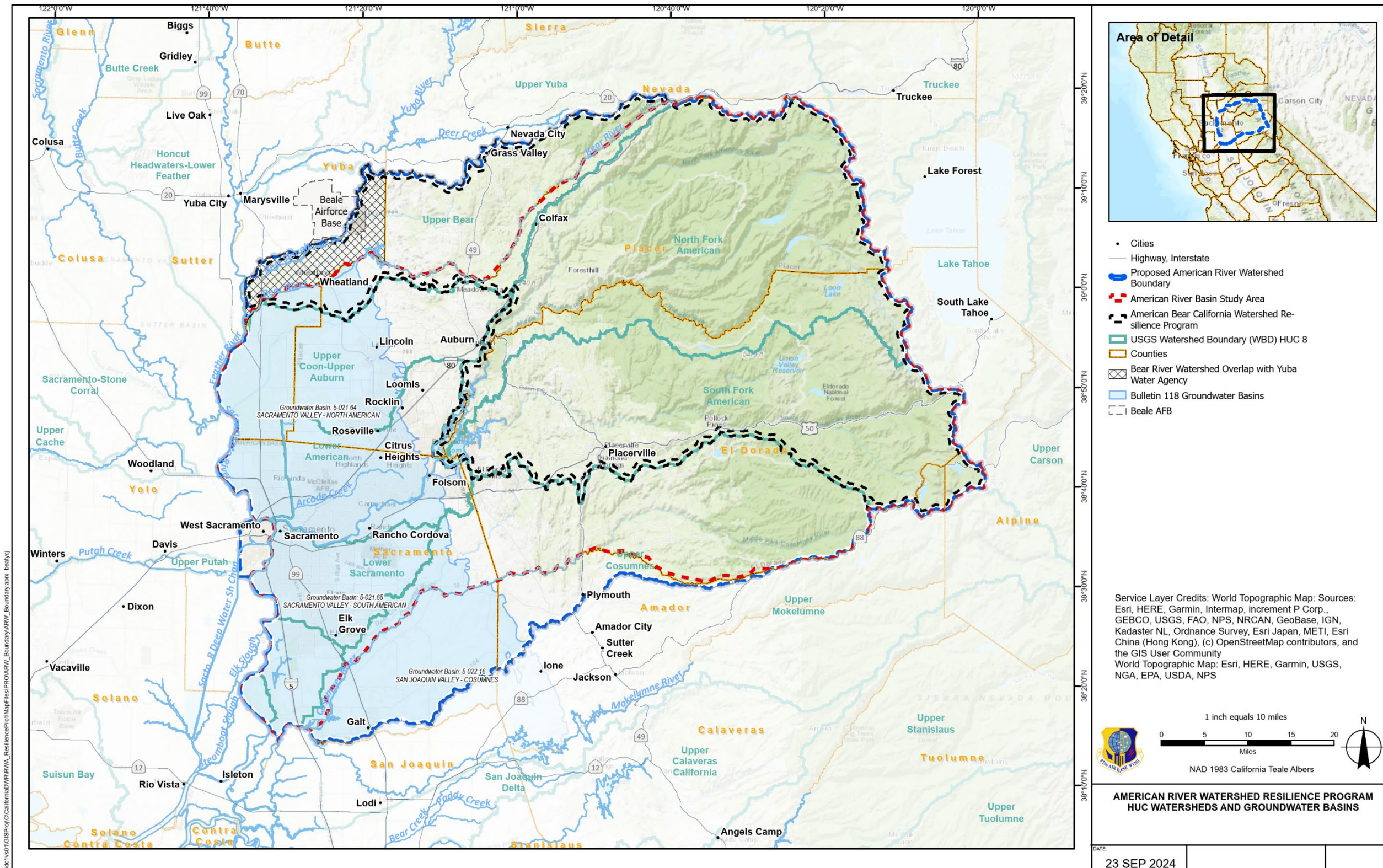


Figure 3. Proposed American River Watershed Resilience Pilot Study Area



The proposed study area includes the following HUC-8s:

- 18020129: South Fork American
- 18020128: North Fork American (includes Middle Fork)
- 18020111: Lower American
- 18020126: Upper Bear
- 18020108: Lower Bear
- 18040013: Upper Cosumnes
- 18020127: Upper Coon-Upper Auburn
- Portion of 18020109: Lower Sacramento that is east of the Sacramento River
- Portion of 18040005: Lower Cosumnes-Lower Mokelumne that is in the Cosumnes River watershed
- Portion of 18040003: San Joaquin Delta that is in the Cosumnes River watershed

The Cosumnes River watershed is included because it supplies water to Sacramento County, and it interacts with groundwater basins that overlap with the ARW. Unlike in the ARBS (Reclamation 2022), the north slope of the Bear River and the south slope of the Cosumnes River watersheds are included to capture all inflows.

Figure 3 shows the portion of the lower Bear River watershed that lies in Yuba County. This area lies in the Yuba Water Agency service area and includes a portion of Beale Air Force Base.

The revised study area also includes the City of West Sacramento. The boundary line follows the south levee of the Sacramento Weir since flood waters from the American River and eastside tributaries drain into the Sacramento River and contribute to high flows. Additionally, the Sacramento Weir provides major flood protection for the City of Sacramento.

## **4. Summary of Differences Between Study Area Boundaries**

### **4.1 American River Basin Study**

The revised watershed study boundary differs from the ARBS in that it includes the north slope of the Bear watershed, the south slope of the Cosumnes watershed, and the City of West Sacramento. These changes fully encompass the hydrologic and hydrogeologic conditions that affect the American River service area.

### **4.2 California Watershed Resiliency Assessment**

The revised watershed study area differs from DWR's American-Bear watershed study area in that it includes the Cosumnes River watershed, eastside streams south of the Bear River and north of the Mokelumne River, the lower American River, and the City of West Sacramento. This incorporates the hydrologic and hydrogeologic conditions that affect the American River service area and includes the most populous areas of the region.

## **5. References**

California Department of Water Resources (DWR). 2024. *California Watershed Resilience Assessment*. Prepared as part of the Watershed Resilience Program. July. <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/California-Water-Plan/Docs/Update2023/Supporting-Documents/California-Watershed-Resilience-Assessment.pdf>.

## Technical Memorandum

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- California Department of Water Resources (DWR). 2023. *California Water Plan 2023 Update*. December. <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/California-Water-Plan/Docs/Update2023/Final/California-Water-Plan-Update-2023.pdf>
- US Department of the Interior Bureau of Reclamation (Reclamation). 2022. *American River Basin Study*. Part of the *WaterSMART Basin Studies*. August. <https://www.usbr.gov/watersmart/bsp/docs/arbs/ARBS-Study.pdf>.
- US Department of the Interior Bureau of Reclamation (Reclamation). 2022. *American River Basin Study*. Part of the *WaterSMART Basin Studies*. August. <https://www.usbr.gov/watersmart/bsp/docs/arbs/ARBS-Study.pdf>.

## Agenda Item 9

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Topic: Water Forum Agreement Update  
Type: Old Business  
Item For: Information  
Purpose: [Strategic Plan Planning Objective C, 4](#)  
[Strategic Plan Implementation Objective B, 1](#)  
[Strategic Plan Communication Objective C, 5](#)  
[Strategic Plan Advocacy Objective C, 4](#)

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SUBMITTED BY:	Jim Peifer Executive Director	PRESENTER:	Jim Peifer Executive Director
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### EXECUTIVE SUMMARY

This information item is to update the Board of Directors on developments with the Water Forum Agreement Update.

### STAFF RECOMMENDED ACTION

None. This item is for information only.

### BACKGROUND

Ashlee Casey, Water Forum Interim Executive Director and Jim Peifer, RWA Executive Director, will provide an oral report update on developments for the Water Forum Agreement update process.

Topic: Executive Director’s Report  
Type: New Business  
Item For: Information  
Purpose: General

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SUBMITTED BY: Jim Peifer  
Executive Director

PRESENTER: Jim Peifer  
Executive Director

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**EXECUTIVE SUMMARY**

This is an information item for the Executive Director to provide a briefing on important activities, reports, communications, advocacy, and other updates.

**STAFF RECOMMENDED ACTION**

None. This item is for information/discussion only.

**BACKGROUND**

This agenda item is a standing item to provide an opportunity for the Executive Director to report to the Board of Directors on important activities, reports, communications, advocacy, and other updates.

**Strategic Plan Survey**

**The RWA is conducting a Strategic Plan prioritization process for 2025/2026 and is seeking member input through a survey.** Each member agency is asked to submit one response. The survey is available [here](#). Please submit your response by January 10.

**Outreach**

**SGMA 10-Year Anniversary** - The RWA participated in the Department of Water Resources 10-Year Anniversary Event for the Sustainable Groundwater Management Act. The event occurred on November 18. Mr. Peifer appears in a commemorative video reflecting on SGMA’s role in sustainable water management in the Sacramento region. Mr. Joseph participated in a panel discussion at the event.

**Save the Date** - Wednesday, February 26, 2025, at 10 a.m. for RWA’s first *Coffee & Conversation* of the year with climate scientist [Dr. Daniel Swain](#). Registration details to come.

**Annual Holiday Social** – thank you for those of you who attended the RWA/SGA Holiday Social held on the Delta King. Erik Loboschefskey (DWR) and Mario Manzo (U.S. Bureau of Reclamation) jointly received the 2024 Water Statesperson of the Year Award for their leadership in advancing the American River Region Draft Implementation Agreement for the Healthy Rivers & Landscapes Program. Mike Lee, retiring after 24 years on PCWA’s Board, received the 2024 Distinguished

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Service Award.

**Proposition 4** – Mr. Peifer outlined the importance of [Proposition 4](#) to the Sacramento region, RWA’s role in supporting its passage, and the importance of building on the momentum to transform Proposition 4’s promise into tangible results in a blog post published on December 11. You can read it [here](#).

**RWA facilitated the monthly General Managers and Utility Directors Luncheon on December 19.** The luncheon, hosted by Sacramento Suburban Water District, included presentations on ways to further safeguard infrastructure and maintain security from the Federal Bureau of Investigations and InfraGard Sacramento Members Alliance (an FBI-affiliated organization). In addition, information was provided on Proposition 4 and other opportunities to further coordinate regional water utility activities.

**Water Bank**

Please see the attached project update.

Staff and consultants plans to host a fourth virtual Stakeholder Forum, currently scheduled for February 4<sup>th</sup> (time TBD) to present the Water Bank Water Accounting System to the public. Stay tuned for registration details.

Attachment

Attachment 1- Water Bank Project Update



## **Sacramento Regional Water Bank: 2024 Progress Recap and 2025 Outlook**

### **Advancing Sustainable Water Management**

In 2024, the Sacramento Regional Water Bank (Water Bank) team continued to make progress on key documents essential to advancing sustainable water management in the Sacramento region. Efforts focused on developing frameworks such as the Water Accounting System (WAS), the Programmatic Environmental Impact Report (PEIR), and scientific groundwater modeling, all crucial to achieving the Water Bank's sustainability goals and supporting its operations. Development of the Water Bank is now at the halfway mark of the projected three-year timeline.

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### **Progress Overview**

#### **Completed or Nearly Complete:**

- Document: Goal, Objectives, Principles, and Constraints (GOPC)
- Document: Governance: Organizational Framework, Functions, and Associated Roles and Responsibilities
- Groundwater and Surface Water Modeling Preparation - Enhancements and Data Improvements
- Water Accounting System (WAS) development

#### **Ongoing Initiatives:**

- CEQA/NEPA Strategy, Project Description/Notice of Preparation
- Groundwater and Surface Water Modeling – Including Preliminary Baseline Scenarios Stakeholder Engagement and Communication Initiatives
- Federal Engagement
- Monitoring Plan

#### **Future Actions:**

- Completion of CEQA/NEPA analysis
  - Groundwater and Surface Water Modeling – Including Advanced Modeling of Updated Baseline and Water Bank Scenarios
  - Development of Financial Agreements
  - Conjunctive Use Best Management Practices (BMPs)
- 

### **Water Accounting System**

Significant progress was made in 2024 on the nearly complete Water Accounting System (WAS), a crucial tool for managing and tracking water movement within the Water Bank to support basin sustainability. The WAS will enable water managers to monitor water deposited into underground aquifers, withdrawals, and natural storage losses. Additionally, the system will

account for water intentionally left behind to support the long-term health and sustainability of the groundwater basin.

The WAS will be implemented across the North and South American Subbasins, where the Water Bank operates. It will include a detailed set of principles, procedures, and tools designed to support effective and sustainable Water Banking activities.

Key components of the WAS include:

- **Operational baseline:** The Water Bank's starting water balance.
- **Recharge accounting:** Tracking water deposited into the basin.
- **Recovery accounting:** Monitoring groundwater withdrawals to meet needs.
- **Leave-behind:** Directly supports sustainability by allocating water to maintain environmental and system health.
- **Loss tracking:** Determined by scientific methods and accounted for in the calculation of water available for recovery.
- **Storage rights tracking:** Documenting surface water rights and contract water used in the bank.
- **In-lieu recovery tracking:** Tracking surface water supplies that are not used (forgone) when agencies deliver banked groundwater to customers instead of surface water.

***Looking Ahead:*** The Water Bank team plans to host a fourth Stakeholder Forum to present the WAS to the public on February 4, 2025.

### **Environmental Review Process**

In compliance with the California Environmental Quality Act (CEQA), the RWA is developing a Programmatic Environmental Impact Report (PEIR) to assess the Water Bank's broad environmental effects. The PEIR allows for streamlined, future project-specific reviews as needed.

The environmental review process for the Water Bank continued in 2024, with key updates to the Project Description and a reissued Notice of Preparation (NOP). The 2024 NOP revision added out-of-basin transfers of up to 35,000 acre-feet per year. The consulting team incorporated public comments into a revised scoping report.

Modeling efforts in support of the PEIR also advanced in 2024. The PEIR will analyze current water operations compared with those proposed by the Water Bank. The consulting team updated municipal and industrial demands based on 2020 Urban Water Management Plans and developed validated baseline models that capture both current conditions and preliminary Water Bank projections.

***Looking ahead:*** The consulting team will refine their approach to estimating banking losses, incorporating feedback from the Project Committee and Groundwater Sustainability Agencies (GSAs). The Draft PEIR is expected to be released before the third quarter of 2025. Additionally,

*RWA will seek federal recognition of the Project as an approved facility for banking Central Valley Project (CVP) water under the National Environmental Policy Act (NEPA).*

### **Groundwater Modeling**

Accurate groundwater modeling is essential to the Water Bank's success, providing the scientific foundation for sustainably managing the Sacramento region's water resources. The region's modeling approach is among the most advanced in California, combining the state's CalSim 3 surface water model with the locally developed CoSANA groundwater model to examine interactions between surface and groundwater systems.

The CalSim 3 model, from the California Department of Water Resources, provides broad-scale data on water operations across projects like the Central Valley Project, State Water Project, and Delta. CoSANA, created by the region's Groundwater Sustainability Agencies (GSAs), focuses on the Sacramento area's groundwater, providing a highly accurate, real-world view of basin conditions. Years of local monitoring, updates, and investment have refined CoSANA to align closely with observed basin behavior.

To prepare for analyzing Water Bank operations under the WAS and to support environmental review, the Water Bank team conducted a Water Management Operations Pilot this year to analyze various conjunctive use and water banking scenarios. They also aligned CoSANA's local groundwater data with CalSim's surface water data to create the framework necessary for simulating Water Bank activities under different conditions using the most accurate data.

***Looking Ahead:*** *The team will model Water Bank operations based on the WAS under various climate and management scenarios. These simulations will assess the potential impacts and sustainability benefits of the Water Bank.*

### **Community Outreach and Engagement**

The Water Bank outreach program spotlighted in-lieu recharge through new educational materials and a video explaining this critical groundwater replenishment process, which has supported the Sacramento region for over two decades.

A new video, *In-lieu Recharge: Enhancing Nature's Rainy Day Fund*, is featured on the Water Bank website and in both the California Water Plan eNews and at the upcoming Association of California Water Agencies Conference.

Additionally, the Water Bank team continued its *Q&A Connect* series, exploring topics such as how the Water Bank will address groundwater challenges under the Sustainable Groundwater Management Act, its relationship to programs like Flood MAR and Watershed FIRO MAR, connections to the Harvest Water project, and the role of "leave behind" and "loss" in sustainable management practices.

Spanish-language resources were also added to the Water Bank website, expanding accessibility to community members.

***Looking Ahead:*** *The outreach program will continue supporting the environmental review process and further public engagement in 2025 through ongoing Q&A Connect features and updated resources. The Water Bank team looks forward to providing more updates during the fourth public Stakeholder Forum on February 4, 2025.*



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Topic: Board Directors' Comments  
Type: New Business  
Item For: Information  
Purpose: Routine

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SUBMITTED BY: Jim Peifer  
Executive Director

PRESENTER: Jim Peifer  
Executive Director

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**EXECUTIVE SUMMARY**

This is an information item to provide an opportunity for the Regional Water Authority Board of Directors to report on any updates from their agency, comments, request future agenda items, recommendations, and questions.

**STAFF RECOMMENDED ACTION**

None. This item is for information only.

**BACKGROUND**

This agenda item is a standing item to provide an opportunity to report on any updates from their agency, comments, request future agenda items, recommendations, and questions.