

SOLANO COUNTY WATER AGENCY



BOARD OF DIRECTORS MEETING

BOARD OF DIRECTORS:

Chair:

Mayor Ronald Kott
City of Rio Vista

Vice Chair:

Director Sean Favero
Main Prairie Water District

Mayor Steve Young
City of Benicia

Mayor Steve Bird
City of Dixon

Mayor Catherine Moy
City of Fairfield

Director Dale Crossley
Reclamation District No. 2068

Supervisor Erin Hannigan
Solano County District 1

Supervisor Monica Brown
Solano County District 2

Supervisor Wanda Williams
Solano County District 3

Supervisor John Vasquez
Solano County District 4

Supervisor Mitch Mashburn
Solano County District 5

Director J.D. Kluge
Solano Irrigation District

Mayor Alma Hernandez
City of Suisun City

Mayor John Carli
City of Vacaville

Mayor Robert McConnell
City of Vallejo

INTERIM GENERAL MANAGER:

Chris Lee
Solano County Water Agency

DATE: Thursday, February 9, 2023

TIME: 6:30 P.M.

PLACE: Berryessa Room
Solano County Water Agency Office
810 Vaca Valley Parkway, Suite 203
Vacaville, CA 95688
(In-person meeting, no Zoom option available)

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

*If you wish to make a Public Comment, please contact the Secretary at:
cle@scwa2.com to expedite the process, thank you. Public Comments may
still be made during the meeting without prior notice.*

5. CONSENT ITEMS (estimated time: 5 minutes)

(A) Minutes: Approval of the Minutes of the Board of Directors
meeting of January 12, 2023.

(B) Expenditure Approvals: Approval of the January 2023 checking
account register.

6. BOARD MEMBER REPORTS (estimated time: 5 minutes)

RECOMMENDATION: For information only.

810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



7. **GENERAL MANAGER’S REPORT** *(estimated time: 5 minutes)*

RECOMMENDATION: For information only.

8. **SOLANO WATER ADVISORY COMMISSION REPORT** *(estimated time: 5 minutes)*

RECOMMENDATION: For information only.

9. **LAKE BERRYESSA MUSSEL PROGRAM** *(estimated time: 20 minutes)*

RECOMMENDATION: For information only.

10. **PUTAH SOUTH CANAL UPGRADES – REPAYMENT CONTRACT**
(estimated time: 10 minutes)

RECOMMENDATION: Authorize Interim General Manager to execute agreement.

11. **NEW VEHICLE PURCHASE** *(estimated time: 10 minutes)*

RECOMMENDATION: Authorize purchase of replacement utility truck for field staff.

12. **SCWA FISCAL YEAR 2021-2022 AUDIT** *(estimated time: 10 minutes)*

RECOMMENDATION: Accept Fiscal Year 2021-2022 Audit Report.

13. **WATER CONSERVATION AND DROUGHT RESILENCY OPTIMIZATION PROJECT** *(estimated time: 10 minutes)*

RECOMMENDATION: Approve Resolution 2023-03 authorizing Interim General Manager to apply for and if successful execute a grant agreement with the California Department of Water Resources for the Water Conservation and Drought Resilience Optimization Project.

14. **LEGISLATIVE UPDATES** *(estimated time: 15 minutes)*

RECOMMENDATIONS:

1. Hear report from Committee Chair on activities of the SCWA Legislative Committee.
2. Hear report from Bob Reeb of Reeb Government Relations, LLC.

15. **WATER POLICY UPDATES** *(estimated time: 10 minutes)*

RECOMMENDATIONS:

1. Hear report from staff on current and emerging Delta and Water Policy issues and provide direction.
2. Hear status report from Committee Chair on activities of the SCWA Water Policy Committee.

3. Hear report from Supervisors Vasquez and Mashburn on activities of the Delta Counties Coalition, Delta Protection Commission, and Delta Conservancy.
4. Hear report from Elizabeth Patterson on activities of the North Bay Watershed Association.

16. CLOSED SESSION

1. Public Employee Appointment
Title: General Manager
(Gov. Code §54957)
2. Conference with Legal Counsel-Existing Litigation
(Paragraph (1) of subdivision (d) of Gov. Code § 54956.9)
*City of Vallejo V. California Department of Water Resources Case No. MSN21-0558
(consolidated with Case Nos. MSN21-0559, MSN21-560, and MSN21-0561)*

17. TIME AND PLACE OF NEXT MEETING

Thursday, March 9, 2023, at 6:30 p.m. at the SCWA offices.

The Full Board of Directors packet with background materials for each agenda item can be viewed on the Agency's website at <https://www.scwa2.com/governance/board-meetings-agendas-minutes/>

Any materials related to items on this agenda distributed to the Board of Directors of Solano County Water Agency less than 72 hours before the public meeting are available for public inspection at the Agency's offices located at the following address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688. Upon request, these materials may be made available in an alternative format to persons with disabilities.

February.2023.BOD.Agenda

CONSENT ITEMS

**SOLANO COUNTY WATER AGENCY
BOARD OF DIRECTORS MEETING MINUTES
MEETING DATE: January 12, 2023**

The Solano County Water Agency Board of Directors met this evening in the Board Room located at the Water Agency office in Vacaville. Attending were:

Mayor Steve Bird, City of Dixon
Mayor Catherine Moy, City of Fairfield
Mayor Ronald Kott, City of Rio Vista
Mayor Alma Hernandez, City of Suisun City
Mayor John Carli, City of Vacaville
Mayor Robert McConnell, City of Vallejo
Supervisor Erin Hannigan, Solano County District 1
Supervisor Monica Brown, Solano County District 2
Supervisor Wanda Williams, Solano County District 3
Supervisor John Vasquez, Solano County District 4
Supervisor Mitch Mashburn, Solano County District 5
Director Dale Crossley, Reclamation District 2068
Director J.D Kluge, Solano Irrigation District

CALL TO ORDER

The meeting was called to order by Chair Kott at 6:30pm.

APPROVAL OF AGENDA

Mayor Hernandez recommended that an overview of the whistleblower process should be considered as a future agenda item. On a motion by Supervisor Vasquez and a second by Supervisor Mashburn the Board unanimously approved - by roll call vote - the agenda.

PUBLIC COMMENT

There was no public comment.

CONSENT ITEMS

On a motion by Director Kluge and a second by Supervisor Brown the Board unanimously approved-by roll call vote-the following consent items:

- (A) Minutes
- (B) Expenditure Approvals
- (C) Quarterly Financial Reports

BOARD MEMBER REPORTS

There were no board member reports.

GENERAL MANAGERS REPORT

Interim General Manager Chris Lee provided the Board a brief update on statewide and emergency efforts by the Governor with regards to flooding, and then introduced Assistant Water Resources Engineer Gustavo Cruz, to provide a more local update on the recent storms. Mr. Cruz explained that on January 9th significant flooding was observed in the Allendale, Sweeney Creek watershed, which is one of the most flood prone creeks within Solano County. In the Ulatis Watershed, overtopping was observed in the lower portion of the watershed at Maine Prairie Road. In Suisun Creek, there was significant debris observed between Suisun Parkway and Interstate 80. Mr. Cruz also pointed out that Suisun Creek is the second most flood prone creek in the County, and the watershed has not seen appreciable flows in over 5-years. In the western part of the County, some flooding was observed in lower Green Valley Creek, which is tidally influenced. Besides flood observations, Mr. Cruz also went over several completed flood projects. Within the Alamo Creek watershed, emergency bank repairs were performed in the New Alamo Channel and significant sediment removal at the City of Vacaville's Alamo Drive bridge, with much of

this work being performed by dedicated staff members from Solano County Public Works Road & Channels departments. In the Vallejo region, significant flood improvements were done within the Vallejo Mobile Estates (VME) area, due to a creative partnership between the Water Agency, Vallejo Flood, VME staff, and former Reclamation District 2068 General Manager Mike Hardesty over the last 2.5 years. For water supply, Principal Water Resources Engineer Alex Rabidoux, updated the Board that water supply conditions have improved for both Lake Oroville, the key storage reservoir for the State Water Project and local North Bay Aqueduct, as well as Lake Berryessa with no water supply reductions expected for the Solano Project based upon the most recent inflow conditions.

Supervisor Hannigan joined the Board Meeting.

SOLANO WATER ADVISORY COMMISSION REPORT

Mr. Kyle Ochendusko, Public Works Director for the City of Benicia and Chair of the Solano Water Advisory Commission provided a brief update to the Board on what the Commission does, the types of staff members that comprise the Commission, with the goal of being a resource to the Board and bringing the technical water knowledge of Solano County together.

Supervisor Williams joined the Board Meeting.

WORKFORCE COMMITTEE RECOMMENDATIONS - BENEFITS

Director Crossley provided a brief update on the Workforce Committee Recommendations with regards to employee Benefits. Over the years, the Water Agency has fallen behind compared to other agencies. The Benefits being proposed are modeled from Solano County and include longevity pay, vision, and an Employee Assistance Program (EAP). The Committee felt that many of these programs are very cost-effective for the entire Agency. Several Board members expressed support for longevity and EAP, helping to retain employees as well as mental health support to employees and their family members. On a motion by Director Crossley and a second by Supervisor Brown, the Board unanimously approved by roll call vote:

1. Approval of the Workforce Committee recommendation for addition of Longevity Pay to employee benefits.
2. Approval of the Workforce Committee recommendation for addition of Vision Insurance to employee benefits.
3. Approval of the Workforce Committee recommendation for addition of Employee Assistance Programs (EAP) to employee benefits.

WORKFORCE COMMITTEE RECOMMENDATIONS – RETIREMENT HEALTH BENEFITS

Supervisor Monica Brown provided a brief update on the Workforce Committee Recommendations with regards to Retirement Health Benefits. The Committee is recommending a fix to an existing loop hole, that could allow a staff member to work for a day and then retire tomorrow and collect retiree medical benefits from the Water Agency with no vesting period. This agenda item will make the Water Agency's retirement health benefits consistent with the State of California and eliminate this loop hole. On a motion by Supervisor Brown and second by Director Crossley, the Board unanimously approved by roll call vote:

1. Approve Workforce Committee recommendation to Authorize Chairman to adopt CalPERS Resolution 2023-1 for current Water Agency staff.
2. Approve Workforce Committee recommendation to Authorize Chairman to adopt CalPERS vesting Resolution 2023-2 for all future Water Agency new hires.

CONTINUATION OF LOWER PUTAH CREEK SALMON STUDY

Interim General Manager Chris Lee informed the Board that the existing Lower Putah Creek Salmon Study contract with UC Davis has been ongoing for a long time. The Water Agency has learned a lot about salmon in Putah Creek, and there is a lot of interest in determining if there is a self-sustaining population of salmon in the creek. The Water Agency would like to amend the existing contract with UC Davis through 2023, so that we do not miss the out-migrating salmon this spring, but with the intent to go through a RFQ/RFP process for future salmon studies on Putah Creek. The Board then discussed a variety of salmon topics including ocean population trends, the Interdam Reach Trout Study, the

importance of outreach to share the successful efforts by the Agency on Putah Creek including the use of social media. Moving forward, the Board emphasized the importance of key deliverables on future contracts. On a motion by Supervisor Hannigan and second by Mayor Hernandez, the Board unanimously approved by roll call vote:

Authorize Interim General Manager to execute \$320,418 contract amendment with UC Davis for continuation of Lower Putah Creek Salmon Study through 2023.

CONTINUATION AND EXPANSION OF WATER CONSERVATION LANDSCAPE ASSISTANCE PROGRAM

Interim General Manager Chris Lee provided a brief overview of the Water Conservation Landscape Assistance Program. To date, this has been a very successful program helping low-income seniors and disabled residents throughout Solano County, with a current wait list of 89 people. The Board had several questions related to oversight, amount of water saved, application process, and monitoring of demographics. Water Agency staff and interns conduct inspections for each site. Each site can save 20,000 – 30,000 gallons per year, for each 1,000-sf of lawn removed. The program also helps each city in regards to water conservation, and the cities fund 25% of the program. The program currently has a website and is broadcast via word of mouth. Andy Florendo, Water Conservation Coordinator, indicated that currently demographic information is not collected, but this could be tracked. The Water Agency is also in the process of trying to secure grants for this type of program. Director Kluge expressed some concerns and clarification that the program has an important social benefit, but is less about water conservation, due to the cost of the program and amount of water saved. On a motion by Mayor McConnell and second by Supervisor Hannigan, the Board approved by roll call vote:

Authorize Interim General Manager to execute Amendment No. 1 with A2Z Landscaping for continuation and expansion of Water Conservation Landscape Assistance Program.

Director Kluge voted no.

AMENDMENT WITH SYBLON REID

Principal Water Resources Engineer, Alex Rabidoux provided a brief overview of the Putah South Canal (PSC) Rockville Liner Repair Project to the Board. Mr. Rabidoux explained that this part of the canal serves the communities of Vallejo, Benicia, and Green Valley. In October 2021 a large storm event caused significant buckling of the canal liner, and the Board approved Emergency Contracting procedures in November 2021. In December 2021 the Water Agency entered into a contract with Syblon Reid for the liner repair work, at which point the canal was dewatered and additional linear repairs were needed. During this time period a total of 21 inches of rain had occurred in the region in such a short time frame, resulting in a delay of the project until the next scheduled outage, December-2022. The work was completed in mid-December 2022, with some additional repairs and change order required in the field, to minimize the water supply outage. Mr. Rabidoux also informed the Board that while this was a unique event, portions of the PSC will likely need to be piped and future investments made to protect the region's water supply infrastructure. The Board had several questions with regards to the age and integrity of the canal, the need for redundancy and second means of conveyance, especially with seismic events. The Board informed staff that they are supportive and would really like to see these pipeline projects move forward. On a motion by Supervisor Mashburn and second by Mayor Hernandez, the Board unanimously approved by roll call vote:

Authorize Interim General Manager to execute Amendment 2 with Syblon Reid, Inc. for the PSC Rockville Liner Repair Project.

LEGISLATIVE UPDATES

Bob Reeb of Reeb Government Relations, provided an overview of current legislative activities to the Board. The legislature has started to meet, with Senator Dodd sitting on several important committees. Assemblymember Lauri Wilson was also elevated to majority whip. The Governor just released his budget, showing a projected budget deficit of \$22.5 Billion, with a lot of budget cuts. Flood control is now rising in importance, with some funding to reduce urban flood risk, delta levees, and ecosystem and agricultural sustainability support for Central Valley communities. There is also some interest for a flood

or water bond, as the general fund will not be able to support many of the projects that the Governor would like.

Chair Kott informed the Board that he would like to keep both the Legislative and Water Policy Committees standing, with the current appointments in place. If there are members interested in joining or leaving the Committees, please let the Chair know.

WATER POLICY UPDATES

Supervisor Mashburn informed the Board that the Delta Conservancy just received \$41 million for future projects. Supervisor Mashburn also informed the Board that the Delta Conveyance EIS is being considered by the US Army Corps of Engineers and urged those interested to submit letters on their concerns with the Project.

Ms. Elizabeth Patterson briefed the Board on activities of the North Bay Watershed Association (NBWA), and provided the Board an overview of what the Association does. Ms. Patterson also shared that the NBWA is often called upon by the legislature and noted for their restoration work.

In closing, Mayor Kott and other Board members shared their thoughts and condolences in regard to the late Mayor Price.

CLOSED SESSION

Closed Session pursuant to Gov. Code § 54957

1. Public Employee Discipline/Dismissal/Release
2. Public Employee Appointment

The Board moved into Closed Session at 8:11pm. and returned to Open Session at 8:39pm. with no reportable actions.

TIME AND PLACE OF NEXT MEETING

Thursday, February 9, 2023, at 6:30pm. at the SCWA offices.

ADJOURNMENT

The meeting of the Solano County Water Agency Board of Directors was adjourned at 8:39pm.

Chris Lee
Interim General Manager & Secretary
to the Solano County Water Agency

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: February 9, 2023
SUBJECT: Expenditures Approval

RECOMMENDATIONS:


Approve expenditures from the Water Agency checking accounts for January 2023.

FINANCIAL IMPACT:

All expenditures are within previously approved budget amounts.

BACKGROUND:

The Water Agency auditor has recommended that the Board of Directors approve all expenditures (in arrears). Attached is a summary of expenditures from the Water Agency’s checking accounts for January 2023. Additional backup information is available upon request.

Recommended: 
Chris Lee, Interim General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input type="checkbox"/>	Continued on next page
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Modification to Recommendation and/or other actions:

I, Chris Lee, Interim General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2023, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Chris Lee, Interim General Manager
& Secretary to the Solano County Water Agency

SOLANO COUNTY WATER AGENCY
Cash Disbursements Journal
For the Period From Jan 1, 2023 to Jan 31, 2023

Filter Criteria includes: Report order is by Check Number. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
1/24/23	10216	2020WC	Invoice: 22-09-3868	4,073.20	
		2020WC	Invoice: 22-10-3868	4,579.00	
		2020WC	Invoice: 22-11-3868	4,558.50	
		1020SC	MBK ENGINEERS		13,210.70
1/3/23	38641	2020SC	Invoice: 15046	105.00	
		2020SC	Invoice: 15087	315.00	
		2020SC	Invoice: 15132	315.00	
		2020SC	Invoice: 15133	315.00	
		1020SC	ZACHARIAH WILKERSON		1,050.00
1/3/23	38642	2020SC	Invoice: 305493	4,385.68	
		1020SC	CAMPBELL SCIENTIFIC, INC.		4,385.68
1/3/23	38643	2020SC	Invoice: 29553755	4.99	
		2020SC	Invoice: 29690258	1,292.05	
		1020SC	CANON FINANCIAL SERVICES, INC.		1,297.04
1/3/23	38644	2020SC	Invoice: 5761619-0002	8,445.45	
		2020SC	Invoice: 5749989-0003	6,162.35	
		1020SC	NORCAL RENTAL GROUP, LLC		14,607.80
1/3/23	38645	2020SC	Invoice: 22-026-T DEC 2022	512,917.00	
		2020N	Invoice: 23-128-V NOV 2022	74,835.00	
		2020SC	Invoice: 22-024-O DEC 2022	438.00	
		1020SC	DEPARTMENT OF WATER RESOURCES		588,190.00
1/3/23	38646	2020N	Invoice: US01U001110861	1,626.00	
		1020SC	ERNST & YOUNG U.S. LLP		1,626.00
1/3/23	38647	2020SC	Invoice: 9239612626		252.78
		2020SC	Invoice: 9530567818	447.43	
		1020SC	W.W.GRAINGER, INC.		194.65
1/3/23	38648	2020SC	Invoice: 105339	163.20	
		2020SC	Invoice: 105341	408.00	
		2020SC	Invoice: 105342	285.60	
		2020SC	Invoice: 105340	713.49	
		2020SC	Invoice: 105344	841.50	
		1020SC	HERUM/ CRABTREE/ SUNTAG		2,411.79
1/3/23	38649	2020SC	Invoice: CL38991	3,017.95	
		1020SC	INTERSTATE OIL COMPANY		3,017.95
1/3/23	38650	2020SC	Invoice: 9405	550.00	
		1020SC	KC ENGINEERING COMPANY		550.00
1/3/23	38651	2020SC	Invoice: 11/9/22-12/9/22	3,845.15	
		1020SC	PACIFIC GAS & ELECTRIC CO,		3,845.15
1/3/23	38652	2020SC	Invoice: 962622	20.05	
		2020SC	Invoice: 962620	28.30	
		2020SC	Invoice: 963080	567.31	
		2020SC	Invoice: 964227	74.24	
		2020SC	Invoice: 964422	79.75	
		2020SC	Invoice: 964558	154.47	
		2020SC	Invoice: 964782	52.41	
		2020SC	Invoice: 965145	62.37	

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		2020SC	Invoice: 965147	15.33	
		1020SC	BOB PISANI & SON		1,054.23
1/3/23	38653	2020SC	Invoice: 3105867979	542.83	
		1020SC	PITNEY BOWES		542.83
1/3/23	38654	2020SC	Invoice: 22-16	903.84	
		1020SC	PUTAH CREEK COUNCIL		903.84
1/3/23	38655	2020SC	Invoice: 50255231	105.07	
		1020SC	RECOLOGY VACAVILLE SOLANO		105.07
1/3/23	38656	2020SC	Invoice: 034-JAN-2023	9,500.00	
		1020SC	REEB GOVERNMENT RELATIONS, LLC		9,500.00
1/3/23	38657	2020SC	Invoice: 0033447	215,990.49	
		2020SC	Invoice: 0033448	59,230.73	
		1020SC	SOLANO IRRIGATION DISTRICT		275,221.22
1/3/23	38658	2020SC	Invoice: 006492990046	2,152.46	
		1020SC	JAN2023 STANDARD INSURANCE COMPANY		2,152.46
1/3/23	38659	2020SC	Invoice: 3181735851	64.84	
		2020SC	Invoice: 3183835231	71.49	
		2020SC	Invoice: FIN CHARGES 12/16/22	40.06	
		1020SC	STAPLES		176.39
1/3/23	38660	2020SC	Invoice: 2022-12-SCWA	12,669.04	
		1020SC	SUSTAINABLE SOLANO INC.		12,669.04
1/3/23	38661	2020SC	Invoice: 2022-01371	5,364.58	
		1020SC	TERRA REALTY ADVISORS, INC.		5,364.58
1/3/23	38662	2020SC	Invoice: 1662832A	1,067.20	
		1020SC	THE GPS STORE		1,067.20
1/3/23	38663	2020SC	Invoice: 323	4,176.96	
		2020SC	Invoice: 329	7,776.35	
		1020SC	KATHLEEN A SALMUNOVICH		11,953.31
1/3/23	38664	2020SC	Invoice: RICHARD BEAURAGORD	50.00	
		1020SC	RICHARD BEAURAGORD		50.00
1/3/23	38665	2020SC	Invoice: LARRY BERTONCINI	337.50	
		1020SC	LARRY BERTONCINI		337.50
1/3/23	38666	2020SC	Invoice: ANDREW BLALOCK	29.25	
		1020SC	ANDREW BLALOCK		29.25
1/3/23	38667	2020SC	Invoice: ALLISON BUELL	100.00	
		1020SC	ALLISON BUELL		100.00
1/3/23	38668	2020SC	Invoice: ROYCE CADELL	100.00	
		1020SC	ROYCE CADELL		100.00

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1/3/23	38669	2020SC 1020SC	Invoice: APRIL CHAVEZ APRIL CHAVEZ	100.00	100.00
1/3/23	38670	2020SC 1020SC	Invoice: MATTHEW EUSTICE MATTHEW EUSTICE	1,500.00	1,500.00
1/3/23	38671	2020SC 1020SC	Invoice: SHON HENDERSON SHON HENDERSON	100.00	100.00
1/3/23	38672	2020SC 1020SC	Invoice: PHYLLIS JACKSON PHYLLIS JACKSON	100.00	100.00
1/3/23	38673	2020SC 1020SC	Invoice: SANDEEP JHAND SANDEEP JHAND	100.00	100.00
1/3/23	38674	2020SC 1020SC	Invoice: PAUL LUCKCUCK PAUL LUCKCUCK	1,500.00	1,500.00
1/3/23	38675	2020SC 1020SC	Invoice: LAURA MERRITT LAURA MERRITT	109.32	109.32
1/3/23	38676	2020SC 1020SC	Invoice: FREDERICK MILLER FREDERICK MILLER	690.00	690.00
1/3/23	38677	2020SC 1020SC	Invoice: CATHY MOORE CATHY MOORE	460.50	460.50
1/3/23	38678	2020SC 1020SC	Invoice: MARK ROGERS MARK ROGERS	1,230.00	1,230.00
1/3/23	38679	2020SC 1020SC	Invoice: ELIZABETH PATTERSON ELIZABETH PATTERSON	100.00	100.00
1/3/23	38680	2020SC 1020SC	Invoice: RHONDA PORTOCARRERO RHONDA PORTOCARRERO	599.00	599.00
1/3/23	38680V	2020SC 1020SC	Invoice: RHONDA PORTOCARRERO RHONDA PORTOCARRERO	599.00	599.00
1/3/23	38681	2020SC 1020SC	Invoice: RUTH RIVAS RUTH RIVAS	100.00	100.00
1/3/23	38682	2020SC 1020SC	Invoice: THOMAS SLYKER THOMAS SLYKER	1,500.00	1,500.00
1/3/23	38683	2020SC 1020SC	Invoice: LATONYA SUMMERS LATONYA SUMMERS	1,500.00	1,500.00
1/3/23	38684	2020SC 1020SC	Invoice: VEDRAN VAUPOTICH VEDRAN VAUPOTICH	100.00	100.00
1/3/23	38685	2020SC 1020SC	Invoice: VALERIE JONES VALERIE JONES	59.00	59.00

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1/3/23	38686	2020SC	Invoice: TYFFANY WANBERG	1,282.50	
		1020SC	TYFFANY WANBERG		1,282.50
1/3/23	38687	2020SC	Invoice: BERNARD WORMGOOR	100.00	
		1020SC	BERNARD WORMGOOR		100.00
1/3/23	38688	2020SC	Invoice: 0000001486268	453.88	
		1020SC	DEPT OF FORESTRY & FIRE PROTECTION		453.88
1/3/23	38689	2020SC	Invoice: OH99692	120.00	
		1020SC	NORTHBAY HEALTHCARE GROUP OCC HEALTH DE		120.00
1/3/23	38690	2020SC	Invoice: RHONDA PORTOCARRERO	599.00	
		1020SC	RHONDA PORTOCARRERO		599.00
1/10/23	38691	2020SC	Invoice: 15134	12,437.99	
		2020SC	Invoice: 15139	14,764.59	
		2020SC	Invoice: 15140	16,872.19	
		1020SC	ZACHARIAH WILKERSON		44,074.77
1/10/23	38692	2020SC	Invoice: 202212	640.00	
		1020SC	BELIA MARTINEZ		640.00
1/10/23	38693	2020SC	Invoice: 0698482	1,912.05	
		1020SC	ACWA JOINT POWERS INSURANCE AUTHORITY		1,912.05
1/10/23	38694	2020SC	Invoice: WC 10/01/22-12/31/22	5,477.63	
		1020SC	ACWA JOINT POWERS INSURANCE AUTHORITY		5,477.63
1/10/23	38695	2020SC	Invoice: 4133080	741.56	
		1020SC	AMERICAN TOWER CORPORATION		741.56
1/10/23	38696	2020SC	Invoice: EXP REIM DEC 2022	25.00	
		1020SC	JEFF BARICH		25.00
1/10/23	38697	2020SC	Invoice: 157656	522.00	
		1020SC	BOUTIN JONES		522.00
1/10/23	38698	2020SC	Invoice: SF04892	378.00	
		1020SC	BSK ASSOCIATES		378.00
1/10/23	38699	2020SC	Invoice: 000019216936	838.74	
		2020SC	Invoice: 000019215444	301.16	
		2020SC	Invoice: 000019215489	167.08	
		1020SC	CALNET3		1,306.98
1/10/23	38700	2020SC	Invoice: 14732233	780.31	
		1020SC	BARICH CALPERS LONG-TERM CARE PROGRAM		780.31
1/10/23	38701	2020N	Invoice: 22-1008-7	268.50	
		2020N	Invoice: 22-1007-8	6,806.00	
		1020SC	CBEC, INC.		7,074.50
1/10/23	38702	2020SC	Invoice: 5753021-0001	1,357.93	

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Jan 1, 2023 to Jan 31, 2023

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		2020SC	Invoice: 5761619-0003	206.68	
		2020SC	Invoice: 5753713-0001	5,287.52	
		1020SC	NORCAL RENTAL GROUP, LLC		6,852.13
1/10/23	38703	2020SC	Invoice: 0000001486263	226.94	
		2020SC	Invoice: 0000001491676	680.82	
		1020SC	DEPT OF FORESTRY & FIRE PROTECTION		907.76
1/11/23	38703V	2020SC	Invoice: 0000001486263		226.94
		2020SC	Invoice: 0000001491676		680.82
		1020SC	DEPT OF FORESTRY & FIRE PROTECTION	907.76	
1/10/23	38704	2020SC	Invoice: DEC 2022	3,477.41	
		1020SC	JAMES B. DEROSE		3,477.41
1/10/23	38705	2020SC	Invoice: 94378473	2,700.00	
		1020SC	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUT		2,700.00
1/10/23	38706	2020SC	Invoice: 7-943-13662	135.38	
		2020SC	Invoice: 9-638-77899	8.04	
		2020SC	Invoice: 7-979-10905	114.19	
		1020SC	FEDEX EXPRESS		257.61
1/10/23	38707	2020SC	Invoice: EXP REIM OCT-DEC 202	207.77	
		1020SC	MARCIE FEHRENKAMP		207.77
1/10/23	38708	2020SC	Invoice: 9536345375	385.41	
		1020SC	W.W.GRAINGER, INC.		385.41
1/10/23	38709	2020SC	Invoice: 8252293	608.49	
		1020SC	GREATLAND		608.49
1/10/23	38710	2020SC	Invoice: ER7769847010	3,215.98	
		2020SC	Invoice: er7769846010	5,277.95	
		2020SC	Invoice: ER7769846011	410.88	
		1020SC	HOLT OF CALIFORNIA		8,904.81
1/10/23	38711	2020SC	Invoice: SWA00010502	1,865.60	
		1020SC	HOLT AG SOLUTIONS		1,865.60
1/10/23	38712	2020SC	Invoice: 3013434	470.73	
		2020SC	Invoice: 7014135	278.83	
		2020SC	Invoice: 7023795	157.54	
		2020SC	Invoice: 5023968	296.62	
		2020SC	Invoice: 3015740	281.81	
		2020SC	Invoice: 6020126	604.58	
		1020SC	HOME DEPOT CREDIT SERVICE		2,090.11
1/10/23	38713	2020SC	Invoice: CL40741	794.43	
		1020SC	INTERSTATE OIL COMPANY		794.43
1/10/23	38714	2020SC	Invoice: 6403	585.00	
		2020SC	Invoice: 6427	1,014.00	
		2020SC	Invoice: 6539	1,105.00	
		1020SC	J.T. MARTIN		2,704.00
1/10/23	38715	2020SC	Invoice: PRECON 01	72,090.55	
		1020SC	LANDMARK CONSTRUCTION		72,090.55
1/10/23	38716	2020SC	Invoice: NOV 2022 COVID	75.00	
		2020SC	Invoice: DEC 2022	75.00	

SOLANO COUNTY WATER AGENCY

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		1020SC	COVID LEE, CHRISTOPHER R.		150.00
1/10/23	38717	2020SC 1020SC	Invoice: 2223 LOS RIOS FARMS, INC.	16,879.20	16,879.20
1/10/23	38718	2020SC 2020SC 1020SC	Invoice: 185687 Invoice: 186035 LSA ASSOCIATES, INC.	29,003.81 7,731.25	36,735.06
1/10/23	38719	2020SC 1020SC	Invoice: 597298 M&M SANITARY LLC	180.00	180.00
1/10/23	38720	2020SC 1020SC	Invoice: DEC 2022 MILLENNIUM TERMITE & PEST	51.00	51.00
1/10/23	38720V	2020SC 1020SC	Invoice: DEC 2022 MILLENNIUM TERMITE & PEST	51.00	51.00
1/10/23	38721	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 347967 Invoice: 347961 Invoice: 348018 Invoice: 347998 Invoice: 348127 Invoice: 348125 Invoice: 348126 Invoice: 348330 Invoice: 348332 Invoice: 348369 Invoice: 171680 Invoice: 348708 Invoice: 172159 Invoice: 172474 Invoice: 172581 Invoice: 349069 Invoice: 349134 PACIFIC ACE HARDWARE	50.16 41.82 235.80 27.86 85.79 70.74 96.47 86.71 91.08 2.78 11.63 45.33 173.08 11.65 137.82 15.00 25.85	1,209.57
1/10/23	38721a	1020SC	VOID		
1/10/23	38722	2020SC 1020SC	Invoice: 50254085 RECOLOGY VACAVILLE SOLANO	277.28	277.28
1/10/23	38723	2020SC 1020SC	Invoice: 01213990 RECOLOGY HAY ROAD	924.28	924.28
1/10/23	38723a	1020SC	VOID		
1/10/23	38724	2020SC 1020SC	Invoice: 14345 REGIONAL GOVERNMENT SERVICES AUTHORITY	228.40	228.40
1/10/23	38725	2020U 1020SC	Invoice: 7469 RESOURCE MANAGEMENT ASSOCIATES	25,541.00	25,541.00
1/10/23	38726	2020SC 1020SC	Invoice: 1583 DOUG NOLAN	3,000.00	3,000.00
1/10/23	38727	2020SC 1020SC	Invoice: 10498317 SHELDON	962.59	962.59
1/10/23	38728	2020SC 2020SC	Invoice: 78114 Invoice: 78140	196.96 64.36	

SOLANO COUNTY WATER AGENCY
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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		2020SC	Invoice: 78135	506.65	
		2020SC	Invoice: 78141	108.88	
		2020SC	Invoice: 78167	61.56	
		2020SC	Invoice: 78191	15.32	
		2020SC	Invoice: 78195	583.78	
		2020SC	Invoice: 78202	28.12	
		2020SC	Invoice: 78203	49.81	
		1020SC	SUISUN VALLEY FRUIT GROWERS AS		1,615.44
1/10/23	38729	2020SC	Invoice: WD-0215512	3,274.00	
		1020SC	STATE WATER RESOURCES CONTROL BOARD		3,274.00
1/10/23	38730	2020SC	Invoice: 66707673	187,708.61	
		1020SC	THE REGENTS OF THE UNIVERSITY OF CA		187,708.61
1/10/23	38731	2020SC	Invoice: 200616206	794.53	
		2020SC	Invoice: 300560674	24.69	
		1020SC	TRACTOR SUPPLY CREDIT PLAN		819.22
1/10/23	38732	2020SC	Invoice: LINDA NEWMAN	717.00	
		1020SC	LINDA NEWMAN		717.00
1/10/23	38733	2020SC	Invoice: 9922219611	1,295.92	
		1020SC	VERIZON WIRELESS		1,295.92
1/10/23	38734	2020SC	Invoice: PSC-7	11,407.50	
		2020SC	Invoice: N-8	2,294.38	
		1020SC	VICTOR PAUL CLAASSEN		13,701.88
1/10/23	38735	2020SC	Invoice: 2964991	595.00	
		1020SC	CAL.NET INC. - WINTERS		595.00
1/10/23	38736	2020SC	Invoice: 13002	6,400.00	
		1020SC	GWYNNE CROPSEY		6,400.00
1/17/23	38737	2020SC	Invoice: 2023 FORD F350	85,577.00	
		1020SC	CORNING FORD		85,577.00
1/20/23	38739	2020SC	Invoice: BUILDING PERMIT FEES	50,632.00	
		1020SC	CITY OF VACAVILLE		50,632.00
1/24/23	38740	2020SC	Invoice: 56824	2,320.36	
		1020SC	AARON'S AUTOMOTIVE		2,320.36
1/24/23	38741	2020SC	Invoice: 130	7,000.00	
		1020SC	AVRY DOTAN		7,000.00
1/24/23	38742	2020SC	Invoice: 638845-6	1,750.00	
		2020SC	Invoice: 638977-6	3,000.00	
		1020SC	ALPHA MEDIA LLC		4,750.00
1/24/23	38743	2020SC	Invoice: 1353	2,382.00	
		1020SC	BADAWI & ASSOCIATES		2,382.00
1/24/23	38744	2020SC	Invoice: BA8476	6,463.75	
		1020SC	BLANKINSHIP & ASSOCIATES, INC.		6,463.75
1/24/23	38745	2020SC	Invoice: 41837	12,726.00	
		1020SC	BRERETON ARCHITECTS		12,726.00

SOLANO COUNTY WATER AGENCY
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1/24/23	38746	2020SC 1020SC	Invoice: 29845370 CANON FINANCIAL SERVICES, INC.	577.11	577.11
1/24/23	38747	2020SC 1020SC	Invoice: 10097 CP UNLIMITED	564.37	564.37
1/24/23	38748	2020SC 1020SC	Invoice: 0000001491676 DEPT OF FORESTRY & FIRE PROTECTION	680.82	680.82
1/24/23	38749	2020SC 1020SC	Invoice: 5437 EYASCO, INC.	33,805.00	33,805.00
1/24/23	38750	2020SC 1020SC	Invoice: 267281 FRONTIER PRECISION, INC.	3,835.00	3,835.00
1/24/23	38751	2020SC 1020SC	Invoice: EXP REIM JAN 2023 ZACH HYER	104.66	104.66
1/24/23	38752	2020SC 2020SC 1020SC	Invoice: 67800263527 Invoice: 67800263526 LES SCHWAB GROUP HOLDINGS, LLC	132.91 132.91	265.82
1/24/23	38753	2020SC 1020SC	Invoice: SAC-100691 MERIDIAN UTILITY EQUIPMENT SALES	2,832.33	2,832.33
1/24/23	38754	2020SC 1020SC	Invoice: DEC 2022 MILLENNIUM TERMITE & PEST	51.00	51.00
1/24/23	38755	2020SC 1020SC	Invoice: 11/19/22-12/19/22 PACIFIC GAS & ELECTRIC CO,	19.89	19.89
1/24/23	38756	2020SC 2020SC 1020SC	Invoice: 221070-1 Invoice: 221094-1 PACIFIC NEON COMPANY	111.91 91.91	203.82
1/24/23	38757	2020SC 1020SC	Invoice: 50619543 RECOLOGY VACAVILLE SOLANO	109.80	109.80
1/24/23	38758	2020U 1020SC	Invoice: 7518 RESOURCE MANAGEMENT ASSOCIATES	6,977.50	6,977.50
1/24/23	38759	2020SC 1020SC	Invoice: 23-004 CHCP-FY2023 SANTA CLARA VALLEY HABITAT AGENCY	5,000.00	5,000.00
1/24/23	38760	2020SC 1020SC	Invoice: 1966 SCHUTZE & ASSOCIATES, INC.	1,555.00	1,555.00
1/24/23	38761	2020SC 1020SC	Invoice: 1231222306 SHANDAM INC.	15,202.50	15,202.50
1/24/23	38762	2020SC 1020SC	Invoice: 10828356 SHELDON	17.18	17.18
1/24/23	38763	2020U	Invoice: DEC 2022	511.53	

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		1020SC	SOLANO COUNTY FLEET MANAGEMENT		511.53
1/24/23	38764	2020U	Invoice: 12014	19,867.92	
		2020U	Invoice: 12017	1,584.86	
		2020U	Invoice: 12007	86,953.87	
		2020U	Invoice: 12009	1,907.33	
		2020U	Invoice: 12012	8,673.85	
		2020U	Invoice: 12005	1,884.36	
		2020U	Invoice: 12018	29,216.61	
		2020U	Invoice: 12015	5,339.00	
		2020U	Invoice: 12013	56,118.92	
		2020U	Invoice: 12010	1,599.40	
		2020U	Invoice: 12008	3,019.35	
		2020U	Invoice: 12006	2,111.77	
		2020U	Invoice: 12019	28,485.86	
		1020SC	SOLANO COUNTY PUBLIC WORKS DIVISION		246,763.10
1/24/23	38765	2020SC	Invoice: 2023-01390	8,200.82	
		1020SC	TERRA REALTY ADVISORS, INC.		8,200.82
1/24/23	38766	2020SC	Invoice: 64685951	158,767.67	
		1020SC	THE REGENTS OF THE UNIVERSITY OF CA		158,767.67
1/24/23	38767	2020SC	Invoice: 333	2,175.00	
		2020SC	Invoice: 334	2,675.00	
		2020SC	Invoice: 335	1,990.00	
		2020SC	Invoice: 336	1,900.00	
		2020SC	Invoice: 337	3,150.00	
		1020SC	KATHLEEN A SALMUNOVICH		11,890.00
1/24/23	38768	2020SC	Invoice: RAUL ALATORRE	924.00	
		1020SC	RAUL ALATORRE DELAMORA		924.00
1/24/23	38769	2020SC	Invoice: JACK BASTIDA	891.00	
		1020SC	JACK BASTIDA		891.00
1/24/23	38770	2020SC	Invoice: JOHN BRISBIN	846.00	
		1020SC	JOHN BRISBIN		846.00
1/24/23	38771	2020SC	Invoice: KATHY DEMARTILE	1,500.00	
		1020SC	KATHY DEMARTILE		1,500.00
1/24/23	38772	2020SC	Invoice: ANGELO DOBIE	1,500.00	
		1020SC	ANGELO DOBIE		1,500.00
1/24/23	38773	2020SC	Invoice: JAZMIN GARCIA	100.00	
		1020SC	JAZMIN GARCIA GONZALEZ		100.00
1/24/23	38774	2020SC	Invoice: ROBERT GIBBON	1,500.00	
		1020SC	ROBERT GIBBON		1,500.00
1/24/23	38775	2020SC	Invoice: GRACE JONES	768.00	
		1020SC	GRACE JONES		768.00
1/24/23	38776	2020SC	Invoice: ZIAD HASSANIEH	1,500.00	
		1020SC	ZIAD HASSANIEH		1,500.00
1/24/23	38777	2020SC	Invoice: LONG HOANG	684.00	

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		1020SC	LONG HOANG		684.00
1/24/23	38778	2020SC	Invoice: ARLENE HYLTON	1,288.50	
		1020SC	ARLENE HYLTON		1,288.50
1/24/23	38779	2020SC	Invoice: DEBRA KURTYAK	1,500.00	
		1020SC	DEBRA KURTYAK		1,500.00
1/24/23	38780	2020SC	Invoice: NOEL LOCSIN	100.00	
		1020SC	NOEL LOCSIN		100.00
1/24/23	38781	2020SC	Invoice: BETTY MANDELL	1,500.00	
		1020SC	BETTY MANDELL		1,500.00
1/24/23	38782	2020SC	Invoice: PAUL MARKIEWITZ 2	69.00	
		1020SC	PAUL MARKIEWITZ		69.00
1/24/23	38783	2020SC	Invoice: DIANE MAXWELL	788.00	
		1020SC	DIANE MAXWELL		788.00
1/24/23	38784	2020SC	Invoice: DIANE MCRAE	1,000.00	
		1020SC	DIANE MCRAE		1,000.00
1/24/23	38785	2020SC	Invoice: LAURA MERRITT 1	693.75	
		1020SC	LAURA MERRITT		693.75
1/24/23	38786	2020SC	Invoice: LORELEI PIERCE	1,500.00	
		1020SC	LORELEI PIERCE		1,500.00
1/24/23	38787	2020SC	Invoice: RICHARD COX	69.00	
		1020SC	RICHARD COX		69.00
1/24/23	38788	2020SC	Invoice: STEPHEN PERRY	100.00	
		1020SC	STEPHEN PERRY		100.00
1/24/23	38789	2020SC	Invoice: RUSSELL YEE	100.00	
		1020SC	RUSSELL YEE		100.00
1/24/23	38790	2020SC	Invoice: OSV000002934943	218.56	
		1020SC	VERIZON CONNECT		218.56
1/24/23	38791	2020SC	Invoice: 9923940349	2,340.97	
		2020SC	Invoice: 9924604115	1,319.22	
		1020SC	VERIZON WIRELESS		3,660.19
1/24/23	38792	2020SC	Invoice: DAVIS_FY2022-23-2	15,359.45	
		2020SC	Invoice: DAVIS_FY2022-23-3	16,399.55	
		1020SC	KEN W. DAVIS		31,759.00
1/24/23	38793	2020SC	Invoice: 37	14,425.00	
		1020SC	YOLO COUNTY RCD		14,425.00
1/18/23	5000036	2023AC	FSA MEDICAL 2021 CALENDAR YEAR 1.18.2023	60.39	
		1020SC	RABIDOUX, ALEXANDER		60.39
1/18/23	5000037	2023AC	FSA MEDICAL AND DEPENDENT REIMBURSEMENT	5,350.00	

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			2021 CALENDAR YEAR 1.18.2023		
		1020SC	RABIDOUX, ALEXANDER		5,350.00
1/25/23	CUETARA DEC	2020SC	Invoice: CUETARA DEC 2022	1,209.95	
		1020SC	UMPQUA BANK		1,209.95
1/3/23	EFT	2020SC	Invoice: JAN 2023 HEALTH	23,329.86	
		1020SC	CALPERS		23,329.86
1/7/23	EFT	2020SC	Invoice: PEPPRA PPE 01.07.23	5,609.55	
		2020SC	Invoice: PPE 01.07.2023	10,116.16	
		2020SC	Invoice: SIP PPE 01.07.2023	7,476.07	
		1020SC	CALPERS		23,201.78
1/26/23	EFT	2020SC	Invoice: 86306980	2,418.06	
		1020SC	WEX BANK		2,418.06
1/27/23	EFT	2020SC	Invoice: 12/10/22-1/9/23	3,343.82	
		1020SC	PACIFIC GAS & ELECTRIC CO,		3,343.82
1/7/23	EFT 01.17.2023	6012AC	EMPLOYER LIABILITIES PPE 01.07.2023	3,785.41	
		2024AC	EMPLOYEE LIABILITIES PPE 01.07.2023	19,190.43	
		1020SC	PAYROLL TAXES		22,975.84
1/21/23	EFT 01.21.2023	6012AC	EMPLOYER LIABILITIES PPE 01.21.2023	4,592.26	
		6012AC	EMPLOYEE LIABILITIES PPE 01.21.2023	23,697.27	
		1020SC	PAYROLL TAXES		28,289.53
1/21/23	EFT 01.21.2023	2020SC	Invoice: 72324	130.00	
		1020SC	ONEPOINT HUMAN CAPITAL MANAGEMENT LLC		130.00
1/26/23	EFT 01.26.2022	2020SC	Invoice: SALES TAX 2022	2,480.00	
		1020SC	BOARD OF EQUALIZATION		2,480.00
1/27/23	EFT 01.27. 2023	2020SC	Invoice: PPE 01.21.2023	11,049.03	
		1020SC	CALPERS		11,049.03
1/27/23	EFT 01.27. 2023	2020SC	Invoice: MMORRIS 12.24-1.7.23		15.22
		2020SC	Invoice: PEPPRA PPE 01.21.2023	6,611.25	
		1020SC	CALPERS		6,596.03
1/27/23	EFT 01.27.2023	2020SC	Invoice: SIP PPE 01.21.2023	13,354.42	
		1020SC	CALPERS		13,354.42
1/25/23	FLORENDO DEC	2020SC	Invoice: FLORENDO DEC 2022	58.08	
		1020SC	UMPQUA BANK		58.08

SOLANO COUNTY WATER AGENCY

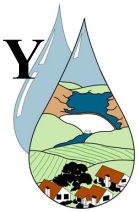
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1/25/23	FOX DEC 2022	2020SC 1020SC	Invoice: FOX DEC 2022 UMPQUA BANK	242.39	242.39
1/25/23	HYER DEC 2022	2020SC 1020SC	Invoice: HYER DEC 2022 UMPQUA BANK	872.71	872.71
1/25/23	MOORE DEC 20	2020SC 1020SC	Invoice: MOORE DEC 2022 UMPQUA BANK	1,073.92	1,073.92
1/25/23	MORRIS DEC 20	2020SC 1020SC	Invoice: MORRIS DEC 2022 UMPQUA BANK	194.95	194.95
1/25/23	PATE DEC 2022	2020SC 1020SC	Invoice: PATE DEC 2022 UMPQUA BANK	1,879.89	1,879.89
1/25/23	WILLINGMYRE	2020SC 1020SC	Invoice: WILLINGMYRE DEC 2022 UMPQUA BANK	324.30	324.30
Total				2,326,191.95	2,326,191.95

SOLANO COUNTY WATER AGENCY



MEMORANDUM

TO: Board of Directors

FROM: Interim General Manager

DATE: February 2, 2023

SUBJECT: February Interim General Manager's Report

2023 Water Supply Outlook

Very little precipitation has occurred since the multiple impact storm events in early January. Since the January Board meeting, we have seen a slight increase in storage at Lake Berryessa. Current water surface elevation at the lake is 412.13 feet, an almost 16-foot increase since December 31st.

State Water Project allocations were increased from 15% to 30% on January 26, 40% for those of us North of the Delta. The Department of Water Resources (DWR) is taking a conservative approach, this does not consider the February 1st snowpack measurements. This likely means that this number will not be reduced, but that did occur last year as there was no rain last year from January 1st to March 1st. Fortunately, the snowpack levels are currently at 205 percent higher than average around the state. DWR will wait until April to get a clearer picture of the type of water year we are in.

Even though we had a large amount of rain and snow during the first part of January, this does not necessarily mean we are out of the drought. There are locations in the state where that might be true, but for the most part, water conservation efforts and emergency declarations remain in effect. Every day it doesn't rain or snow, we gradually return to drier conditions.

Long range forecasts (8-14 days out) are leaning toward about a 50 percent chance of precipitation to occur over that time frame. The severity of predicted events is not known at this time.

LPCC Update

January LPCCC Activities:

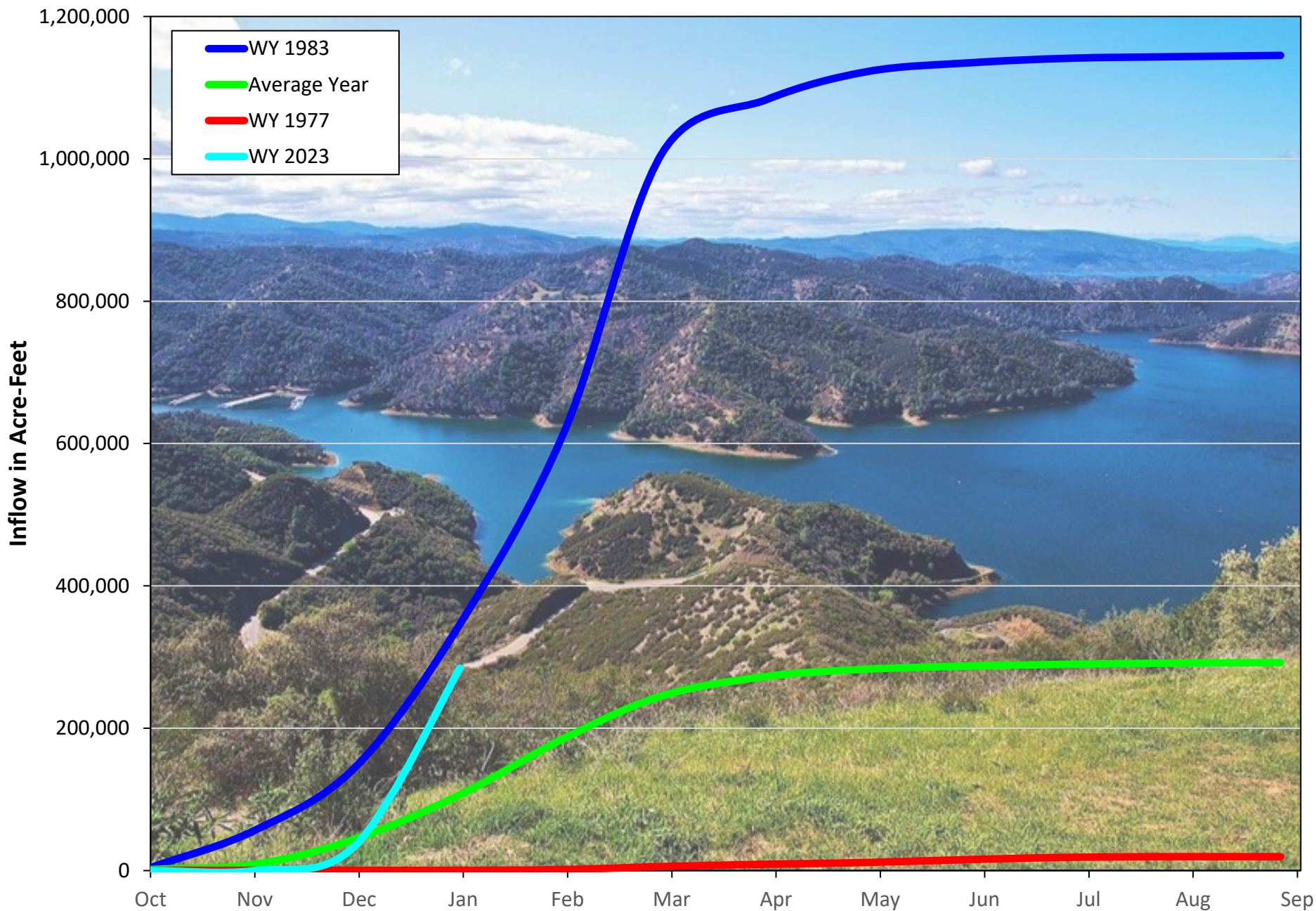
- There was a discussion on salmon in Putah Creek, including the pulse flows, board removal at Los Rios Dam, and arrival of salmon (more than 500 this year).

810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com

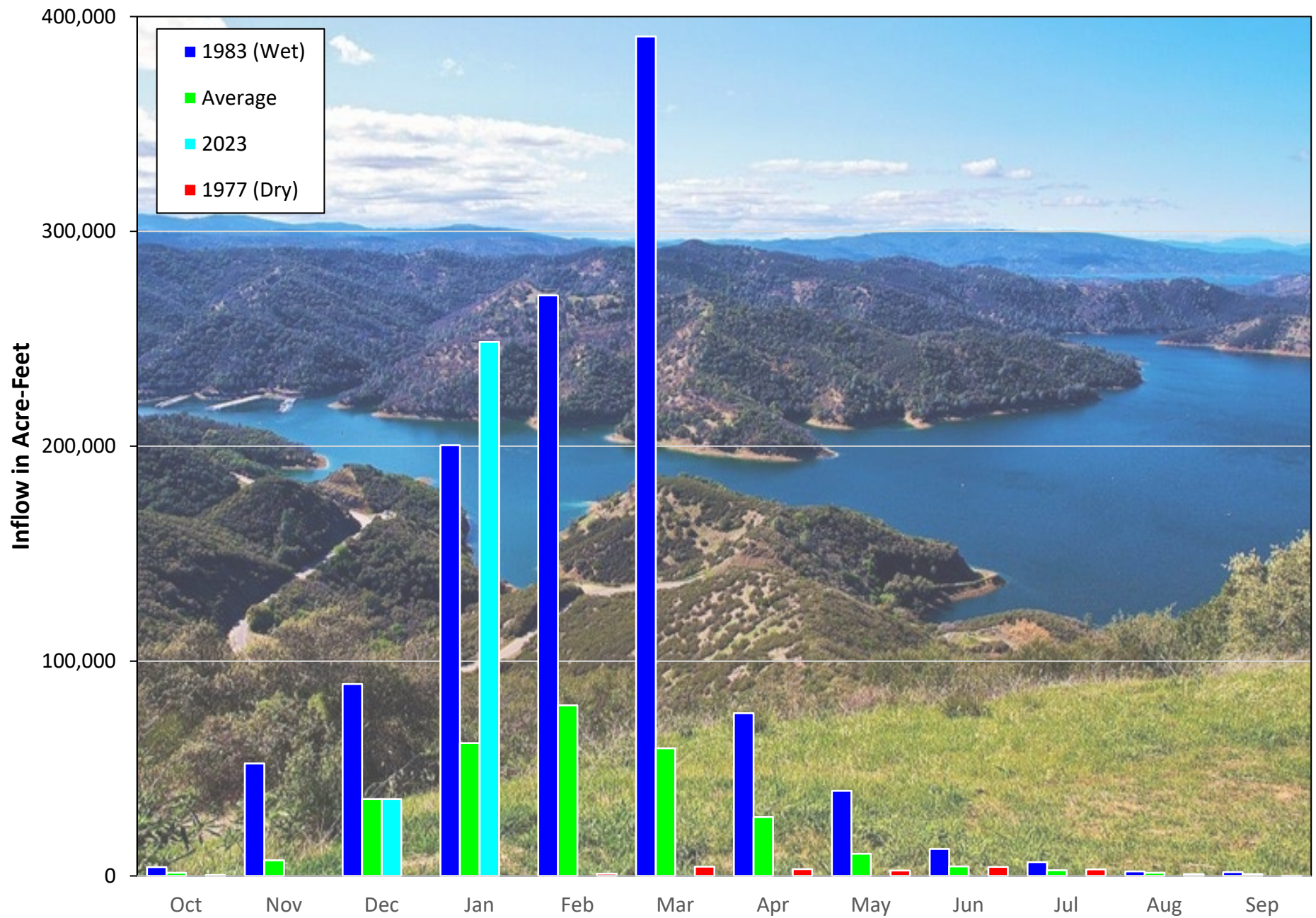


- There was a review of the LPCCC Member Selection process and potential for expanding LPCCC landowner representation.
- The Planning Subcommittee is working with Ag Innovations on continuing conversations with riparian diverters-Putah Creek Water Management (PCWM).

Annual Lake Berryessa Inflow



Annual Lake Berryessa Inflow



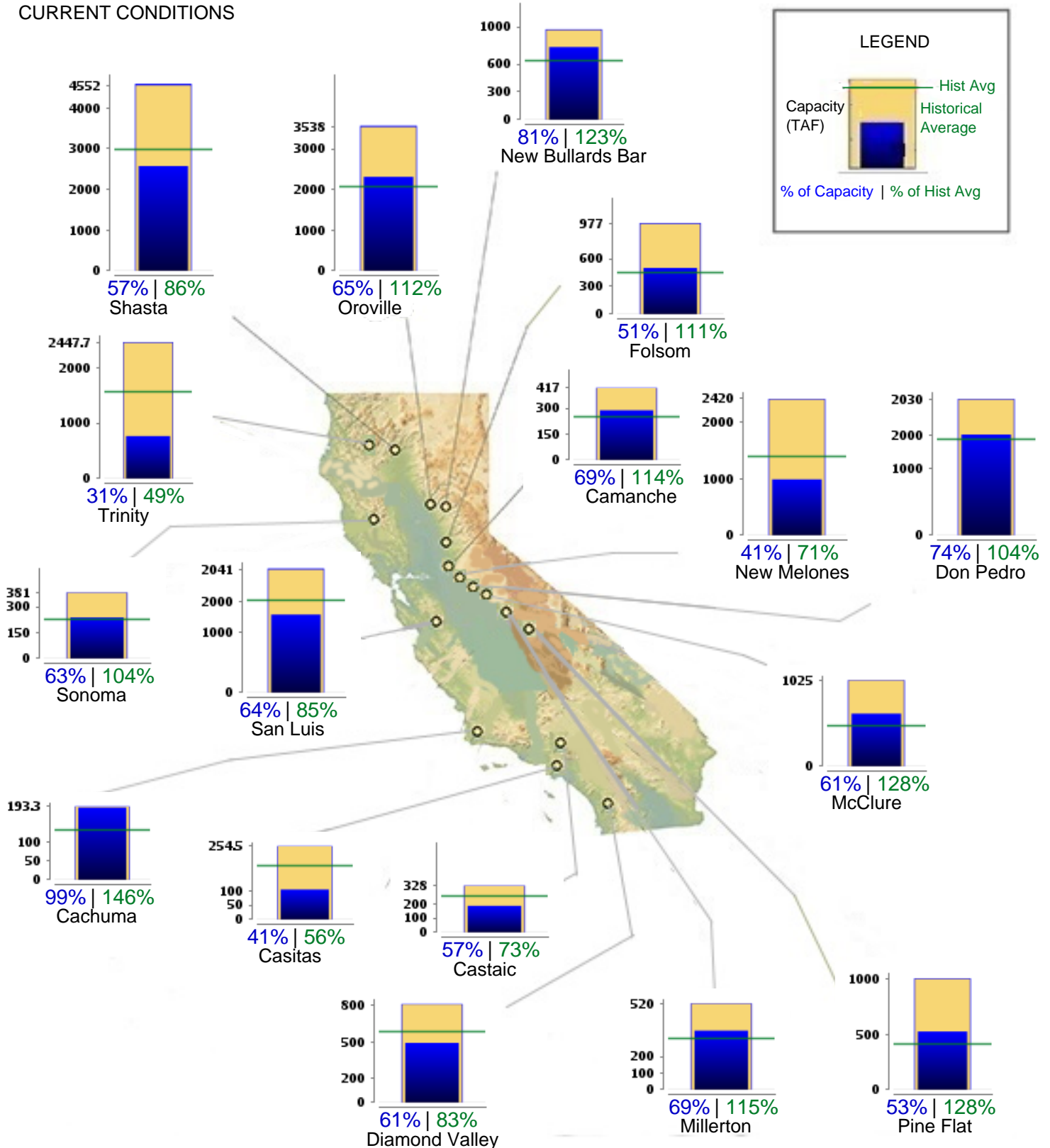


CURRENT RESERVOIR CONDITIONS

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

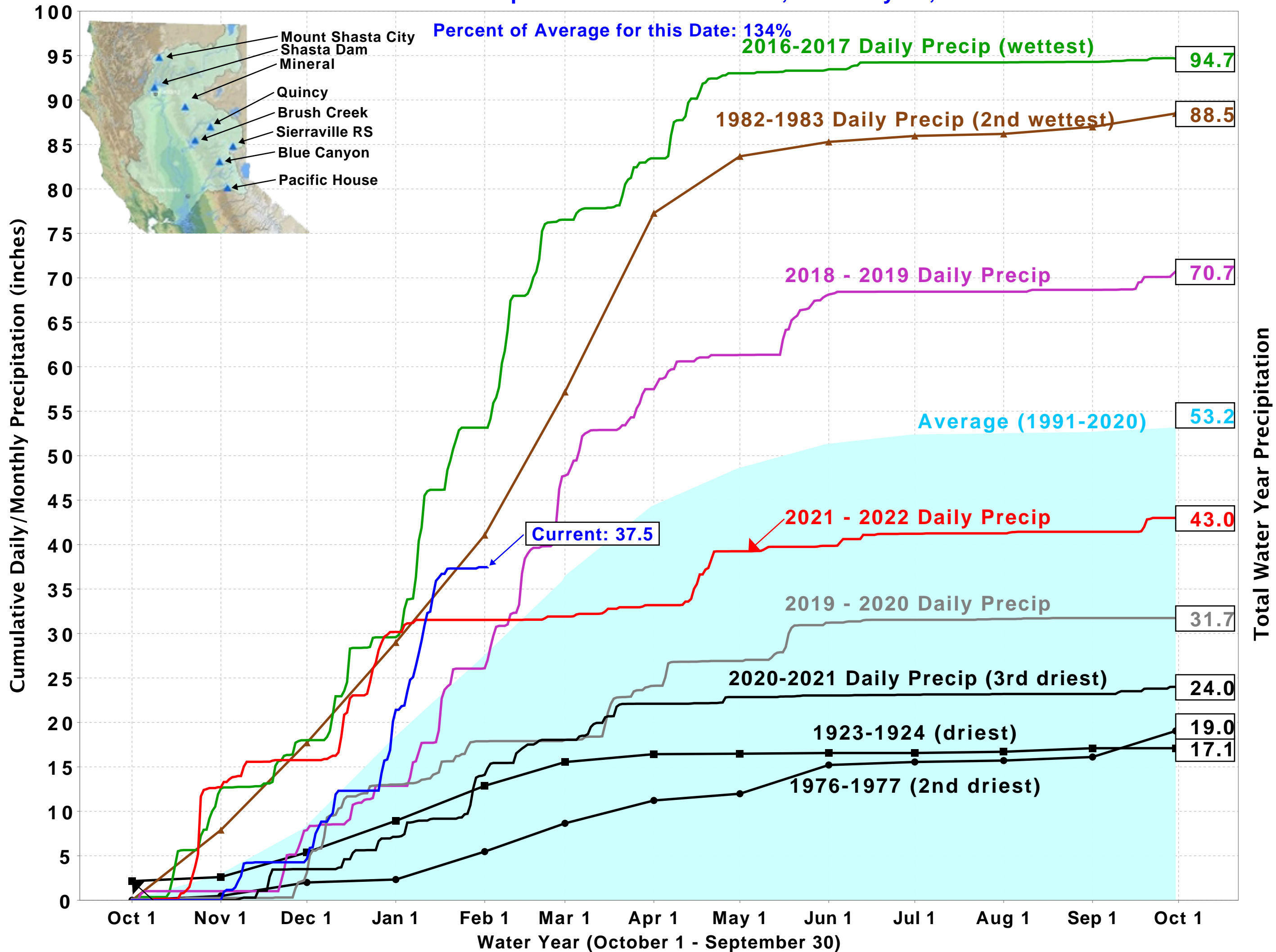
Midnight - February 1, 2023

CURRENT CONDITIONS



Updated 02/02/2023 01:18 PM

Northern Sierra Precipitation: 8-Station Index, February 02, 2023



**REPORT OF CONSTRUCTION CHANGE ORDERS AND
CONTRACTS APPROVED BY GENERAL MANAGER UNDER
DELEGATED AUTHORITY**

Construction Contract Change Orders (15% of original project costs or \$60,000, whichever is less) - None

Construction Contracts (\$45,000 and less) – None

Professional Service Agreements (\$45,000 and less) –
EKI – Drought Relief Grant Support - \$40,000

Non-Professional Service Agreements (\$45,000 and less) – None

Construction contracts resulting from informal bids authorized by SCWA Ordinance- None

Note: Cumulative change orders or amendments resulting in exceeding the dollar limit need Board approval.

NEWS ARTICLES

Can We Capture More Water in the Delta?

A massive amount of water is moving through the [Sacramento–San Joaquin Delta](#) in the wake of recent storms, and calls have risen from all quarters to capture more of this bounty while it's here. We spoke with PPIC Water Policy Center adjunct fellow [Greg Gartrell](#) to understand what's preventing that—and to dispel the myth of “water wasted to the sea.”

Your recent [policy brief](#) said that California doesn't do a good enough job of managing water supply in the Sacramento–San Joaquin Delta in wet years. Are we likely to see some of the effects that you highlighted this year?

Yes. [The brief](#) focused on where we could have improved water management during California's last three really wet years, which were 2011, 2017, and 2019. All three years had periods when the San Joaquin River was flooding, protections for salmon and steelhead were suspended, and the two water projects—Central Valley Project and State Water Project—could pump without restrictions. But the major reservoir south of the Delta—San Luis—was full, and there was simply no place to put the additional water.

We could see that again this year, though a couple of things make that less likely. Reservoirs further south, like Castaic and Diamond Valley in Southern California, are low and will be able to take some water, and some areas in the San Joaquin Valley now have capacity to put more water in the ground.

People complain that we're wasting water to the ocean. While it's true that there are pumping restrictions right now to protect fish, the maximum the projects could be pumping is about 14,000 cubic feet per second (cfs), not quite double what they're currently pumping (8,000 cfs on Jan 12). With current outflows at about 150,000 cfs, we'd still see 144,000 cfs flowing to the ocean if they were pumping without restrictions. There's a limit to how much the aqueducts can carry, and there's a limit to where water can go south of the Delta. In other words, most of this water is not just uncaptured—it's uncapturable. And it's not actually wasted: it's [freshening San Francisco Bay](#), which benefits from these kinds of flows.

It's always been this way when it rains hard. Upstream reservoirs are capturing every drop they can right now. Only Folsom is releasing a lot of water to prevent a disastrous flood in Sacramento; in the San Joaquin Valley, the same is true for Millerton reservoir, to reduce flood risk in downstream communities like Manteca. Unfortunately, some of the water released to protect Manteca could have gone to groundwater recharge, but the southern part of the Friant-Kern Canal is out of service as it [undergoes repairs](#) for subsidence caused by overdrafted groundwater.

There are restrictions on pumping in the Delta right now, even though large flows are coming down the Sacramento River. Why is that?

The export pumps in the Delta are currently pumping at about half of their capacity to reduce harm to species of fish protected by state and federal Endangered Species Acts. For several days after Christmas, pumping was restricted to give time for fish to adjust to changes in inflow and to move away from harm at the pumps. And on January 3rd, regulations kicked in that restrict pumping when turbid water gets near the pumps. Protected Delta fishes make use of this turbid water as habitat, placing them at risk.

These latest restrictions are limiting the amount of water exported from the Delta: roughly 84,000 acre-feet less will be exported over 14 days (roughly enough water to irrigate 25,000 acres of farmland for a year, or to supply 150,000 homes). However, if inflows to the Delta remain high—which looks likely—these restrictions may just delay filling San Luis Reservoir by a few weeks. If San Luis Reservoir fills to its 2 million acre-foot capacity, and we again have no place to put additional water, the ultimate water supply cost of these regulations will be low. Also, don't forget that snowpack—our largest reservoir—is piling up, and upstream surface reservoirs are filling.

In your report, you recommended some changes. What do we need to do?

Especially in the San Joaquin Valley, we need investments to put water in the ground—our largest reservoir for long-term storage (snowpack is short-term)—when it's raining. That's the cheapest and easiest thing to do. Everything else—including projects like the proposed Delta tunnel and Sites Reservoir—is pretty darned expensive and will take a lot of time.

In the near term, we should prioritize the fast, easy, and cheap options—the ones that involve no need to change regulations and no big new infrastructure. In past wet years, it would have been possible to pump an additional 400,000–800,000 acre-feet in the Delta, within current regulations, if we had places to put it. The logical place to put this water is in our depleted groundwater basins.

In our study, we also recommend taking a hard look at regulations that govern protections for fish in the Delta. Some of the rules are tied to water-year type and are fairly rigid, not adapting to the range of hydrology in a single year. We need to revisit the biological basis for the numerous, overlapping restrictions to be both more protective of the Delta environment and more efficient in pumping. And we need to be more nimble, able to adjust pumping restrictions based on real-time hydrology and biological conditions.

Finally, what the Delta really needs is better cooperation between agencies. Agencies like to keep their independence. That can lead to uncoordinated regulations, sometimes with unanticipated impacts on water supply operations. We need a modern version of the 1994 [Delta Accord](#)—a durable cooperative agreement between state and federal agencies that does not change every time there's a change in governor or president. That is likely to help with managing the Delta as much as any new storage effort.

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: February 9, 2023

SUBJECT: Lake Berryessa Mussel Prevention Program

RECOMMENDATIONS:

Hear presentation on 2022 Lake Berryessa Mussel Prevention Program.

FINANCIAL IMPACT:


None.

BACKGROUND:

The primary goal of the Lake Berryessa Mussel Prevention Program is to prevent the introduction of quagga, zebra, and other invasive species into Lake Berryessa. Neither quagga nor zebra mussels are native to North America. Both mussels are extremely prolific and by sheer numbers, capable of severely fouling water conveyance facilities and causing significant ecological damage. If or when quagga and/or zebra mussel populations become established in Lake Berryessa, they are likely to spread to Lower Putah Creek, the Putah South Canal, and any water body that ultimately receives agricultural return flow water that originates from Lake Berryessa, including the Cache Slough Complex and Barker Slough (source water for North Bay Aqueduct).

The economic impacts of quagga and/or zebra mussel infestations are potentially significant, though difficult to quantify. Although it may be inevitable that Lake Berryessa becomes infected with quagga or zebra mussels, the potential water infrastructure operation and maintenance cost associated with mussel infestations is sufficient justification for implementing programs that at the very least delay mussel infestations at Lake Berryessa.

In response to the increasing threat of zebra and quagga mussel infestations, the Lake Berryessa Mussel Prevention Program has expanded in several aspects over the past summer with 11 interns, new technology, and operation of a mobile boat wash station. The interns will present a summary of the 2022 Lake Berryessa Mussel Prevention Program activities and accomplishments.

Recommended: 
Chris Lee, Interim General Manager

<input type="checkbox"/> Approved as Recommended	<input type="checkbox"/> Other (see below)	<input checked="" type="checkbox"/> Continued on next page
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Modification to Recommendation and/or other actions:

I, Chris Lee, Interim General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2023 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Chris Lee
Interim General Manager & Secretary to the
Solano County Water Agency

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN

The continued growth of the Lake Berryessa Mussel Prevention Program is consistent with Goal #5 – *(Education and Outreach; Objective B-Evaluate, and where appropriate, coordinate public awareness of water-related programs throughout the County).*

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: February 9, 2023

SUBJECT: Putah South Canal Upgrades – Repayment Contract

RECOMMENDATIONS:

Authorize the Interim General Manager to execute the Letter of Agreement between Reclamation and the Agency for the Putah South Canal – Terminal Check Seismic Upgrade & Risk Reduction Project.

FINANCIAL IMPACT:

Future funding will need to be included in the Agency’s Solano Project Rehabilitation & Betterment budget.

BACKGROUND:

The 33-mile long Putah South Canal (PSC) is a critical component of the Solano Project, conveying both municipal and agricultural water supply across Solano County. The lower 3-miles of the PSC called the Terminal Check, crosses 2 seismic fault lines, is in an area of significant groundwater pressure, has had several seepage failures, and is in a highly urbanized area of Fairfield with homes at the base of the PSC. The Terminal Check also serves the communities of Vallejo, Benicia, and Green Valley. To remedy these issues, the Agency submitted a funding request to the U.S. Bureau of Reclamation and U.S. Senate as part of the Bipartisan Infrastructure Law. In August-2022 the Agency was awarded a 30-year repayment contract, to fund the design, permitting, and construction of the PSC – Terminal Check Seismic Upgrade & Risk Reduction Project, up to \$20 million. The Agency is seeking authorization to execute the Letter of Agreement between Reclamation and the Agency for this Project. The Agency is also in the process of applying for grant funds to fund the design work, as well as future FEMA funding as part of Solano County’s Hazard Mitigation Plan to partially fund construction. The main purpose of the repayment contract will be to fund construction of the project, which is expected to be approximately \$18 million.

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN:

Authorization to execute the Letter of Agreement for the PSC – Terminal Check Seismic Upgrade & Risk Reduction Project is consistent with Goal #1 (Water Supply Management), Goal #2 (Water Management Infrastructure), and Goal #4 (Water Resource Resiliency) of the 2016-2025 Strategic Plan.

Recommended: 
Chris Lee, Interim General Manager

<input type="checkbox"/> Approved as Recommended	<input type="checkbox"/> Other (see below)	<input type="checkbox"/> Continued on next page
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Modification to Recommendation and/or other actions:

I, Chris Lee, Interim General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2023 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Chris Lee
Interim General Manager & Secretary to the
Solano County Water Agency



United States Department of the Interior



BUREAU OF RECLAMATION
Interior Region 10
Central California Area Office
7794 Folsom Dam Road
Folsom, California 95630-1799

IN REPLY REFER TO:

CC-644
2.2.3.18

AUG 05 2022

VIA ELECTRONIC MAIL and U.S. MAIL

Mr. Roland Sanford
General Manager
Solano County Water Agency
810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688

Subject: Amended - Reimbursable Account for the Solano County Water Agency (Agency), Letter of Agreement for Putah South Canal – Terminal Check Seismic Upgrade Risk Reduction Extraordinary Maintenance Project, Central Valley Project, Solano County, California.

Dear Mr. Sanford:

This letter is to inform you that the Bureau of Reclamation (Reclamation) is in receipt of the Agency's letter requesting a repayment contract for the Putah South Canal – Terminal Check Seismic Upgrade & Risk Assessment Extraordinary Maintenance (XM Project) funded in Fiscal Year 2022 through Bipartisan Infrastructure Law (BIL) Aging Infrastructure Account (AIA) under Title IX, Subtitle G of Public Law 111-11 and Title XI, Section 1101 of Public Law 116-260 (XM Authority).

This Letter of Agreement (Agreement) between Reclamation and the Agency provides for reimbursement of all costs incurred by Reclamation resulting from the Agency's request for a repayment contract. Pursuant to the Reclamation Manual Directives and Standards PEC 07-01 (enclosed), Advanced Collection of Reimbursable Cost for Water-Related Contracting Activities, Reclamation staff will collect the estimated reimbursable costs based on an estimate of the actual costs expected to be incurred. Actual costs include salary, overhead, travel, materials, and other costs as applicable.

Appropriate Reclamation staff from various California-Great Basin Region 10 division offices and the Central California Area Office shall participate in meetings and negotiating sessions as necessary to successfully negotiate and administer a new repayment contract, as well as participate the preparation and review of the Federal planning report and associated documents prepared in Compliance with the National Environmental Policy Act (NEPA), Endangered Species Act (ESA), etc. for the proposed XM project. Reclamation's team may consist of, but not limited to, staff from the following disciplines: Contracts, Legal, Finance, Environmental, Engineering, and Lands and Policy. The Agency shall be responsible for financing all actual costs incurred pursuant to this Agreement and understand that while executing this Agreement, it does not imply approval of the proposed action requested.

By counter signing this letter agreement, the Agency agrees to the following conditions:

1. The Agency will be responsible for advancing to Reclamation the estimated costs, and ultimately paying in full the actual costs, incurred in preparing and negotiation the proposed contractual

INTERIOR REGION 10 • CALIFORNIA-GREAT BASIN

CALIFORNIA*, NEVADA*, OREGON*

* PARTIAL

action. The Agency's payment obligation for this effort is \$20 million (\$20m) and the repayment period will be thirty (30) years.

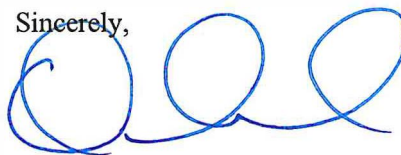
2. The Agency will deposit with Reclamation an advance in the amount of twenty-five thousand dollars (\$25,000) which will be used to finance the total cost incurred to pursue the activities described above. In the event Reclamation foresees expenditures more than the account balance, Reclamation shall notify the Agency within ten (10) working days.
3. Upon written request, Reclamation shall provide the Agency with a detailed record of actual costs incurred within sixty (60) days of such request.
4. Any unexpected funds advanced by the Agency pursuant to this Agreement remaining on deposit with Reclamation at the execution of the subject contract will be refunded or transferred to another Agency account, upon written request.
5. This agreement is effective as of the date signed by the Agency and will remain in effect until receipt of the final Federal Planning Report and associated Project NEPA/ESA documents specified in the Forbearance Agreement, on or about July 17, 2028, or this letter agreement is terminated by either party upon thirty (30) days written notice to the other party. The Agency shall be responsible for all expenses incurred prior to the expiration or termination of this Agreement.

Please have the appropriate individual digitally sign the enclosed original of this letter agreement, provide documentation which authorizes the individual to sign on behalf of the Agency, and return one signed agreement and the requested documentation, to the Bureau of Reclamation, Central California Area Office, Attention: Mr. Edward Roza, 7794 Folsom Dam Road, Folsom, CA 95630.

A down payment (DP) invoice will be forwarded to you via email. Please remit the DP invoice and the check directly to the Bank lockbox address that is imprinted on the invoice. Reclamation will forward DP invoices for subsequent advance requests. Please retain the copies for your records.

If you have any questions, please contact Mrs. Tina Somenek, Realty Specialist, at (916) 537-7234, or at tsomenek@usbr.gov.

Sincerely,



Drew Lessard
Area Manager

ACCEPTANCE:

By: _____
Chris Lee
Interim General Manager
Solano County Water Agency

Date: _____

Interest Rates and Prices

Interest Rates and Prices

SLGS Daily Rate Table

IRS Tax Credit Bond Rates

Treasury's Certified Interest Rates

Federal Credit Similar Maturity Rates

Prompt Payment Act Interest Rate

Monthly Interest Rate Certification

Quarterly Interest Rate Certification

Semi-Annual Interest Rate Certification

Annual Interest Rate Certification

Continued Treasury Zero Coupon Spot Rates

Average Interest Rates on U.S. Treasury Securities

UTF Quarterly Yields

[Government Users](#) / [Interest Rates and Prices](#) / [Certified Interest Rates](#) / [Annual](#) / Fiscal Year 2023

Annual Interest Rate Certification

Fiscal Year 2023

In February of 1997, the Fiscal Assistant Secretary of the U.S. Department of the Treasury delegated to the Bureau of the Public Debt (**now the Bureau of the Fiscal Service**) the responsibility of providing interest rate certification to various agencies.

The following table contains rates certified by the U.S. Department of the Treasury for various statutory purposes.

- [Table 1](#) - Range of Maturities
- [Table 2](#) - Public Health Service Act
- [Table 3](#) - Small Reclamation Project Act
- [Table 4](#) - US Army Corps of Engineers
- [Table 5](#) - Bureau of Reclamation
- [Table 6](#) - Mid-Dakota Rural Water System Act
- [Table 7](#) - Merchant Marine Act
- [Table 8a](#) - Other Specific Legislation - Calendar Year
- [Table 8b](#) - Other Specific Legislation - Fiscal Year
- [Table 9](#) - Power Marketing Administration

Table 1 - Range of Maturities

(Updated October 3, 2022)

The following schedule shows **average market yields** on **Treasury securities** for the month of **September 2022** at various intervals.

Rates Effective for Fiscal Year 2023

From and Including	Up To But Not Including	Rate
0 years - 3 months	0 years - 4 months	3%
0 years - 4 months	0 years - 5 months	3-1/4%
0 years - 5 months	0 years - 6 months	3-3/8%
0 years - 6 months	0 years - 8 months	3-1/2%
0 years - 8 months	1 year - 9 months	3-5/8%
1 year - 9 months	2 years - 4 months	3-1/2%
2 years - 4 months	3 years - 2 months	3-5/8%
3 years - 2 months	4 years - 5 months	3-1/2%
4 years - 5 months	8 years - 4 months	3-3/8%
8 years - 4 months	11 years - 8 months	3-1/4%
11 years - 8 months	13 years - 8 months	3-3/8%

13 years -8 months	16 years -0 months	3-1/2%
16 years -0 months	23 years -10 months	3-5/8%
23 years -10 months	28 years -3 months	3-1/2%
28 years -3 months	30 years - 1 day	3-3/8%

Table 2 -Public Health Service Act

(Updated October 3, 2022)

The Public Health Service Act, as amended by Public Law 89-751, approved November 3, 1966, created by Section 744(d)(1) a health professions education revolving fund, and Section 827(d)(1) created a nurse training revolving fund. Also, the Public Health Service Act, as amended by Public Law 91-519, approved November 2, 1970, created by Section 794(f)(4)(A) an allied profession training fund as a revolving fund.

The interest rates reflected on [Table 1-Range of Maturities](#) schedule are hereby certified for the maturities shown and are based on average market yields for the month of September 2022. These rates are for use in applying the interest rate corresponding to the average maturity of loans made, which is to be used in determining the amount to be paid into miscellaneous receipts of the U.S. Treasury covering the fiscal year 2023.

Table 3-Small Reclamation Project Act

(Updated October 5, 2022)

Public Law 89-553, Section 5(c), approved September 2, 1966; to amend the Small Reclamation Project Act:

- a. The previous single rate methodology for "grandfathered" projects (Public Law 84-984, Section 5(c)(2)), with the rate of **3%**.
- b. A schedule of maturity dates and yields for functions other than flood control (Public Law 99-546, Section 307). [Table 1-Range of Maturities](#) schedule shows average market yields on Treasury securities for the month of September at various intervals.
- c. A schedule of maturity dates and yields for flood control the same as those supplied the Corps of Engineers (Public Law 99-546, Section 306 and Public Law 99-662, Sections 103 and 106). [Table 1-Range of Maturities](#) shows average market yield on Treasury securities for the month of September at various intervals.

Table 4 -U.S. Army Corps of Engineers

(Updated October 5, 2022)

The following are interest rates that were formally published by the Water Resources Council as well as average market yields on Treasury securities.

Legislation	Rate	Fiscal Year
The Water Supply Act of 1958 section 301(b)	3.001%	2023
The interest rate based on average market yields during the preceding fiscal year on interest-bearing Treasury marketable securities that have 15 years or more remaining to maturity. This rate is used for the Water Resources Council Rules and Regulations (33 F.R. 19170) section 704.39(a). The published rate does not include any adjustment that may be needed to show the maximum rate change of 1/4 of one percent per year.	2-3/4%	2023

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: February 9, 2023

SUBJECT: Purchase of Replacement Utility Truck for Field Staff

RECOMMENDATIONS:

- 1) Approve purchase of Chevrolet 3500HD Silverado Utility Truck.

FINANCIAL IMPACT:

Not to exceed \$91,000. Sufficient funding for this purchase is included in the Agency’s approved FY 2022-2023 budget.


BACKGROUND:

The United States Bureau of Reclamation contracts with the Solano County Water Agency (SCWA) for Operation & Maintenance (O&M) of the Solano Project, which includes Monticello Dam and Lake Berryessa, the Putah Diversion Dam and Lake Solano, the 33-mile long Putah South Canal, and Terminal Reservoir. SCWA in turn subcontracts with the Solano Irrigation District (SID) for the necessary O&M services. Recently, SID requested a replacement vehicle for one of their older and nonoperational vehicles used for the Solano Project. The Water Agency provided SID with one of its new utility trucks that was assigned to an Agency field staff member. This purchase is to replace the truck that the Water Agency provided to SID.

Price Quotes for Utility Truck

#	Vendor	Manufacturer	Model	Price
1	Champion Chevrolet	Chevrolet	3500 Silverado	\$86,755
2	Lithia	Knapheide	Ram 3500	\$84,285
3	Basin Upfitting	Dodge	Ram 3500	\$90,385

This vehicle would be the second of two approved by the Board in June of 2021. However, costs have exceeded the initial funding request. Staff have done exhaustive searches locally for similar vehicles and nothing was available. Local dealers have stated that these types of vehicles are in high demand and wait time is up to 18 months. The first truck was only recently purchased from a dealer in Redding. This second truck was finally found in Reno, Nevada, it is California compliant.

Recommended: 
Chris Lee, Interim General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input checked="" type="checkbox"/>	Continued on next page
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Modification to Recommendation and/or other actions:

I, Chris Lee, Interim General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2023 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Chris Lee
Interim General Manager & Secretary to the
Solano County Water Agency

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN:

The purchase of these vehicles is consistent with Goal #10 of the 2016-2025 Strategic Plan, providing the necessary resources to continue to achieve SCWA’s mission and values efficiently and effectively.

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: February 9, 2023
SUBJECT: SCWA Fiscal Year 2021-2022 Audit

RECOMMENDATIONS:

Accept Fiscal Year 2021-2022 audit report.

FINANCIAL IMPACT:

None.

BACKGROUND:

The Water Agency’s Fiscal Year 2021-2022 audit was performed by Badawi & Associates, LLP, the results of which are summarized in the attached Independent Auditor’s Report. In their report, Badawi & Associates, LLP conclude the Water Agency’s financial statements for Fiscal Year 2021-2022 are free from material misstatement and are represented fairly in accordance with Generally Accepted Accounting Principles (GAAP).



Recommended: _____
Chris Lee, Interim General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input type="checkbox"/>	Continued on next page
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Ayes:

Noes:

Abstain:

Absent:

Chris Lee
Interim General Manager & Secretary to the
Solano County Water Agency

Solano County Water Agency

Vacaville, California

Annual Comprehensive
Financial Report

For the Year Ended
June 30, 2022



SOLANO COUNTY WATER AGENCY

Annual Comprehensive Financial Report For the year ended June 30, 2022

Prepared by the Finance Department

Solano County Water Agency
Annual Comprehensive Financial Report
For the year ended June 30, 2022

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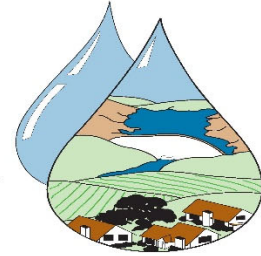
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**Solano County Water Agency
Annual Comprehensive Financial Report
For the year ended June 30, 2022**

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SOLANO COUNTY WATER AGENCY



December 30, 2022

Dear Board President and Members of the Board of Directors:

Please find the submittal of the Annual Comprehensive Financial Report (ACFR) of the Solano County Water Agency, for fiscal year ended June 30th, 2022, in accordance with California Government Code section 25253. The ACFR provides an overview of the Agency's finances. Responsibility for the accuracy of this data and the completeness and fairness of the presentation, including all disclosures, rests with the agency.

In the opinion of management, the enclosed data is accurate in all material respects and reported in a manner designed to fairly set forth the financial position and results of operations of the Agency and contains all disclosures necessary to enable the reader to understand the Agency's financial affairs. The ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the Agency, and management assumes full responsibility for the accuracy and the completeness of all the information presented in this report.

To provide a reasonable basis for making these representations, management of the Agency has established a comprehensive internal control framework designed both to protect the Agency's assets from loss, theft, or misuse, and to compile sufficient and reliable information in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Agency's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Agency's financial statements have been audited by Badawi and Associates, a public accounting firm licensed and qualified to perform audits of local governments within the State of California.

The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the Agency's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the report of the independent auditor.

Profile of the Agency

On November 11, 1948, the Monticello Dam was authorized by the Secretary of the Interior, under the Reclamation Project Act of 1939, and was built by the Bureau of Reclamation from 1953-1957, located on Putah Creek, Solano County, in the Vaca Mountains, on the Eastern side of Napa County. The Dam regulates the flows along the reaches of Lower Putah Creek and stores surplus water for Solano County. Lake Berryessa has a storage capacity of 1,602,000-acre feet, which is 522,013,986,054 gallons of water, and was built to provide a secure and reliable water source for local farmers and city residents. Solano County Water Agency (SCWA) was founded by Assembly Bill No. 2069, September 1989, by the California State Legislature, sometimes referred to as the Solano County Water Agency Act. The Legislature found it necessary for the conservation, development, control, and use of water for the public good and for the protection of life and property. This Act defines the boundaries of the Agency and ties the boundaries to the boundaries of the County which it serves.

As an independent Special District, it operates as a separate local government that has no reporting responsibility to the County or to the Cities within the county. SCWA reports to a Board of Directors consisting of the mayors of the 7 cities in the County, a representative from 3 Irrigation/Agricultural agencies within the county, and members of the County Board of Supervisors. The Board contains publicly elected officials and serves terms equal to their elected terms. The Board appoints the General Manager, who is the chief executive and is responsible for the Agency's operations and to administer the programs in accordance with the policies.



Overhead view of Monticello Dam and Powerhouse

Habitat Conservation

As lead Agency for the Solano Habitat Conservation program (HCP), the agency's role is to develop the HCP in a coordinated effort with Plan Participants, public stakeholders, and the Resource Agencies (Department of Fish and Game, US Fish and Wildlife, National Marine Fisheries Service). Within the Plan Area, Solano County plus 8,000 acres of Yolo County, the HCP will permit new urban development, ongoing Operations and Maintenance of Plan Participant facilities, construction of new irrigation and flood control facilities; and Solano Irrigation District annexations. To offset these impacts, the HCP will prescribe a Conservation Strategy for the Covered Species, and an HCP Reserve System will be established for the benefit of the Covered Species and the habitat that they and many other species in the region depend on.

Groundwater

Currently ground water plays a small role of water resources for the county. There is a potential for increased use. SCWA has been designated by the county groundwater agencies as the reporting authority for the Putah Fan/Tehema groundwater basin for groundwater information under a new state law.

SCWA is working with Member Agencies and other stakeholders on collecting groundwater data in Solano County and compiling into the groundwater database, for developing groundwater reports for state reporting requirements and for future decisions on management of Solano County's groundwater.

Water Conservation

State law and regulation encourage water conservation efforts and our Solano Project contract requires water management plans that address water conservation. The USBR Water Management Plans, Urban Water Management Plans, and Agricultural Water Management Plans, provide a framework for implementing appropriate water conservation measures. Good water management dictates implementing such water conservation measures. SCWA defers to our cities and districts to determine an appropriate level of water conservation and technically, administratively, and financially assists our member agencies on water conservation efforts.

Administration and Finance

The Administration and Finance division facilitate business and financial services of the Agency, to provide support to staff in their roles at the Agency, and to develop the human and organizational potential of the Agency in support of the Agency missions of water resource planning, and management, flood control, habitat conservation, and water conservation. Administration and Finance is committed to the values of excellence, mutual respect, diversity, cooperation and communication, integrity, ethics, and accountability.

Annual Budget

The Agency adopts an annual budget and makes decisions on the efficient use of its resources. The financial plan includes the operating and capital programs, sets levels of related operating and capital expenditures that may be made during the budget period. The Board of Directors approves the annual

budget, via Action item, prior to the beginning of the new fiscal year (July 1st through June 30th) and is implemented and monitored throughout the year by project managers and executive management, responding to unforeseen emergency circumstances. The budget for fiscal year 2022-23 was approved on June 9, 2022, and supports the mission, value, and goals, and objectives of the strategic plan. The budget for fiscal year 2022-23 included an operating budget of \$40,004,629 in revenues, and \$39,492,896 of expenses. The approved capital budget is \$4,969,000 and the Rehab & Betterment budget for \$1,300,000.

Year-End Projections and Annual Audit

Every year, in addition to the annual budget, the Agency goes through the exercise of a mid-year budget, or a year-end projection. During the spring, in addition to the completion of Budget to Actual reporting, the informal process of modifying the annual budget leads into the next fiscal period formal budget. The year-end projection assists management in assessing where they stand for the current year, and the upcoming year, to reassess current year goals, and the goals and priorities of the upcoming year.

Strategic Plan and Long-Term Plan

The Strategic Plan provides guidance to the Board and Agency staff in directing SCWA policy and resources to address current and future issues within the Agency purview. The current strategic plan was approved in 2016 and covers the period through 2025. An important element of the strategic plan, as well as the Budgets, is the recognition that conditions change. Wet or dry years affect water supply, state regulations can affect water deliveries, and funding drives SCWA's ability to achieve objectives of the strategic plan. Climate and political changes can affect the goals and priorities of the Agency, strategically and financially.

Water Supply and Mission Statement

SCWA was established to provide an adequate water supply to the cities within Solano County and is responsible for the conservation, development, control and use of water for the public good. It is the Agency's responsibility to maintain the infrastructure to deliver raw water to the cities within the county, work in conjunction with the county on soil erosion projects and public flood control projects.

The Solano Project provides about half the municipal water supply and a majority of the agricultural water supply in Solano County. It is our most important water supply, providing reliable high-quality water stored and controlled locally. Our primary mission is to protect and maintain the reliability and quality of the water supply.

The North Bay Aqueduct provides about half the municipal water supply in Solano County. It is a critical water supply that will provide most of the water for future growth in Solano County. Since the North Bay Aqueduct (NBA) is owned and operated by the Department of Water Resources (DWR), a state agency, SCWA's role is limited. Our goal is to improve NBA water supply reliability and water quality. The Solano Project provides about half the municipal water supply and much of the agricultural water supply in Solano

County. It is our most important water supply, providing reliable high-quality water stored and controlled locally. Our primary mission is to protect and maintain the reliability and quality of the water supply.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Agency for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the first time that the Agency has applied for and received the prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easy to read and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its continued eligibility for a certificate.



Signed: _____

Dated: 12/30/2022 _____

General Manager; Solano County Water Agency

Solano County Water Agency Board of Directors

Chairman of the Board

Supervisor Jim Spering; Solano County District 3

Vice Chairman

Mayor Ron Rowlett; City of Vacaville

General Members

Mayor Steve Young; City of Benicia

Mayor Steve Bird; City of Dixon

Mayor Harry Price; City of Fairfield

Director Sean Favero; Maine Prairie Water District

Director Dale Crossley; Reclamation District No. 2068

Mayor Ron Kott; City of Rio Vista

Supervisor Erin Hannigan; Solano County District 1

Supervisor Monica Brown; Solano County District 2

Supervisor John Vasquez; Solano County District 4

Supervisor Mitch Mashburn; Solano County District 5

Director John Kluge; Solano County Irrigation District

Mayor Pro Tem Alma Hernandez; City of Suisun City

Mayor Robert McConnell; City of Vallejo

Other Committees

Executive Committee

Supervisor Jim Spering

Director John Kluge

Supervisor John Vasquez

Mayor Ron Kott

Mayor Ron Rowlett

Legislative Committee

Director Dale Crossley

Supervisor John Vasquez

Director John Kluge

Mayor Pro Tem Alma Hernandez

Mayor Ron Kott

Water Policy Committee

Director Dale Crossley

Director John Kluge

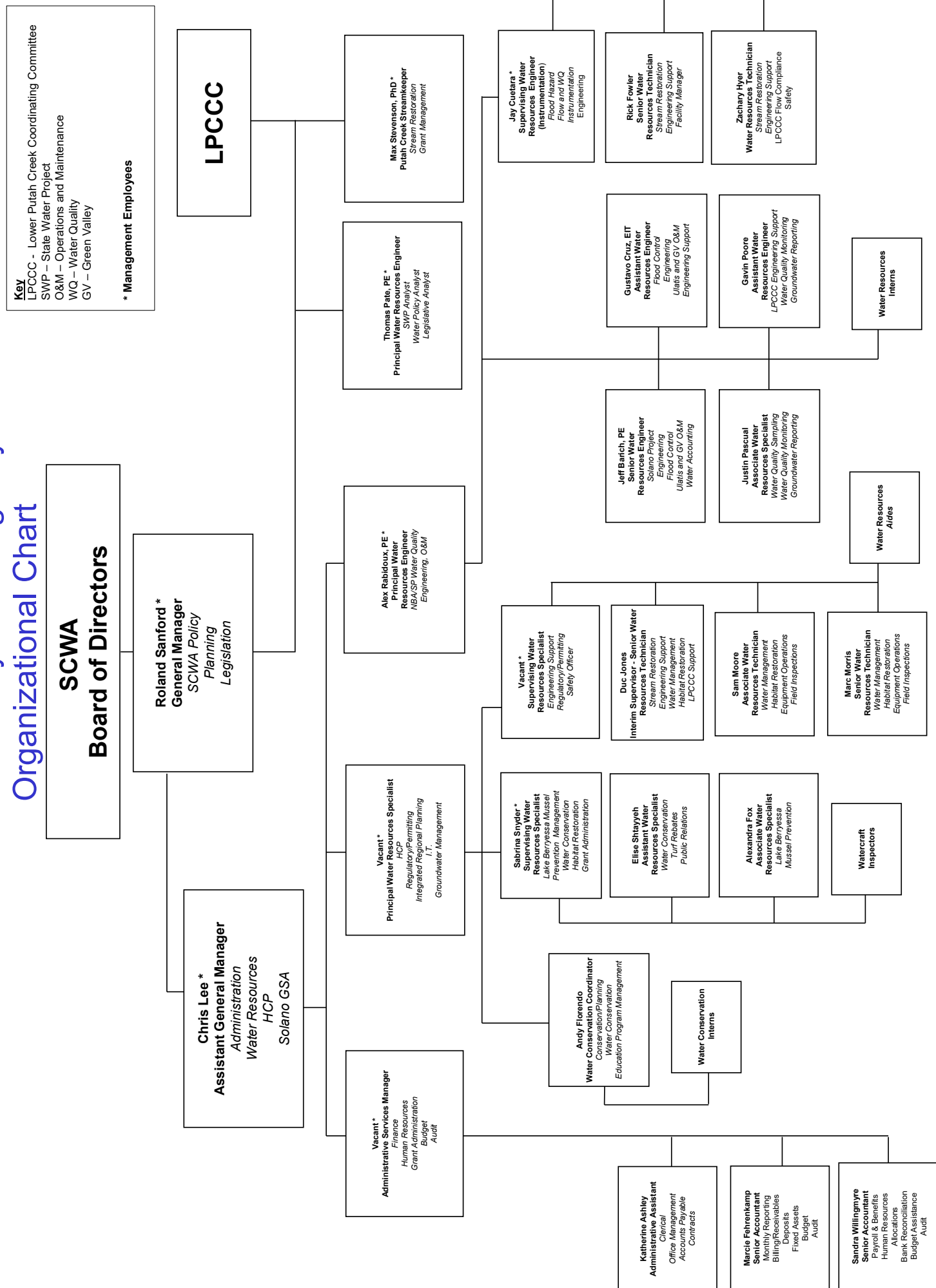
Supervisor John Vasquez

Supervisor Mitch Mashburn

Mayor Robert McConnell

Solano County Water Agency

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Solano County Water Agency
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Solano County Water Agency
Vacaville, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major funds of the Solano County Water Agency (Agency), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency'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 respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the Solano County Water Agency 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Agency'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 Responsibility 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 GAAS 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 GAAS, 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 the Agency'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 the Agency'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

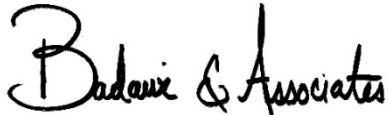
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, defined benefit pension plan information, and OPEB plan information on pages 5-12 and 53-59 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 on our consideration of the Agency'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 solely 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 the effectiveness of 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 the Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is stylized, with the first letter of "Badawi" being a large, looped capital "B".

Badawi & Associates, CPAs
Berkeley, California
December 30, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The following discussion and analysis of the section of the Solano County Water Agency's (Agency) financial performance provides an overview of the Agency's financial activities for the fiscal year ending June 30, 2022. This information is presented in conjunction with the audited financial statements.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$78,291,628 (net position). Of this amount, \$22,310,927 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

- The Agency's total net position increased \$7,341,060.
- At the close of the fiscal year, the Agency's governmental funds reported combined fund balances of \$58,567,598, an increase of \$3,046,623, in comparison with the prior year.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The financial section of this report consists of four parts: Government-wide financial statements, fund financial statements, the notes to the financial statements, and required supplementary information.

The government-wide financial statements are prepared using the accrual basis of accounting. They present all the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Agency, with the difference reported as net position. 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.

The fund financial statements are prepared using the modified accrual basis of accounting. They present the assets and liabilities of the Agency that are expected to be generated by or used for near-term inflows or outflows, with the difference reported as fund balance. Changes in fund balance are reported if they have an effect on the near-term cash flow of the Agency.

The notes provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements.

The required supplementary information presents the Agency's progress in funding its obligations to provide pension and health benefits to its employees as well as the Agency's budgetary comparison schedules.

NET POSITION

The Statement of Net Position presents the financial position of the Agency on a full accrual basis and provides information about the nature and amount of resources and obligations at year-end. It also provides the basis for computing rate of return, evaluating the capital structure of the Agency, and assessing the liquidity and financial flexibility of the Agency.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The following Table A-1 summarizes the Statement of Net Position as of June 30, 2022 and June 30, 2021 follows:

TABLE A-1
STATEMENT OF NET POSITION

	2022	2021	\$Change	%Change
ASSETS				
Current and other assets	\$ 61,017,501	\$ 57,820,574	\$ 3,196,927	6%
Noncurrent assets	1,931,066	534,496	1,396,570	261%
Capital assets	17,146,516	15,433,468	1,713,048	11%
Total Assets	80,095,083	73,788,538	6,306,545	9%
Deferred Outflows of Resources	2,026,912	1,238,953	787,959	64%
LIABILITIES				
Current liabilities	2,404,729	2,531,556	(126,827)	-5%
Noncurrent liabilities	218,406	357,796	(139,390)	-39%
Total Liabilities	2,623,135	2,889,352	(266,217)	-9%
Deferred Inflows of Resources	1,207,232	1,187,571	19,661	2%
NET POSITION				
Net investment in capital assets	17,062,051	15,335,356	1,726,695	11%
Restricted	38,918,650	36,330,420	2,588,230	7%
Unrestricted	22,310,927	19,284,792	3,026,135	16%
Total Net Position	\$ 78,291,628	\$ 70,950,568	\$ 7,341,060	10%

Table A-1 summarizes the net position of the Agency and reflects the net position increase of \$7,341,060 from \$70,950,568 in fiscal year 2021 to \$78,291,628 in fiscal year 2022. Net investment in capital assets increased \$1,713,048, reflecting the net of assets additions and depreciation on capital assets. Approximately 22% of the Agency's net position reflects its investment in capital assets (e.g., land, building, machinery, and equipment). The Agency uses these capital assets to provide services to the Agency; consequently, these assets are not available for future spending. The restricted net position totals \$38,918,650 at June 30, 2022 representing funds that are obligated to be spent within State Water Project, Ulati, and Green Valley. The increase in restricted net position of \$2,588,230 mainly consists of the revenues exceeding expenses in all the funds. The unrestricted net position is a resource that can be used for transactions relating to the general operations of the Agency and increased by \$3,026,135, primarily due to the revenues exceeding the expenses in all of the funds.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

CHANGES IN NET POSITION

The Statement of Net Position is a snapshot that shows assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at a specific point in time. The Statements of Activities provide information on the nature and source of these assets and liabilities represented on the Statement of Net Position. This statement shows that revenues exceeded expenses by \$7,341,060 for fiscal year 2022.

The following Table A-2 summarizes the Statement of Activities for the fiscal years ending June 30, 2022 and June 30, 2021:

TABLE A-2
STATEMENT OF ACTIVITIES

	2022	2021	\$Change	%Change
REVENUES				
Program Revenues				
Charges for services	\$ 3,734,756	\$ 3,355,698	\$ 379,058	11%
Operating grants and contributions	141,947	286,925	(144,978)	-51%
Capital grants and contributions	123,550	-	123,550	#DIV/0!
General Revenues				
Property taxes	29,309,581	27,478,627	1,830,954	7%
Investment earnings	(418,318)	171,005	(589,323)	-345%
Other	72,503	286,124	(213,621)	-75%
Total Revenue	32,964,019	31,578,379	1,385,640	4%
EXPENSES				
Solano Project	9,303,386	11,422,473	\$ (2,119,087)	-19%
State Water Project	15,162,798	14,202,526	960,272	7%
Ulatis Flood Control	1,008,619	883,497	125,122	14%
Green Valley Flood Control	145,859	67,854	78,005	115%
Interest and fiscal charges	2,297	416	1,881	452%
Total Expenses	25,622,959	26,576,766	(953,807)	-4%
Change in net position	7,341,060	5,001,613	2,339,447	47%
Net position - beginning	70,950,568	65,948,955	5,001,613	8%
Net position - ending	\$ 78,291,628	\$ 70,950,568	\$ 7,341,060	10%

Ending net position totaled \$78,291,628 at June 30, 2022, an increase in net position of \$7,341,060 or 10% from June 30, 2021. Total revenues increased by \$1,385,640 or 4% during the fiscal year 2022 compared to 2021. Property tax revenue increased in fiscal year 2022 compared to 2021 by \$1,830,954 or 7%, reflecting the increase in property and home values in Solano County. Grant revenues decreased by \$21,428 or 7%, from June 30, 2021, due to the completion of remaining grant work. Total expenses decreased by \$953,807 or 4% to \$25,627,441 in 2022. The Solano Project expenses decreased by \$2,119,087 from 2021 to 2022,

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

significantly lower and most of the decrease can be attributed mainly due negative pension expense in the current year and supplies on Putah Creek Watershed management. The State Water Project expenses increased by \$960,272 from 2021 to 2022, primarily due to the increase in Operations & Maintenance expenses. Ulati had a modest increase in Operations & Maintenance expenditures over the prior year and Green Valley also had modest increase in Operations & Maintenance, around \$78,000 in Rehab & Betterment. Ulati and Green Valley have fluctuations in maintenance costs depending on the dry/wet annual cycles.

COMPARISON OF BUDGETED TO ACTUAL REVENUES AND EXPENDITURES - GENERAL FUND

The Table below compares Actual Revenues and Expenditures to those budgeted.

TABLE A-3
GENERAL FUND - SOLANO PROJECT BUDGET TO ACTUAL ANALYSIS

	Final	Actual	Variance with Final Budget
	Amended Budget	Amounts	Positive (Negative)
REVENUES:			
Property taxes	\$ 11,547,415	\$ 11,795,163	\$ 247,748
Charges for services	93,000	236,756	143,756
Investment earnings	42,285	(143,787)	(186,072)
Intergovernmental	145,000	52,179	(92,821)
Other revenues	47,646	46,610	(1,036)
Total revenues	11,875,346	11,986,921	111,575
EXPENDITURES:			
Current:			
Water purchases	156,885	156,885	-
Operations and maintenance	4,598,232	4,504,347	93,885
Administration and general	9,175,683	4,072,860	5,102,823
Conservation and flood control	757,026	810,779	(53,753)
Engineering	1,343,420	1,307,244	36,176
Capital outlay	1,359,380	555,333	804,047
Debt service:			
Principal	-	13,647	(13,647)
Interest and fiscal charges	-	2,297	(2,297)
Total expenditures	17,390,626	11,423,392	5,967,234
Net change in fund balances	\$ (5,515,280)	\$ 563,529	\$ 6,078,809

Revenues during the year were \$111,575 above the amount included in the amended budget for FY2021-22. Grant Revenues decreased from prior years and during the current year due to either completion during prior year or timing. Property taxes were slightly higher than anticipated.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS

The Agency's capital assets, net of accumulated depreciation, consist mainly of land purchases (Petersen Ranch, Sackett Ranch, and Lang-Tule property) and land improvements (Cement Hill Bypass). The Agency continues to add new water monitoring equipment and field equipment as part of its water supply and flood control operations. In addition, SCWA invested in new field vehicles for property maintenance staff, new field trucks for Solano Project operations, a John Deere backhoe, a gooseneck trailer, and flail mower. SCWA also purchased the Lang Tule Ranch, 252 acres, for environmental restoration and conservation purposes. SCWA also shared the cost of Boardroom AV upgrades.

	2022	2021
Land	10,529,214	8,746,401
Construction-in-progress	151,837	259,286
Buildings	2,732,716	2,732,716
Cement Hill Bypass land improvements	2,535,494	2,535,494
Water monitoring equipment	2,451,516	2,374,428
Machinery and field equipment	3,690,060	3,152,049
Furniture, fixtures, and office equipment	425,575	364,136
Subtotal	22,516,412	20,164,510
Less accumulated depreciation	(5,369,896)	(4,731,042)
Total net capital assets	17,146,516	15,433,468

Additional information about the Agency's capital assets can be found in Note 4 in the Notes to the Basic Financial Statements.

LONG TERM DEBT

The Agency's long-term debt consists one 5 year Lease-purchase agreement of heavy equipment as follows:

TABLE A-5
LONG-TERM DEBT

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Equipment Finance Purchase	\$ 98,112	\$ -	\$ (13,647)	\$ 84,465

Additional Information about the Agency's long-term debt can be found in Note 5 in the Notes to the Basic Financial Statements.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF AGENCY FUNDS

The following Table A-5 summarizes the changes in fund balances for the governmental funds:

TABLE A-5
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

	Solano Project	State Water Project	Ulatris Flood Control	Green Valley Flood Control	Total
REVENUES					
Property taxes	11,795,163	15,570,024	1,813,796	130,597	29,309,580
Charges for services	236,756	3,467,620	-	-	3,704,376
Investment earnings	(143,787)	(206,913)	(65,132)	(2,485)	(418,317)
Grant revenues	52,179	-	-	-	52,179
Other income	46,610	18,241	7,652	-	72,503
Total Revenues	11,986,921	18,848,972	1,756,316	128,112	32,720,321
EXPENDITURES					
Water purchase	156,885	12,982,683	-	-	13,139,568
Operations and maintenance	4,504,347	533,439	838,737	146,651	6,023,174
Administration and general	4,072,860	1,329,233	80,231	2,157	5,484,481
Conservation and flood control	810,779	390,127	-	-	1,200,906
Engineering	1,307,244	150,479	-	-	1,457,723
Capital outlay	555,333	1,796,569	-	-	2,351,902
Debt Service:				-	-
Principal	13,647	-	-	-	13,647
Interest & Fiscal Charges	2,297	-	-	-	2,297
Total Expenditures	11,423,392	17,182,530	918,968	148,808	29,673,698
Net Change in Fund Balance	563,529	1,666,442	837,348	(20,696)	3,046,623
Fund balance, beginning	19,085,419	27,617,678	8,459,061	358,817	55,520,975
Fund balance, ending	19,648,948	29,284,120	9,296,409	338,121	58,567,598

Solano Project - As of June 30, 2022, the Solano Project reported an ending fund balance of \$19,648,948, an increase of \$563,529 from 2021. Expenditures were under budget mainly due to LPCCC Grants and service projects either being completed or postponed, several Rehab & Betterment projects were postponed, the HCP Conservation easement with PG&E was delayed, and the Office expansion was also delayed until FY2023.

State Water Project -As of June 30, 2022, the State Water Project reported ending fund balance of \$29,284,120, an increase from 2021 of \$1,666,442. This increase in fund balance is due primarily to delayed implementation of North Bay Aqueduct projects and studies, delay of Office Expansion, and higher than anticipated property tax revenues, reflecting the increase in property values in Solano County.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Ulatis Flood Control Zone 1 - As of June 30, 2022 the Ulatis Flood Control reported an ending fund balance of \$9,296,409, an increase of \$837,348 from 2021. Actual property tax revenues exceeded revenue projections by 13%, reflecting the rise in home values in Solano County. Planned expenditures for grade control and culvert replacement were postponed until FY 2023. These costs fluctuate every year depending on dry/wet annual cycles.

Green Valley Flood Control Zone 2 - As of June 30, 2022, the Green Valley Flood Control reported an ending fund balance of \$338,121. Expenditures fluctuate every year depending on weather and timing.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During 2003, the Agency developed a Capital Project Funding Plan that forecasts capital project needs over a five- year horizon. There are a few major projects that have uncertainties regarding if and when they will be funded and at what level. The Capital Project Funding Plan, portions of which are scheduled for revision in 2022-2023 fiscal year, is helpful in budgeting capital projects.

Water rates charged by the Agency to cities, districts, and agencies are fixed by contract and do not change in relationship to the Agency's expenditures or revenues. Capital costs for the Solano Project have been paid off; therefore, Solano County Water Agency does not make payments to the United States Bureau of Reclamation for Solano Project water and, therefore, does not charge for Solano Project water supply for most of its contracting agencies.

During this current fiscal year, we are still experiencing the effects of the COVID-19 pandemic, which has crossed multiple fiscal years. The pandemic hit during March 2022, during the 20/21 budget process, however, due to the unknown nature, the Agency did not modify the fiscal year 2020-2021 budget, and subsequent budgets. During August of 2020, Solano County suffered from a terrible fire season with the LNU Complex Fire. The Agency has continued doing remediation and erosion control work to mitigate possible damage during the subsequent rainy season, which hopefully arrives this year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances for the Agency. Questions concerning any information provided in this report or requests for additional information should be addressed to the General Manager, 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Solano County Water Agency
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 59,926,628
Accounts receivable	973,665
Interest receivable	43,556
Prepaid expenses and other assets	73,652
Net OPEB asset	659,281
Net pension asset	1,271,785
Capital assets:	
Nondepreciable	10,681,051
Depreciable	11,835,361
Less accumulated depreciation	(5,369,896)
Total capital assets, net	17,146,516
Total assets	80,095,083
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to the net pension asset	1,887,717
Deferred outflows of resources related to the net OPEB asset	139,195
Total deferred outflows of resources	2,026,912
LIABILITIES	
Accounts payable	1,576,656
Accrued payroll	60,990
Deposits	111,919
Unearned revenues	456,640
Compensated absences:	
Due within one year	184,561
Due in more than one year	147,904
Long-term debt	
Due within one year	13,963
Due in more than one year	70,502
Total liabilities	2,623,135
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to the net pension asset	472,325
Deferred inflows of resources related to the net OPEB asset	734,907
Total deferred inflows of resources	1,207,232
NET POSITION	
Net investment in capital assets	17,062,051
Restricted for:	
State Water Project	29,284,120
Ulati Project	9,296,409
Green Valley Flood Control	338,121
Total restricted	38,918,650
Unrestricted	22,310,927
Total net position	\$ 78,291,628

See accompanying Notes to Basic Financial Statements

Solano County Water Agency
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues				Net (Expense)
		Charges for	Operating	Capital	Total	Revenue and
		Services	Grants and	Grants and		Changes in
			Contributions	Contributions		Net Position
						Governmental
						Activities
Primary government:						
Governmental activities:						
Solano Project	\$ 9,303,386	\$ 267,136	\$ 141,947	\$ 123,550	\$ 532,633	\$ (8,770,753)
State Water Project	15,162,798	3,467,620	-	-	3,467,620	(11,695,178)
Ulati Project	1,008,619	-	-	-	-	(1,008,619)
Green Valley Flood Control	145,859	-	-	-	-	(145,859)
Interest and fiscal charges	2,297	-	-	-	-	(2,297)
Total primary government	<u>\$25,622,959</u>	<u>\$3,734,756</u>	<u>\$ 141,947</u>	<u>\$ 123,550</u>	<u>\$4,000,253</u>	<u>(21,622,706)</u>
General Revenues:						
						29,309,581
						(418,318)
						72,503
						<u>28,963,766</u>
						7,341,060
						70,950,568
						<u>\$ 78,291,628</u>

FUND FINANCIAL STATEMENTS

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Solano County Water Agency

Balance Sheet

Governmental Funds

June 30, 2022

	General Fund	Special Revenue Funds			Total
	Solano Project	State Water Project	Ulati Flood Control	Green Valley Flood Control	Governmental Funds
ASSETS					
Cash and cash equivalents	\$20,031,703	\$29,890,436	\$ 9,567,733	\$ 436,756	\$59,926,628
Accounts receivable	873,430	100,235	-	-	973,665
Interest receivable	14,972	21,666	6,636	282	43,556
Prepaid and other other assets	73,652	-	-	-	73,652
Total assets	\$20,993,757	\$30,012,337	\$ 9,574,369	\$ 437,038	\$61,017,501
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 902,062	\$ 297,717	\$ 277,960	\$ 98,917	\$ 1,576,656
Accrued payroll	60,990	-	-	-	60,990
Deposits	111,919	-	-	-	111,919
Unearned revenue	26,140	430,500	-	-	456,640
Total liabilities	1,101,111	728,217	277,960	98,917	2,206,205
Deferred inflows of resources:					
Deferred inflows - unavailable revenue	243,698	-	-	-	243,698
Total deferred inflows of resources	243,698	-	-	-	243,698
Fund Balances:					
Nonspendable	73,652	-	-	-	73,652
Restricted	-	29,284,120	9,296,409	338,121	38,918,650
Assigned	3,250,000	-	-	-	3,250,000
Unassigned	16,325,296	-	-	-	16,325,296
Total fund balances	19,648,948	29,284,120	9,296,409	338,121	58,567,598
Total liabilities, deferred inflows of resources, and fund balances	\$20,993,757	\$30,012,337	\$ 9,574,369	\$ 437,038	\$61,017,501

Solano County Water Agency
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances of Governmental Funds	\$58,567,598
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

Nondepreciable	10,681,051
Depreciable, net of accumulated depreciation	6,465,465

Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds	243,698
---	---------

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year:

Deferred outflows of resources related to pension	1,887,717
Deferred outflows of resources related to OPEB	139,195
Deferred inflows of resources related to pension	(472,325)
Deferred inflows of resources related to OPEB	(734,907)

Long-term (liabilities)/assets were not due and payable in the current period, and other long-term assets were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet:

Net OPEB asset	659,281
Compensated absences - due within one year	(184,561)
Compensated absences - due in more than one year	(147,904)
Long-term debt - due within one year	(13,963)
Long-term debt - due in more than one year	(70,502)
Net pension asset	1,271,785

Net Position of Governmental Activities	\$78,291,628
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Solano County Water Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	General Fund	Special Revenue Funds			
	<u>Solano Project</u>	<u>State Water Project</u>	<u>Ulati Flood Control</u>	<u>Green Valley Flood Control</u>	<u>Total Governmental Funds</u>
REVENUES:					
Property taxes	\$ 11,795,163	\$ 15,570,024	\$ 1,813,796	\$ 130,597	\$ 29,309,580
Charges for services	236,756	3,467,620	-	-	3,704,376
Investment earnings	(143,787)	(206,913)	(65,132)	(2,485)	(418,317)
Intergovernmental	52,179	-	-	-	52,179
Other revenues	46,610	18,241	7,652	-	72,503
Total revenues	<u>11,986,921</u>	<u>18,848,972</u>	<u>1,756,316</u>	<u>128,112</u>	<u>32,720,321</u>
EXPENDITURES:					
Current:					
Water purchases	156,885	12,982,683	-	-	13,139,568
Operations and maintenance	4,504,347	533,439	838,737	146,651	6,023,174
Administration and general	4,072,860	1,329,233	80,231	2,157	5,484,481
Conservation and flood control	810,779	390,127	-	-	1,200,906
Engineering	1,307,244	150,479	-	-	1,457,723
Capital outlay	555,333	1,796,569	-	-	2,351,902
Debt Service:					
Principal	13,647	-	-	-	13,647
Interest and fiscal charges	2,297	-	-	-	2,297
Total expenditures	<u>11,423,392</u>	<u>17,182,530</u>	<u>918,968</u>	<u>148,808</u>	<u>29,673,698</u>
Net change in fund balances	563,529	1,666,442	837,348	(20,696)	3,046,623
FUND BALANCES:					
Beginning of year	19,085,419	27,617,678	8,459,061	358,817	55,520,975
End of year	<u>\$ 19,648,948</u>	<u>\$ 29,284,120</u>	<u>\$ 9,296,409</u>	<u>\$ 338,121</u>	<u>\$ 58,567,598</u>

See accompanying Notes to Basic Financial Statements

Solano County Water Agency

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 3,046,623
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Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds reported asset acquisitions as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current year.	2,351,902
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Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds.	(638,854)
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Accrued compensated absences were reported as an expenditure in the governmental funds, but the accrual increased compensated absences payable in the Government-Wide Statement of Net	38,771
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Governmental fund revenues deferred at year end due to unavailability, and therefore, deferred under the modified accrual basis method of accounting, were recognized as revenue on the full accrual method of accounting.	243,698
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position	13,647
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OPEB income/(expense) reported in the Government-Wide Statement of Activities are not current financial resources and therefore is not reported in the governmental funds.	7,366
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Current year pension and OPEB contributions are recorded as expenditures in the governmental funds, however these amounts are reported as deferred outflows of resources in the Government-Wide Statement of Net Position.

Deferred outflows related to current year pension contributions	232,617
Deferred outflows related to current year OPEB contributions	23,279

Pension expense reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as an expenditure in the governmental funds.	2,022,011
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Change in Net Position of Governmental Activities	\$ 7,341,060
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NOTES TO BASIC FINANCIAL STATEMENTS

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Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Solano County Water Agency (Agency) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. The more significant of the Agency's accounting policies are described below:

A. *Financial Reporting Entity*

The Solano County Water Agency (the Agency) was created in 1951 by an act of the California Legislature as the "Solano County Flood Control and Water Conservation District." In 1988, the legislative act was changed to modify the governing board and the name was changed to Solano County Water Agency in 1989. The governing board is made up of five members of the Solano County Board of Supervisors, the mayors from the seven cities in the county and three representatives from three agricultural irrigation districts. The Agency provides wholesale water services to cities, districts, and state agencies and lead efforts to protect rights to existing sources of water and participates in efforts to secure new sources of projects and is involved in countywide flood control planning. As required by accounting principles generally accepted in the United States of America, these financial statements present the Agency alone as the Agency has no component units, related organizations, or jointly governed organizations.

B. *Basis of Accounting and Measurement Focus*

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The Agency's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the Agency's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changed in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liabilities are incurred.

Certain types of transactions reported as program revenues for the Agency are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position. In the Statement of Activities, internal fund transactions have been eliminated. There were no interfund activities requiring elimination for the year ended June 30, 2022.

The Agency applies all GASB pronouncements and interpretations currently in effect.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fund Financial Statements

Governmental funds are accounted for on a spending, or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis accounting, revenues are recognized in the accounting period in which they become both “measurable and available” to finance expenditures of the current period.

The Agency’s funds, all of which are considered to be major governmental funds, are reported as separate columns in the fund financial statements. The funds of the Agency are described below:

General Fund:

Solano Project – This fund accounts for the Agency's water supply contract with the U.S. Bureau of Reclamation for the water supply provided by contract cities, districts, and State agencies. Property tax revenues are used to pay for operations, maintenance, rehabilitation, and betterment. Operations and maintenance are performed by contract with the Solano Irrigation District. Included in this fund are costs associated with a water master to monitor water use in the Upper Putah Creek Watershed and development of a Habitat Conservation Plan. Other functions include the flood control program and water conservation program.

Special Revenue Funds:

State Water Project - This fund accounts for the Agency's water supply contract with the California Department of Water Resources for the repayment of construction, operations, and maintenance costs of the North Bay Aqueduct, and the contracts with member agencies for the purchase of this water.

Ulati Flood Control - This fund accounts for the costs of operating and maintaining the Ulati Flood Control Facilities, which were built by the Federal Soil Conservation Service. The Agency contracts with the Solano County Resource Management Department for the maintenance of this project.

Green Valley Flood Control - This fund accounts for the costs of operating and maintaining the Green Valley Flood Control Facilities, which were built by the U.S. Army Corps of Engineers. The Agency contracts with the Solano County Resource Management Department for the maintenance of this project.

Governmental Fund Financial Statements, Continued

Revenues are recorded when received in cash, except that revenues subject to accrual (generally those received within 90 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the Agency include taxes, intergovernmental revenues, interest and charges for services.

The Reconciliation of the Governmental Fund Financial Statements to the Government-Wide Financial Statements is provided.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. *Cash, Cash Equivalents and Investments*

Cash and cash equivalents are defined as demand deposit account balances, pooled investments in the State of California Local Agency Investment Fund (LAIF), and money market funds with California Asset Management Program (CAMP).

The Agency categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Agency does not have any investments that are measured using Level 3 inputs.

D. *Accounts Receivable*

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. No allowance for losses has been reflected at June 30, 2022 as management believes all receivables to be collectible. Major receivable balances for the governmental activities consist of grants. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are also recorded as deferred inflows of resources to indicate they do not represent current financial resources.

E. *Prepays and Inventory*

Inventories are stated at cost (average cost per unit) for governmental funds. The cost is recorded as an expenditure/expense in the funds at the time individual inventory items are consumed, rather than purchased. Inventories of governmental funds are offset by nonspendable fund balance to indicate they do not constitute resources available for future appropriation.

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

F. *Capital Assets*

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Provision is made for depreciation using the straight-line method over the estimated useful lives of the assets, which range from three to forty years. It is the Agency's policy to capitalize all capital assets with an initial cost of more than \$5,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the statement of activities.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets, Continued

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The Agency has assigned the useful lives listed below to capital assets:

Type	Useful Life
Buildings and improvements	40 years
Land improvements	25 - 30 years
Water monitoring equipment	5 - 10 years
Machinery and field equipment	5 - 15 years
Furniture, fixtures, and office equipment	3 - 10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Unearned Revenues

Unearned revenues arise when resources are received by the Agency before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Agency has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

H. Compensated Absences

The Agency's policy allows employees to accumulate earned but unused vacation and administrative leave which will be paid to employees upon separation of service from the Agency. The policy also allows employees to receive payment for one-half of their accumulated sick leave upon retirement. Vested or accumulated vacation and sick leave are accrued in the government-wide statements as the benefits accrue to employees. However, a liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position and Fund Balance

Government-Wide Financial Statements

Net position is the excess of all the Agency's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints place on the use either by (1) external groups such as creditors, granters, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - Unrestricted net position represents resources derived from taxes, grants, and charges for services. These resources are used for transactions relating to the general operations of the Agency, and may be used at the discretion of the Board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Agency's policy is to first apply the expense toward restricted resources, and then towards unrestricted resources.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, granters, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Detail about the Agency's fund balance classifications at June 30, 2022 is described in Note 6.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Property Taxes

Property taxes are assessed and collected by Solano County (the County). The County remits the property taxes to the Agency when the taxes are collected and the allocation has been determined. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, are payable in two installments, and become delinquent if not paid by December 10 or April 10. The Agency has elected to receive the property taxes from the County under the Teeter Program. Under this program, the Agency receives 100% of the levied property taxes in periodic payments with the County assuming responsibility for delinquencies.

L. Pension

For purposes of measuring the net pension (asset) liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency'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 required that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

N. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

O. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

In 2022, the Agency adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

GASB Statement No. 87 – Leases – The objective of this statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement did not apply to the Agency for the current fiscal year.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. *Implementation of Governmental Accounting Standards Board (GASB) Pronouncements, Continued*

GASB Statement No. 89 – Construction-Period Interest – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement did not apply to the Agency for the current fiscal year.

GASB Statement No. 92 – Omnibus 2020 – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement did not apply to the Agency for the current fiscal year.

GASB Statement No. 93 – LIBOR removal and lease modifications – The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement did not apply to the Agency for the current fiscal year.

GASB Statement No. 97 - Certain Component Unit Criteria, And Accounting And Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans—an Amendment Of GASB Statements No. 14 And No. 84, And A Supersession Of GASB Statement No. 32 - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Agency has elected to early implement the provisions of this Statement during last fiscal year.

GASB Statement No. 98 – The Annual Comprehensive Financial Report – This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in the generally accepted accounting principles for state and local governments. The Agency has elected to early implement the provisions of this Statement during last fiscal year.

GASB Statement No. 99 – Omnibus - 2022 – The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement did not apply to the Agency for the current fiscal year.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

2. CASH AND INVESTMENTS

A. Summary of Cash and Investments

Cash and investments consisted of the following at June 30, 2022:

Deposits with financial institutions	\$ 304,860
Petty cash	461
Total cash on hand and deposits	305,321
Local Agency Investment Fund (LAIF)	22,964,840
California Asset Management Program (CAMP)	30,232,628
Certificates of deposit	6,417,943
Money market funds	5,896
Total investments	59,621,307
Total Cash and Investments	\$ 59,926,628

B. Deposits

The carrying amount of the Agency's cash deposit was \$304,860 as of June 30, 2022. Bank balances before reconciling items were a positive amount of \$ 917,185 at June 30, 2022. The Agency's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Commission. The remaining amount was collateralized with securities held by the pledging financial institutions.

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the Agency's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor.

Fair value of pledged securities must equal at least 110% of the Agency's cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the Agency's total cash deposits.

The Agency follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

C. Investments Authorized by the Code and the Agency's Investment Policy

California statutes authorize agencies to invest in idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The Agency is authorized, by its Board of Directors, to invest its cash in the State of California's Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP), the Solano County Investment Pool, or Federal Depository Insurance Corporation (FDIC) insured accounts in a bank or savings and loan association. The Agency's investment policy does not contain any specific provisions intended to limit the Agency's exposure to interest rate risk, credit risk, concentration of credit risk, or custodial credit risk.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

C. *Investments Authorized by the Code and the Agency's Investment Policy, Continued*

The Agency's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally, the Agency's practice is to buy and hold investments until maturity dates. Consequently, the Agency's investments are carried at fair value.

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The Agency's investments with LAIF at June 30, 2022 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as collateralized mortgage obligations) or credit card receivables.

At June 30, 2022, the Agency had \$22,964,840 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of 0.987125414 was used to calculate the fair value of the investments in LAIF.

The Agency is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Section 6500 et Seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The Agency reports its investments in CAMP at the amortized cost provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2022 the fair value was approximate to the Agency's cost.

The Agency, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the Agency may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

At June 30, 2022, the Agency's investment with CAMP were \$30,232,628.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures

Interest Rate Risk: Interest rate risk is the market value fluctuation due to overall changes in the interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency had no investments that were highly sensitive to interest rate fluctuations at June 30, 2022.

Information held by the Agency grouped by maturity date at June 30, 2022 are shown below:

Investment Type	Total	Remaining Maturity	
		1 Year or Less	1-5 Years
Local Agency Investment Fund (LAIF)	\$ 22,964,840	\$ 22,964,840	\$ -
California Asset Management Program (CAMP)	30,232,628	30,232,628	-
Certificates of deposit	6,417,943	1,706,524	4,711,419
Money market funds	5,896	5,896	-
Total Investments	<u>\$ 59,621,307</u>	<u>\$ 54,909,888</u>	<u>\$ 4,711,419</u>

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 is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF and CAMP do not have a rating provided by a nationally recognized rating organization. The Agency's certificates of deposit and money market funds are not rated.

Concentration Risk: The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of a failure of the 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 the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

E. Investment Valuation

Investments (except for money and market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2022 are described below.

Investment Type	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Certificates of deposits (negotiable)	\$ 6,417,943	\$ -	\$ 6,417,943	\$ -
Total investments subject to fair value	6,417,943	\$ -	\$ 6,417,943	\$ -

Investments not subject to levelling disclosure:

Money market funds	5,896
Local Agency Investment Fund (LAIF)	22,964,840
California Asset Management Program (CAMP)	30,232,628
Total Investments	<u>\$ 59,621,307</u>

Level 2 inputs are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

3. ACCOUNTS AND GRANTS RECEIVABLE

The Agency's receivables at June 30, 2022 consisted of the following:

Water sales receivable	\$ 369,130
Miscellaneous receivable	55,337
Grants receivable	<u>549,198</u>
Total receivables	<u>\$ 973,665</u>

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

4. CAPITAL ASSETS

The Agency's capital asset activity for the year ended June 30, 2022 as follows:

	Balance at June 30, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 8,746,401	\$ 1,572,313		\$ 210,500	\$10,529,214
Construction-in-progress	259,286	103,051	-	(210,500)	151,837
Total capital assets not being depreciated	9,005,687	1,675,364	-	-	10,681,051
Capital assets being depreciated					
Land improvements	2,535,494	-	-	-	2,535,494
Buildings	2,732,716	-	-	-	2,732,716
Water monitoring equipment	2,374,427	77,089	-	-	2,451,516
Machinery and field equipment	3,152,050	538,010	-	-	3,690,060
Furniture, fixtures, and office equipment	364,136	61,439	-	-	425,575
Total capital assets being depreciated	11,158,823	676,538	-	-	11,835,361
Accumulated depreciation					
Land improvements	966,680	50,710	-	-	1,017,390
Buildings	469,777	97,122	-	-	566,899
Water monitoring equipment	1,274,282	115,263	-	-	1,389,545
Machinery and field equipment	1,901,158	330,620	-	-	2,231,778
Furniture, fixtures, and office equipment	119,145	45,139	-	-	164,284
Total accumulated depreciation	4,731,042	638,854	-	-	5,369,896
Net depreciable assets	6,427,781	37,684	-	-	6,465,465
Total capital assets, net	\$15,433,468	\$ 1,713,048	\$ -	\$ -	\$17,146,516

Depreciation expense for the year ended June 30, 2022 was charged to functions as follows:

Governmental activities:	
Solano Project	\$ 520,753
State Water Project	10,005
Ulatris Flood Control Project	108,096
Total depreciation expense	\$ 638,854

5. LONG-TERM DEBT

Changes in long-term debt amounts for the year ended June 30, 2022 were as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Due in One Year	Due in More Than One Year
Equipment Finance Purchase	\$ 98,112	\$ -	\$ (13,647)	\$ 84,465	\$ 13,963	\$ 70,502

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

5. LONG-TERM DEBT, Continued

Equipment Finance Purchase:

On May 14, 2021, The Solano Irrigation District entered into an equipment finance purchase agreement in the amount of \$358,402 at 2.50% interest with Deere Credit, INC, to finance the purchase of a grader. Monthly principal and interest payments of \$4,745 are due starting June 2021 through June 2025. The Agency has agreed to a 28% cost share agreement of the lease obligation.

Debt service requirements are shown below:

Fiscal Year	Principal	Interest	Total
2023	\$ 13,963	\$ 1,953	\$ 15,916
2024	14,316	1,628	15,944
2025	56,186	1,266	57,452
Total	<u>\$ 84,465</u>	<u>\$ 4,847</u>	<u>\$ 89,312</u>
Due in one year	<u>\$ 13,963</u>		
Due in more than one year	<u>\$ 70,502</u>		

6. COMPENSATED ABSENCES

The following is a summary of the changes in the Agency's compensated absences for the year ended June 30, 2022:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Current Portion
Governmental activities:					
Compensated absences	<u>\$ 371,236</u>	<u>\$ 201,298</u>	<u>\$ (240,069)</u>	<u>\$ 332,465</u>	<u>\$ 184,561</u>

7. FUND BALANCE

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The Board of Directors, as the Agency's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action. Committing fund balance is accomplished by approval of an action item by the Board of Directors. These committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned fund balances are amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. The Agency has delegated the authority to assign fund balance to the General Manager.

The accounting policies of the Agency consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Agency considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

7. FUND BALANCE, Continued

As of June 30, 2022, fund balances were comprised of the following:

	Solano Project	State Water Project	Ulati Flood Control	Green Valley Flood Control	Total Governmental Funds
Nonspendable:					
Prepays	\$ 49,469	\$ -	\$ -	\$ -	\$ 49,469
Inventory	24,183	-	-	-	24,183
Total nonspendable	73,652	-	-	-	73,652
Restricted:					
Special projects	-	29,284,120	9,296,409	338,121	38,918,650
Assigned:					
Capital projects	3,250,000	-	-	-	3,250,000
Unassigned	16,325,296	-	-	-	16,325,296
Total fund balance	\$ 19,648,948	\$ 29,284,120	\$ 9,296,409	\$ 338,121	\$ 58,567,598

8. ADMINISTRATIVE AND GENERAL EXPENDITURES

The following is a summary of administration and general expenditures of the fund financial statements by natural classification for the year ended June 30, 2022:

Salaries and benefits	\$ 3,507,340
Professional services	713,781
Dues and memberships	164,351
Public education	413,976
Property tax administration fee	154,105
Governmental advocacy	156,000
Office equipment	77,210
Office expense	75,163
Telephone	40,314
Insurance	78,309
Watermaster services	26,980
Fuel	33,284
Board expense	21,071
Talent decision monitoring	15,804
Miscellaneous	38,948
Overhead reallocation	(32,155)
Total	\$ 5,484,481

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

9. DEFINED BENEFIT PENSION PLAN

A. Plan Description

All qualified permanent full and part-time Agency employees working at least 1,000 hours per year are eligible to participate in the Agency's cost-sharing multiple-employer defined benefit pension plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Agency sponsors two rate plans (both miscellaneous). Benefit provisions under the Plan are established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Active members belonging to the Classic Plan are required to contribute 7% of their annual covered salary. Active members belonging to the PEPRA plan are required to contribute 6.25% of their annual covered salary. The Agency makes the contributions required of the Classic employees on their behalf and for their account.

The rate plan provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Miscellaneous - Classic	Miscellaneous - PEPRA
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	6.910%	6.750%
Required employer contribution rates	10.880%	7.590%
Required UAL payment	\$22,351	\$4,208

C. Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The Agency's required contributions to the Plan for the measurement period ended June 30, 2021 were \$408,211.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

9. DEFINED BENEFIT PENSION PLAN, Continued

D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the Agency reported a net pension asset of \$1,271,785 for its proportionate share of the net pension (asset) liability of the Plan.

The Agency's net pension (asset) liability for the Plan is measured as the proportionate share of the net pension (asset) liability. The net pension (asset) liability of the Plan is measured as of June 30, 2021, and the total pension (asset) liability for the Plan used to calculate the net pension (asset) liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The Agency's proportion of the net pension(asset) liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Agency's proportionate share of the net pension (asset) liability of the Plan as of June 30, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.00111%
Proportion - June 30, 2021	-0.02352%
Change - Increase (Decrease)	<u>-0.02463%</u>

For the year ended June 30, 2022, the Agency recognized pension expense (income) of \$(2,022,011) which included employer paid member contributions for the Classic Plan. At June 30, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 232,617	\$ -
Differences between expected and actual experience	-	142,617
Changes in employer's proportion	127,136	329,708
Differences between the employer's contribution and the employer's proportionate share of contributions	417,763	-
Net differences between projected and actual earnings on plan investments	1,110,201	-
Total	<u>\$ 1,887,717</u>	<u>\$ 472,325</u>

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

9. DEFINED BENEFIT PENSION PLAN, Continued

D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The amount of \$232,617 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 303,151
2024	288,739
2025	284,083
2026	306,802

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 valuations were determined using the following actuarial assumptions:

Valuation Date	Jun 30, 2020
Measurement Date	Jun 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

9. DEFINED BENEFIT PENSION PLAN, Continued

D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class ⁽¹⁾	Asset Class Allocation	Real Return Years 1 - 10 ⁽²⁾	Real Return Years 11+ ⁽³⁾
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92%)

(1) In the system's ACFR, Fixed Income is included in Global Debt Securities;

Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

E. Sensitivity of the Proportionate Share of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension (asset) liability for the Plan, calculated using the discount rate for the Plan, as well as what the Agency's proportionate share of the net pension (asset) liability 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:

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Net Pension (Asset) Liability	\$ (175,760)	\$ (1,271,785)	\$ (2,177,853)

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

9. DEFINED BENEFIT PENSION PLAN, Continued

F. Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

G. Payable to the Pension Plan

At June 30, 2022 the Agency reported a payable of \$0 for outstanding amount of contributions to the pension plan.

10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Agency provides postemployment healthcare benefits for retired employees in accordance with their published employee handbook.

A. Description of the Plan

The Solano County Water Agency Retirement Health Plan (the Health Plan) provides healthcare benefits for retired employees in accordance with the Agency's published employee handbook. The Health Plan is part of the California Employers' Retiree Benefit Trust (CERBT) plan, an agent multiple-employer plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating entities within the State of California. The Agency provides certain medical insurance coverage to all employees who retire from the Agency and meet the age and service requirement for eligibility. The Agency pays 100% of the eligible retirees' medical plan premiums up to \$12,500 per year. There are no separate financial statements issued for the Health Plan.

B. Employees Covered

As of the June 30, 2021 measurement date, the following current and former employees were covered by the benefit terms under the Health Plan:

	Number of Covered Participants
Inactives currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	-
Active employees	21
Total	23

C. Contributions

The contribution requirements of plan members and the Agency are based on a pay-as-you-go basis. For the measurement period ended June 30, 2021, the Agency paid \$15,237 on behalf of its retirees, administrative expenses of \$42, and the estimated implied subsidy was \$8,000. In addition, in fiscal year 2019, the Agency's Board approved to participate in CalPERS' California Employer's Retiree Benefit Trust (CERBT). Contributions made to the CERBT trust for the measurement period ended June 30, 2021 totaled \$54,119. Total payments for the measurement period ended June 30, 2021 were \$78,391.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

D. Net OPEB Asset

The Agency's net OPEB asset was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2020 to determine the June 30, 2021 total OPEB liability, based on the following actuarial assumptions:

Valuation Date	Jun 30, 2020
Measurement Date	Jun 30, 2021
Contribution Policy	Agency contributes full ADC
Discount Rate	5.75% at June 30, 2021 6.25% at June 30, 2020
Expected Long-Term Rate of Return on Investments	Expected Agency contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.75% annually
Mortality, Retirement, Disability,	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019
Salary Increases	Aggregate - 3% annually Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4% in 2076 Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4% in 2076
Healthcare Participation	100%
Cap Increases	2% increase annually commencing in 2021

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which 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 weighing the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target Allocation * CERBT - Strategy 2	Expected Real Rate of Return
Asset Class Component		
Global Equity	40.00%	4.82%
Fixed Income	43.00%	1.47%
TIPS	5.00%	1.29%
Commodities	4.00%	0.84%
REITs	8.00%	3.76%
Assume Long-term Rate of Inflation		2.75%
Expected Long-term Net Rate of Return, Rounded		5.75%

*CalPERS approved new CERBT asset allocations in March 2022. Estimated impact is an increase to the expected long-term rate of return assumption for CERBT Strategy 2 of 0.25%

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

E. Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that the Agency's contributions are projected to keep sufficient plan assets to pay all benefits from the trust.

F. Changes in the Net OPEB Asset

The changes in the net OPEB asset for the Health Plan are as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset) Liability
Balance at June 30, 2021 (Measurement date of June 30, 2020)	\$ 1,429,869	\$ 1,964,365	\$ (534,496)
Changes recognized for the measurement period:			
Service cost	118,917	-	118,917
Interest	96,041	-	96,041
Actual versus expected experience	-	-	-
Assumption changes	127,170	-	127,170
Contributions - employer	-	78,391	(78,391)
Net investment income	-	389,272	(389,272)
Benefit payments	(24,243)	(24,243)	-
Administrative expenses	-	(750)	750
Net changes	317,885	442,670	(124,785)
Balance at June 30, 2022 (Measurement date of June 30, 2021)	\$ 1,747,754	\$ 2,407,035	\$ (659,281)

G. Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the net OPEB asset of the Agency 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 period ended June 30, 2021:

	Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate +1% (6.75%)
Net OPEB (Asset) Liability	\$ (358,490)	\$ (659,281)	\$ (900,670)

H. Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following table presents the net OPEB asset of the Agency 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 the measurement period ended June 30, 2021:

	1% Decrease	Current Trend	1% Increase
Net OPEB (Asset) Liability	\$ (827,826)	\$ (659,281)	\$ (516,076)

I. OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from the California Public Employees' Retirement System at 400 Q Street, Sacramento, CA 95811.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

J. Recognition of Deferred Outflows/Inflows of Resources

Gains and losses related to changes in the 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:

Net difference between projected and actual earnings on OPEB plan investments	5.0 years
Straight line amortization over the expected average remaining service lifetime (EARSL) of all members as of the beginning of the measurement period	11.3 years

K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the Agency recognized OPEB income of \$7,366. As of the June 30, 2022, the Agency reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 23,279	\$ -
Differences between expected and actual experience	-	329,200
Changes in assumptions	115,916	207,076
Net differences between projected and actual earnings on plan investments	-	198,631
Total	<u>\$ 139,195</u>	<u>\$ 734,907</u>

\$23,279 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset during the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ (99,471)
2024	(107,431)
2025	(104,166)
2026	(108,255)
2027	(55,173)
Thereafter	(144,495)

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

11. DEFERRED COMPENSATION PLAN

For the benefit of its employees, the Agency participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Agency is in compliance with this legislation. Therefore, these assets are not the legal property of the Agency and are not subject to claims of the Agency's general creditors.

In the year 2021, The Agency has evaluated the requirements of GASB Statement No. 84, Fiduciary Activities and GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans and determined that plan didn't meet the criteria to be reported as a fiduciary activity, as required by the above mentioned Statements. Moreover, the plan is classified as other employee benefits for financial reporting purposes.

12. RISK MANAGEMENT

The Agency participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA), a public entity risk pool of water agencies in California, for general, automobile, public officials' errors and omissions, property, fidelity, workers' compensation liability, and employers' liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchases commercial excess insurance is obtained. Loss contingency reserves established by the JPIA are funded by contributions from member agencies. The Agency pays an annual premium to the JPIA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the JPIA.

The Agency's maximum coverage under the JPIA is as follows

	Pool Coverage	Commercial Coverage
General and auto liability	\$ 5,000,000	\$ 55,000,000
Public officials and omissions liability	5,000,000	55,000,000
Cyber liability	3,000,000	3,000,000
Property	100,000	500,000,000
Crime	100,000	None
Workers' compensation liability	2,000,000	Statutory

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2022

13. CONTINGENCIES AND COMMITMENTS

The Agency periodically enters into commitments which are funded primarily through state grants. The grants are typically for various projects such as rehabilitation, betterment, and maintenance. At June 30, 2022, the Agency had no commitments on unfinished contracts.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Agency expects such amounts, if any, to be immaterial.

The Agency has been named a real party in interest in two actions filed in 2010 against the California Department of Water Resources. The actions allege violation of the California Environmental Quality Act. No estimates of liability or conclusions have been or can be reached relative to the impact of this action; however, there can be no assurance that this matter will not adversely affect the Agency's financial position.

14. SUBSEQUENT EVENT

Acquisition of capital assets:

On December 19th, 2022, SCWA purchased Office Condo Suite 202, at 810 Vaca Valley Parkway, Solano Irrigation District, per Board Action Items of September 2021, February 2022, April 2022, and November 10th, 2022, for an additional investment of \$2,154,000.00. After exchanging the original Office Condo Suite, 203, within the purchase, SCWA spent \$1,127,001 from Reserves. SCWA will take ownership of the Suite soon, building and Tennant improvements will commence, and we should be able to move in by the end of fiscal year 2023, at which time SCWA will relinquish ownership of Office Condo Suite 203.

In addition to having more needed space, the purchase of the new Office Condo Space, SWA will no longer be "owner in common" with Solano Irrigation District.

REQUIRED SUPPLEMENTARY INFORMATION

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Solano County Water Agency

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Solano Project

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Property taxes	\$ 11,470,000	11,547,415	\$ 11,795,163	\$ 247,748
Charges for services	225,500	93,000	236,756	143,756
Investment earnings	75,290	42,285	(143,787)	(186,072)
Intergovernmental	473,000	145,000	52,179	(92,821)
Other revenues	781,446	47,646	46,610	(1,036)
Total revenues	13,025,236	11,875,346	11,986,921	111,575
EXPENDITURES:				
Current:				
Water purchases	174,000	156,885	156,885	-
Operations and maintenance	6,393,836	4,598,232	4,504,347	93,885
Administration and general	4,754,324	9,175,683	4,072,860	5,102,823
Conservation and flood control	1,291,500	757,026	810,779	(53,753)
Engineering	2,232,863	1,343,420	1,307,244	36,176
Capital outlay	3,587,674	1,359,380	555,333	804,047
Debt service:				
Principal	-	-	13,647	(13,647)
Interest and fiscal charges	-	-	2,297	(2,297)
Total expenditures	18,434,197	17,390,626	11,423,392	5,967,234
Net change in fund balances	\$ (5,408,961)	\$ (5,515,280)	563,529	\$ 6,078,809
FUND BALANCE:				
Beginning of year			19,085,419	
End of year			<u>\$ 19,648,948</u>	

Solano County Water Agency

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual State Water Project For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Property taxes	\$ 15,374,810	\$ 15,489,780	\$ 15,570,024	\$ 80,244
Charges for services	2,278,100	2,295,037	3,467,620	1,172,583
Investment earnings	93,000	63,695	(206,913)	(270,608)
Other revenues	23,242	23,000	18,241	(4,759)
Total revenues	17,769,152	17,871,512	18,848,972	977,460
EXPENDITURES:				
Current:				
Water purchases	12,725,577	12,773,785	12,982,683	(208,898)
Operations and maintenance	1,527,000	723,500	533,439	190,061
Administration and general	1,855,460	1,532,473	1,329,233	203,240
Conservation and flood control	456,000	340,000	390,127	(50,127)
Engineering	444,000	132,700	150,479	(17,779)
Capital outlay	2,376,097	1,582,847	1,796,569	(213,722)
Total expenditures	19,384,134	17,085,305	17,182,530	(97,225)
Net change in fund balances	\$ (1,614,982)	\$ 786,207	1,666,442	\$ 880,235
FUND BALANCE:				
Beginning of year			27,617,678	
End of year			\$ 29,284,120	

Solano County Water Agency

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Ulatis Flood Control

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Property taxes	\$ 1,607,700	\$ 1,780,550	\$ 1,813,796	\$ 33,246
Investment earnings	23,411	20,100	(65,132)	(85,232)
Other revenues	8,000	7,651	7,652	1
Total revenues	<u>1,639,111</u>	<u>1,808,301</u>	<u>1,756,316</u>	<u>(51,985)</u>
EXPENDITURES:				
Current:				
Operations and maintenance	1,308,500	809,000	838,737	(29,737)
Administration and general	199,327	152,582	80,231	72,351
Capital outlay	73,480	-	-	-
Total expenditures	<u>1,581,307</u>	<u>961,582</u>	<u>918,968</u>	<u>42,614</u>
Net change in fund balances	<u>\$ 57,804</u>	<u>\$ 846,719</u>	<u>837,348</u>	<u>\$ (9,371)</u>
FUND BALANCE:				
Beginning of year			8,459,061	
End of year			<u>\$ 9,296,409</u>	

Solano County Water Agency

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Green Valley Flood Control

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Property taxes	\$ 148,000	\$ 128,672	\$ 130,597	\$ 1,925
Investment earnings	1,150	820	(2,485)	(3,305)
Total revenues	<u>149,150</u>	<u>129,492</u>	<u>128,112</u>	<u>(1,380)</u>
EXPENDITURES:				
Current:				
Operations and maintenance	93,000	46,000	146,651	(100,651)
Administration and general	53,840	17,302	2,157	15,145
Total expenditures	<u>183,580</u>	<u>63,302</u>	<u>148,808</u>	<u>(85,506)</u>
Net change in fund balances	<u>\$ (34,430)</u>	<u>\$ 66,190</u>	<u>(20,696)</u>	<u>\$ (86,886)</u>
FUND BALANCE:				
Beginning of year			358,817	
End of year			<u>\$ 338,121</u>	

Solano County Water Agency
Required Supplementary Information
For the year ended June 30, 2022

1. DEFINED BENEFIT PENSION PLAN

Schedule of the Agency's Proportionate Changes in the Net Pension Liability - Last 10 Years*

Fiscal year	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	-0.02352%	0.00111%	0.00617%	0.01191%	0.01260%	0.01160%	0.01076%	0.01200%
Proportionate share of the net pension liability	\$ (1,271,785)	\$ 120,405	\$ 631,837	\$ 1,147,699	\$ 1,205,732	\$ 1,003,309	\$ 738,680	\$ 751,756
Covered payroll	\$ 2,228,391	\$ 2,070,399	\$ 1,957,657	\$ 1,720,043	\$ 1,430,395	\$ 1,297,221	\$ 1,274,487	\$ 1,165,322
Proportionate Share of the net pension liability as a percentage of covered payroll	-57.07%	5.82%	32.28%	66.73%	84.29%	77.34%	57.96%	64.51%
Plan fiduciary net position as a percentage of the total pension liability	88.29%	75.26%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

Schedule of Contributions - Last 10 Years*

Fiscal year	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 232,617	\$ 234,042	\$ 269,459	\$ 247,357	\$ 206,719	\$ 174,564	\$ 155,648	\$ 169,520
Contribution in relation to the actuarially determined contributions	232,617	408,211	897,112	867,061	206,719	174,564	155,648	169,520
Contribution deficiency (excess)	\$ -	\$ (174,169)	\$ (627,653)	\$ (619,704)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,403,151	\$ 2,228,391	\$ 2,070,399	\$ 1,957,657	\$ 1,720,043	\$ 1,430,395	\$ 1,297,221	\$ 1,274,487
Contributions as a percentage of covered payroll	9.68%	18.32%	43.33%	44.29%	12.02%	12.20%	12.00%	13.30%

Notes to Schedule of Employer Contribution:

Methods and Assumptions for 2020/21 ADC:

Valuation Date	June 30, 2019
Actuarial cost method	Entry Age Normal, cost method
Amortization method	Varies by date established and source
Remaining amortization period	Differs by employer rate plan but not more than 29 years
Asset valuation method	Market Value of Assets
Discount rate	7% (net of administrative expenses)
General Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries

* Fiscal year 2015 was the 1st year of implementation.

Solano County Water Agency
Required Supplementary Information
For the year ended June 30, 2022

2. OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES

Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years*

Fiscal year	2022	2021	2020	2019	2018
Measurement Period:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability					
Service cost	\$ 118,917	\$ 156,836	\$ 152,268	\$ 158,962	\$ 153,958
Interest	96,041	107,879	93,449	100,328	86,953
Actual versus expected experience	-	(169,906)	-	(300,000)	-
Assumption changes	127,170	(223,339)	-	(37,883)	-
Benefit payments	(24,243)	(21,657)	(17,149)	(32,435)	(31,389)
Net change in the total OPEB liability	317,885	(150,187)	228,568	(111,028)	209,522
Total OPEB liability - beginning	1,429,869	1,580,056	1,351,488	1,462,516	1,252,994
Total OPEB liability - ending (a)	\$ 1,747,754	\$ 1,429,869	\$ 1,580,056	\$ 1,351,488	\$ 1,462,516
Plan Fiduciary Net Position					
Contributions - employer	\$ 78,391	\$ 144,037	\$ 147,479	\$ 782,435	\$ 761,389
Contributions - employee	-	-	-	-	-
Net investment income	389,272	91,952	113,156	26,139	3,246
Benefit payments	(24,243)	(21,657)	(17,149)	(32,435)	(31,389)
Administrative expense	(750)	(918)	(368)	(1,514)	(38)
Net change in the total OPEB liability	442,670	213,414	243,118	774,625	733,208
Plan fiduciary net position - beginning	1,964,365	1,750,951	1,507,833	733,208	-
Plan fiduciary net position - ending (b)	\$ 2,407,035	\$ 1,964,365	\$ 1,750,951	\$ 1,507,833	\$ 733,208
Net OPEB (asset) liability - ending (a) - (b)	\$ (659,281)	\$ (534,496)	\$ (170,895)	\$ (156,345)	\$ 729,308
Plan fiduciary net position as a percentage of percentage of the total OPEB liability	137.72%	137.38%	110.82%	111.57%	50.13%
Covered employee payroll	\$ 2,335,366	\$ 2,138,043	\$ 1,983,872	\$ 1,709,111	\$ 1,479,245
Net OPEB (asset) liability as a percentage of covered employee payroll	-28.23%	-25.00%	-8.61%	-9.15%	49.30%

Notes to Schedule:

Changes in assumptions:

For the measurement period ended June 30, 2019, there were no changes actuarial assumptions.

For the measurement period ended June 30, 2020, there were the following changes in assumptions:

Reduced cap increase to 2% annually commencing in 2021

Removed ACA Excise Tax

Mortality improvement scale was updated to scale MP-2019

For the measurement period ended June 30, 2021 discount rate was updated based on newer capital market assumptions. CalPERS approved new CERBT asset allocations in March 2022. Estimated impact is an increase to the expected long-term rate of return assumption for CERBT Strategy 2 of 0.25%.

* Fiscal year 2018 was the 1st year of implementation.

Solano County Water Agency
Required Supplementary Information
For the year ended June 30, 2022

2. OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued

Schedule of Plan Contributions - Last 10 Years*

Fiscal Year Ended June 30	2022	2021	2020	2019	2018
Actuarially determined contribution (ADC)	\$ 86,566	\$ 83,961	\$ 156,236	\$ 151,562	\$ 32,435
Contributions in relation to the ADC	23,279	78,391	144,037	147,479	782,435
Contribution deficiency (excess)	<u>\$ 63,287</u>	<u>\$ 5,570</u>	<u>\$ 12,199</u>	<u>\$ 4,083</u>	<u>\$ (750,000)</u>
Covered employee payroll	\$ 2,538,874	\$ 2,335,366	\$ 2,138,043	\$ 1,983,872	\$ 1,709,111
Contributions as a percentage of covered employee payroll	0.92%	3.36%	6.74%	7.43%	45.78%

Notes to Schedule of Employer Contribution:

Methods and Assumptions for 2020/21 ADC:

Valuation Date	June 30, 2020
Actuarial cost method	Entry Age Normal, Level % of pay
Amortization method	Level % of pay
Amortization period	17-year fixed period for 2020/21
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Discount rate	6.25%
General Inflation	2.75%
Medical trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4% in 2076 Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4% in 2076
Motility	CalPERS 1997-2015 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-2019

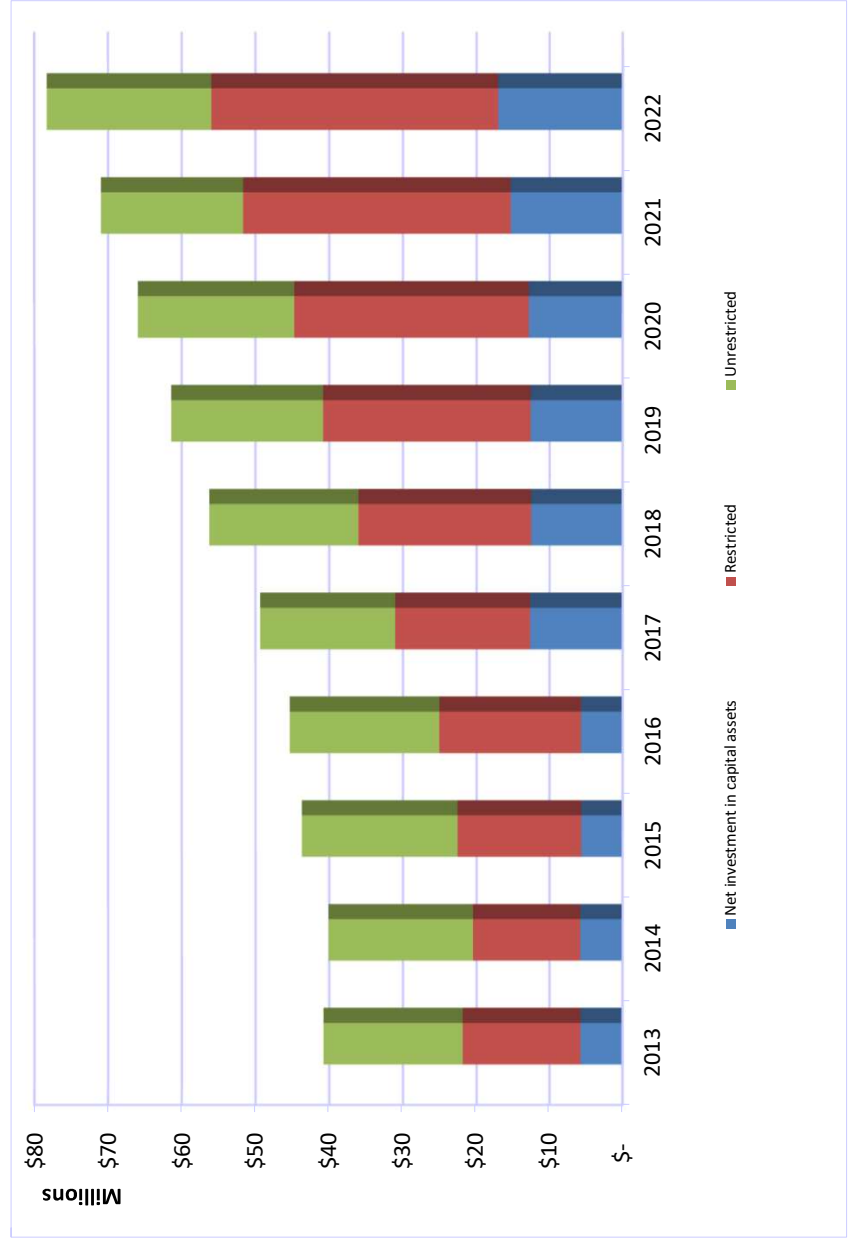
* Fiscal year 2018 was the 1st year of implementation.

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STATISTICAL SECTION (Unaudited)

SOLANO COUNTY WATER AGENCY
TEN YEAR SUMMARY OF NET POSITION
Year ended June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NET POSITION:										
Net investment in capital assets	\$ 5,748,772	\$ 5,784,350	\$ 5,645,142	\$ 5,695,633	\$ 12,663,240	\$ 12,527,416	\$ 12,609,847	\$ 12,858,997	\$ 15,335,356	\$ 17,062,051
Restricted	16,125,338	14,708,627	16,940,933	19,372,547	18,375,277	23,489,894	28,224,034	31,878,555	36,330,420	38,918,650
Unrestricted	18,885,636	19,600,365	21,118,722	20,277,935	18,322,201	20,253,097	20,588,902	21,211,403	19,284,792	22,310,927
TOTAL NET POSITION	\$ 40,759,746	\$ 40,093,342	\$ 43,704,797	\$ 45,346,115	\$ 49,360,718	\$ 56,270,407	\$ 61,422,783	\$ 65,948,955	\$ 70,950,568	\$ 78,291,628



SOLANO COUNTY WATER AGENCY
TEN YEAR SUMMARY OF CHANGE IN NET POSITION
Year ended June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Solano Project	\$ 6,878,631	\$ 7,947,771	\$ 7,842,334	\$ 10,873,927	\$ 8,791,655	\$ 9,990,085	\$ 11,591,271	\$ 11,114,866	\$ 11,422,473	\$ 9,303,386
State Water Project	12,948,693	13,316,883	11,267,198	11,740,362	13,059,922	12,619,932	13,180,546	14,849,962	14,202,526	15,162,798
Ulatits Project	475,218	526,128	492,856	569,902	749,195	845,659	839,993	922,970	883,497	1,008,619
Green Valley Flood Control	75,645	48,738	82,593	51,106	38,131	46,853	162,824	106,279	67,854	145,859
Interest and fiscal charges	-	-	-	-	-	-	-	-	416	2,297
TOTAL EXPENSES	\$ 20,378,187	\$ 21,839,520	\$ 19,684,981	\$ 23,235,297	\$ 22,638,903	\$ 23,502,529	\$ 25,774,634	\$ 26,994,077	\$ 26,576,766	\$ 25,622,959
Program Revenues:										
Charges for Services	\$ 2,276,588	\$ 2,856,623	\$ 2,857,106	\$ 3,051,764	\$ 2,949,358	\$ 2,919,415	\$ 2,951,229	\$ 2,786,476	\$ 3,355,698	\$ 3,734,756
Operating Grants and Contributions	\$ 1,418,063	\$ 1,379,384	\$ 1,916,190	\$ 1,110,799	\$ 1,043,419	\$ 1,104,179	\$ 999,765	959,082	286,925	141,947
Capital Grants and Contribution								-	-	123,550
General Revenues:										
Property Taxes	16,752,464	16,905,773	19,211,278	20,592,430	22,454,976	25,607,346	25,745,116	26,752,979	27,478,627	29,309,581
Investment Earnings	59,423	31,336	33,942	121,622	205,753	415,234	1,069,972	897,398	171,005	(418,318)
Other revenues						53,590	160,928	124,314	286,124	72,503
TOTAL REVENUES	20,506,538	21,173,116	24,018,516	24,876,615	26,653,506	30,099,764	30,927,010	31,520,249	31,578,379	32,964,019
CHANGE IN NET POSITION	\$ 128,351	\$ (666,404)	\$ 4,333,535	\$ 1,641,318	\$ 4,014,603	\$ 6,597,235	\$ 5,152,376	\$ 4,526,172	\$ 5,001,613	\$ 7,341,060

**SOLANO COUNTY WATER AGENCY
FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund (Solano Project)										
Nonspendable	\$ 687,250	\$ 538,870	\$ 688,117	\$ 695,188	\$ 612,965	\$ 247,685	\$ 77,066	\$ 62,378	\$ 63,600	\$ 73,652
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	14,464,013	15,407,055	8,880,454	8,880,454	340,426	3,165,000	3,250,000	3,250,000	3,250,000	3,250,000
Unassigned	4,549,371	4,807,479	12,862,550	12,155,515	18,510,292	17,465,429	17,539,198	17,716,205	15,771,819	16,325,296
Total General Fund	\$ 19,700,634	\$ 20,753,404	\$ 22,431,121	\$ 21,731,157	\$ 19,463,683	\$ 20,878,114	\$ 20,866,264	\$ 21,028,583	\$ 19,085,419	\$ 19,648,948
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ 174,000	\$ -	\$ -	\$ 77,066	\$ -	\$ 105,136	\$ -
Restricted	16,155,442	14,494,223	16,940,933	19,372,547	18,375,277	23,489,894	-	31,878,555	36,330,420	38,918,650
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(52,735)	(7,384)	-	-	-	-	-	-	-	-
Total Other Governmental Funds	\$ 16,102,707	\$ 14,486,839	\$ 16,940,933	\$ 19,546,547	\$ 18,375,277	\$ 23,489,894	\$ 77,066	\$ 31,878,555	\$ 36,435,556	\$ 38,918,650
TOTAL GOVERNMENTAL FUND BALANCES	\$ 35,803,341	\$ 35,240,243	\$ 39,372,054	\$ 41,277,704	\$ 37,838,960	\$ 44,368,008	\$ 20,943,330	\$ 52,907,138	\$ 55,520,975	\$ 58,567,598

SOLANO COUNTY WATER AGENCY
TEN YEAR SUMMARY OF CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year ended June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES:										
Taxes	17,319,710	16,905,774	19,211,277	20,592,430	22,454,977	25,607,346	25,745,117	26,752,979	27,478,626	29,309,580
Charges for services:										
Water Sales	1,398,952	2,594,108	2,444,535	2,443,675	2,451,389	2,452,701	2,588,338	2,759,430	3,011,233	3,560,828
Other charges for services	736,000	0	412,384	518,692	397,786	466,714	362,891	27,046	344,465	143,548
Grant Revenues	1,418,062	1,379,384	1,565,801	506,528	641,470	1,104,179	999,765	959,082	286,925	52,179
Investment Income	59,423	31,336	33,943	121,622	205,753	415,234	1,069,972	897,398	171,004	-418,317
Other operating revenue	141,657	179,715	514,614	778,159	502,132	232,845	354,810	124,314	286,126	72,503
Total revenues	21,073,804	21,090,317	24,182,554	24,961,106	26,653,508	30,279,019	31,120,893	31,520,249	31,578,379	32,720,321

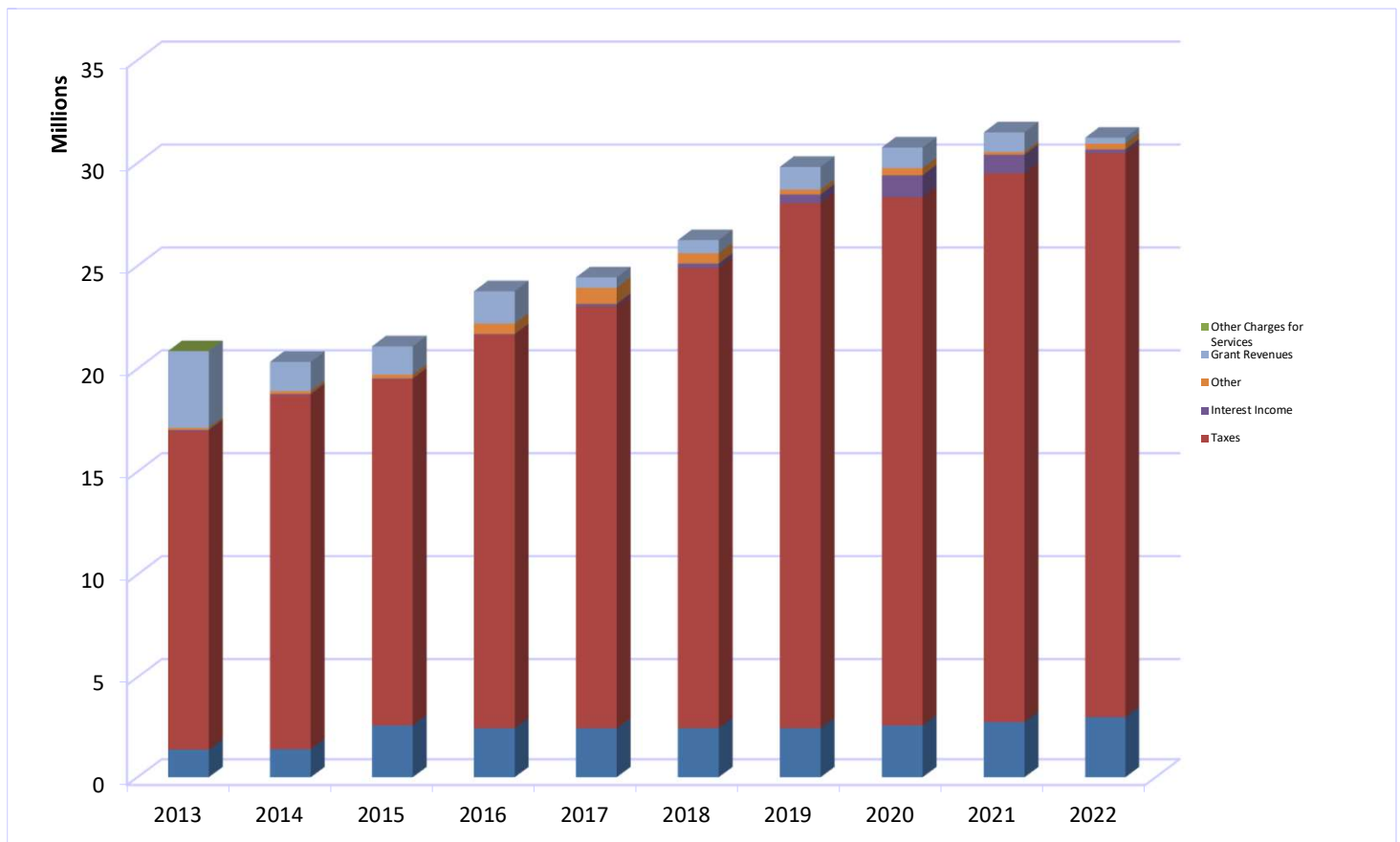
EXPENDITURES:										
Salaries and Employee Benefits	1,714,063	1,862,271	2,186,190	2,170,678	3,099,414	3,447,128	3,850,069	3,990,229	3,499,176	3,507,340
Services and Supplies	748,347	773,405	681,606	819,576	786,125	834,637	999,124	1,058,703	916,790	1,314,259
Operations & Maintenance	2,781,724	2,001,933	2,395,978	2,808,756	3,111,607	3,275,489	3,861,414	3,948,207	2,837,840	2,880,916
LPCCC Operations	250,369	650,639	261,360	268,988	254,008	348,891	346,304	370,105	369,671	445,694
Pulask Creek Watershed Management							992,361	1,020,547	1,475,426	867,185
Rehab & Betterment	290,184	761,550	304,693	2,699,108	19,500	247,787	174,651	231,836	252,646	189,323
Water Purchases	11,179,540	11,639,635	9,069,737	10,112,942	11,508,929	11,115,387	11,150,619	12,117,028	12,292,000	12,982,683
Grant Expenditures	1,084,212	1,479,384	1,740,027	534,146	610,689	575,972	546,482	141,396	166,798	466,442
Flood Control	105,145	32,480	55,670	59,763	79,698	96,636	237,190	92,043	542,082	381,233
HCP Planning	406,686	431,181	421,134	372,337	387,888	438,018	532,134	550,679	533,999	698,466
Water Conservation	690,288	1,191,034	1,299,942	1,572,774	1,227,928	1,118,950	1,439,640	993,849	893,095	1,412,783
Consultants	1,121,917	872,800	888,800	1,212,424	1,582,067	1,948,936	1,735,694	2,406,373	2,123,773	2,159,527
Capital assets	155,264	372,598	206,735	423,943	7,424,398	302,139	532,919	782,415	3,158,942	2,351,902
Debt Service	-	-	-	-	-	-	-	-	2,657	15,944
Total operating expenditures	20,527,739	22,068,910	19,511,873	23,055,435	30,092,252	23,749,972	26,398,601	27,703,411	29,064,895	29,673,698

OTHER FINANCING SOURCES (USES)										
Capital lease financing	-	-	-	-	-	-	-	-	100,353	-

NET CHANGE IN FUND BALANCE	546,065	-978,593	4,670,681	1,905,670	-3,438,744	6,529,047	4,722,292	3,816,838	2,613,837	3,046,623
Debt service as a percentage of noncapital expenditure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%

**SOLANO COUNTY WATER AGENCY
REVENUE BY SOURCE LAST TEN FISCAL YEARS**

Year Ended June 30,	Total	Charges for Services		Taxes	Grant Revenues	Interest Income	Other
		Water Sales	Other Charges for Services				
2013	\$ 21,073,784	2,373,203	(238,271)	17,319,710	1,418,062	59,423	141,657
2014	\$ 21,090,317	2,594,108	-	16,905,774	1,379,384	31,336	179,715
2015	\$ 24,182,555	2,444,535	412,384	19,211,277	1,565,801	33,943	514,615
2016	\$ 24,961,106	2,443,782	518,585	20,592,430	506,528	121,622	778,159
2017	\$ 26,653,506	2,451,389	397,786	22,454,976	641,470	205,753	502,132
2018	\$ 30,279,019	2,452,701	466,714	25,607,346	1,104,179	415,234	232,845
2019	\$ 31,120,893	2,588,338	362,891	25,745,117	999,765	1,069,972	354,810
2020	\$ 31,520,249	2,759,430	27,046	26,752,979	959,082	897,398	124,314
2021	\$ 31,578,379	3,011,233	344,465	27,478,626	286,925	171,004	286,126
2022	\$ 32,720,321	3,560,828	143,548	29,309,580	52,179	(418,317)	72,503

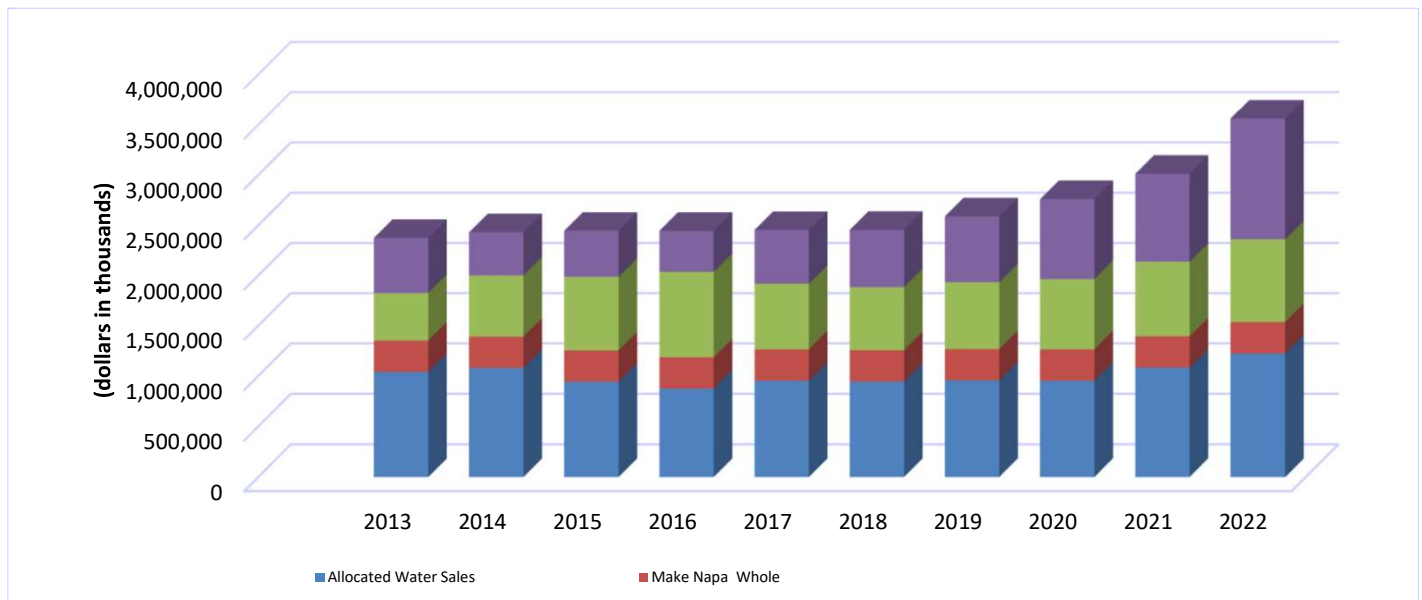


SOLANO COUNTY WATER AGENCY
TEN YEAR SUMMARY OF WATER SALES AND DELIVERIES
Year ended June 30,

ANNUAL ALLOCATED WATER DELIVERIES										
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Acre feet per City										
Benicia	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200
Fairfield	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800
Suisun City	1,175	1,225	1,275	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Vacaville	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100
Vallejo	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
UC Davis	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
CSP Solano	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
	47,075	47,125	47,175	47,200	47,200	47,200	47,200	47,200	47,200	47,200
ANNUAL ALLOCATED WATER DELIVERIES										
Annual Contracted Amount \$										
Benicia	\$ 352,600	\$ 352,600	\$ 352,600	\$ 352,600	\$ 352,600	\$ 352,600	\$ 352,600	\$ 352,600	\$ 352,600	\$ 352,600
Fairfield	241,900	241,900	241,900	241,900	241,900	241,900	241,900	241,900	241,900	241,900
Suisun City	24,088	25,113	26,138	26,650	26,650	26,650	26,650	26,650	26,650	26,650
Vacaville	125,050	125,050	125,050	125,157	125,050	125,050	125,050	125,050	125,050	125,050
Vallejo	229,014	265,982	131,506	59,401	138,546	114,800	114,800	114,800	253,026	384,078
UC Davis	39,480	35,660	34,720	35,420	36,120	36,840	37,580	38,349	39,100	39,880
CSP Solano	28,050	31,758	29,448	33,426	31,614	46,908	56,064	53,316	43,962	53,328
	\$1,040,182	\$1,078,063	\$941,362	\$874,554	\$952,480	\$944,748	\$954,644	\$952,665	\$1,082,288	\$1,223,486
Kern Water Transfers										
Fairfield	\$ 236,492	\$ 386,830	\$ 366,567	\$ 424,275	\$ 327,117	\$ 313,050	\$ 332,296	\$ 349,041	\$ 371,085	\$ 412,222
Vacaville	236,492	386,830	366,567	424,275	327,117	313,050	332,296	349,041	371,085	412,222
	\$472,984	\$773,660	\$733,133	\$848,549	\$654,233	\$626,100	\$664,591	\$698,082	\$742,170	\$824,444
Make Napa Whole Adjustment										
Fairfield	\$ 179,990	\$ 179,990	\$ 179,990	\$ 179,990	\$ 179,990	\$ 179,990	\$ 179,990	\$ 179,990	\$ 179,990	\$ 179,990
Suisun City	51,090	51,090	51,090	51,090	51,090	51,090	51,090	51,090	51,090	51,090
Vacaville	80,920	80,920	80,920	80,920	80,920	80,920	80,920	80,920	80,920	80,920
	\$312,000	\$312,000	\$312,000	\$312,000	\$312,000	\$312,000	\$312,000	\$312,000	\$312,000	\$312,000
Department of Water Resources - Prior Year Adjustments										
	\$548,037	\$430,385	\$458,039	\$408,679	\$532,676	\$569,853	\$657,103	\$796,692	\$874,776	\$1,200,898
Total water sales	\$2,373,203	\$2,594,108	\$2,444,534	\$2,443,782	\$2,451,389	\$2,452,701	\$2,588,338	\$2,759,439	\$3,011,234	\$3,560,828

SOLANO COUNTY WATER AGENCY
TEN YEAR SUMMARY OF WATER SALES BY CATEGORY
Year ended June 30,
(dollars in thousands)

Fiscal Year		Allocated Water Sales		Make Napa Whole		Kern Water Transfers		Dept of Water Resources Prior Year Adjustments		Total
2013	\$	1,040,182	\$	312,000	\$	472,984	\$	548,037	\$	2,373,203
2014		1,078,063		312,000		609,238		430,385		2,429,686
2015		941,363		312,000		733,133		458,039		2,444,535
2016		874,447		312,000		848,549		408,679		2,443,675
2017		952,480		312,000		654,233		532,676		2,451,389
2018		944,748		312,000		626,100		569,853		2,452,701
2019		954,644		312,000		664,591		657,103		2,588,338
2020		952,656		312,000		698,082		796,692		2,759,430
2021		1,082,287		312,000		742,170		874,776		3,011,233
2022		1,223,486		312,000		824,444		1,200,898		3,560,828



SOLANO COUNTY WATER AGENCY
DEMOGRAPHIC AND ECONOMIC STATISTICS - Solano County
Year ended June 30,

Fiscal Year	Population(1)	Personal Income(1)	Per Capita Personal Income(1)	Unemployment Rate (2)
2021	438,527	27,631,045,977	63,009	7.80%
2020	440,224	23,117,657,791	52,513	13.70%
2019	441,307	22,335,602,540	50,612	3.90%
2018	439,793	21,395,947,591	48,650	4.20%
2017	436,023	20,749,942,201	47,589	4.60%
2016	431,498	19,778,909,530	45,838	6.00%
2015	429,552	19,223,389,084	44,752	5.90%
2014	425,169	18,631,142,897	42,073	8.10%
2013	418,387	18,057,143,000	42,509	8.90%
2012	413,786	17,820,859,000	43,068	11.10%

Detail of estimated population, as of May 7, 2021

Incorporated Cities

Benicia	27,111
Dixon	20,197
Fairfield	118,005
Rio Vista	10,080
Suisun City	28,882
Vacaville	98,041
Vallejo	117,846
Total of Incorporated	420,162
Total of Unincorporated	18,365
Total Population	438,527

Population obtained from U.S. Census Bureau

Personal Income obtained from US Department of Commerce-Bureau of Economic Analysis, updated November 2017

Unemployment Rate obtained from State of California Employment Development Department

SOLANO COUNTY WATER AGENCY
PRINCIPAL EMPLOYERS IN SOLANO COUNTY
Year ended June 30,

2021			2012		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Travis AFB	12,864	6.81%	Travis AFB	14,353	7.40%
Kaiser Foundation Hospital & Rehab Cer	5,400	2.86%	Kaiser Foundation Hospital & Rehab C	5,131	2.65%
Fairfield-Suisun Unified School District	3,168	1.68%	Fairfield-Suisun Unified School District	2,000	1.03%
County of Solano	3,106	1.65%	County of Solano	2,401	1.24%
Vallejo Unified School District	1,873	0.99%	Vallejo Unified School District	1,600	
Vacaville Unified School District	1,312	0.69%	Vacaville Unified School District	1,100	0.57%
Northbay Healthcare System	1,200	0.64%	Northbay Healthcare System	1,115	0.58%
Amazon.com, Inc.	1,026	0.54%	Amazon.com, Inc.		
California Department of Corrections &	1,000	0.53%	California State Prison Solano		
The Boeing Company	996	0.53%	The Boeing Company		
	31,945	16.92%		27,700	13.47%
Total County Employment		176,200	Total County Employment		175,800

Source:

[County of Solano: 2020/21 Comprehensive Annual Financial Report \(CAFR\)](#)

**Monthly Labor Force Data for Cities and Census Designated Places (CDP)
August 2022 - Preliminary
Data Not Seasonally Adjusted**

Area Name	Labor Force	Employment	Unemployment Number	Unemployment Rate	Census Emp Ratio	Census Unemp Ratio
Solano County	201,500	193,100	8,500	4.20%	1	1
Benicia city	14,200	13,700	500	3.30%	N/A	N/A
Dixon city	9,600	9,200	400	4.20%	0.047671	0.047113
Elmira CDP	200	100	0	4.00%	0.000745	0.000688
Fairfield city	51,900	49,800	2,100	4.00%	N/A	N/A
Green Valley CDP	700	700	0	0.00%	0.003782	0
Rio Vista city	3,200	2,900	200	7.80%	0.015117	0.029216
Suisun City city	13,700	13,100	600	4.10%	N/A	N/A
Vacaville city	44,900	43,200	1,700	3.90%	N/A	N/A
Vallejo city	54,200	51,600	2,600	4.90%	N/A	N/A

CDP is "Census Designated Place" - a recognized community that was unincorporated at the time of the 2017-2021 5-Year American Community Survey (ACS).

Notes:

- 1) Data may not add due to rounding. All unemployment rates shown are calculated on unrounded data.
- 2) These data are not seasonally adjusted.
- 3) N/A = Estimate created by Bureau of Labor Statistics

Methodology:

Monthly city labor force data are derived by multiplying current estimates of county employment and unemployment by the relative employment and unemployment shares (ratios) of each city at the time of the 2017-2021 American Community Survey. Ratios for cities were developed from special tabulations based on ACS employment, unemployment, and population and Census population from the Bureau of Labor Statistics. For smaller cities and CDPs, ratios were calculated from published census data.

Monthly CDP's labor force data are derived by multiplying current estimates of county employment and unemployment by the relative employment and unemployment shares (ratios) of each CDP at the time of the 2017-2021 ACS survey. Ratios for CDPs' were developed from special tabulations based on ACS employment and unemployment from the Bureau of Labor Statistics.

This method assumes that the rates of change in employment and unemployment since the 2017-2021 American Community Survey are exactly the same in each city and CDP as at the county level (i.e., that the shares are still accurate). If this assumption is not true for a specific city or CDP, then the estimates for that area may not represent the current economic conditions. Since this assumption is untested, caution should be employed when using these data.

SOLANO COUNTY WATER AGENCY
FULL-TIME EMPLOYEES BY FUNCTION
Year ended June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL MANAGER SERIES	1	1	1	1	1	1	1	2	2	2
STREAMKEEPER	1	1	1	1	1	1	1	1	1	1
WATER RESOURCE ENGINEERING SERIES	2	2	4	4	4	5	5	5	6	6
WATER RESOURCE SPECIALIST SERIES	4	4	4	5	6	7	7	6	4	5
WATER RESOURCES TECHNICIAN SERIES	2	2	2	2	2	3	4	4	3	5
ADMINISTRATIVE SERVICES MANAGER	1	1	1	1						
ACCOUNTANT SERIES	1	1	1	2	2	2	2	2	2	2
ADMINISTRATIVE ASSISTANT SERIES	1	1	1	1	1	1	1	1	1	1
	13	13	15	17	17	20	21	21	19	22

Note: The numbers represent filled positions only.

SOLANO COUNTY WATER AGENCY
TEN YEAR SUMMARY OF CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
Year ended June 30,

Description	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cement Hill Bypass Land	\$ 148,898	\$ 148,898	\$ 148,898	\$ 148,898	\$ 148,898	\$ 148,898	\$ 148,898	\$ 148,898	\$ 148,898	\$ 148,898
Land	-	-	-	-	-	-	-	-	-	-
Buildings	1,661,323	1,661,323	1,661,323	1,661,323	1,661,323	1,661,323	1,700,109	1,700,109	2,732,716	2,732,716
Cement Hill Bypass Improvements	2,535,494	2,535,494	2,535,494	2,535,494	2,535,494	2,535,494	2,535,494	2,535,494	2,535,494	2,535,494
Water Monitoring Equipment	2,090,591	2,101,442	2,101,442	2,134,634	2,164,101	2,204,109	2,300,466	2,310,371	2,374,425	2,451,516
Machinery & Field Equipment	819,017	1,155,301	1,253,527	1,705,315	2,130,175	2,392,306	2,613,440	3,073,995	3,152,049	36,900,560
Furniture, Fixtures & Office Equipment	347,684	373,152	391,479	328,787	217,439	217,439	114,364	364,134	364,134	425,575
Construction in Progress	-	-	90,183	-	-	-	7,302	36,482	259,286	151,837
Total In-Service	7,603,007	7,975,610	8,182,346	8,514,451	15,772,001	16,074,140	16,334,644	17,084,054	20,164,505	55,726,912
Less Accumulated Depreciation	(1,854,239)	(2,191,261)	(2,537,204)	(2,818,818)	(3,108,761)	(3,546,724)	(3,724,797)	(4,225,062)	(4,731,042)	(5,369,896)
Net Capital Assets	\$ 5,748,768	\$ 5,784,349	\$ 5,645,142	\$ 5,695,633	\$ 12,663,240	\$ 12,527,416	\$ 12,609,847	\$ 12,858,993	\$ 15,433,464	\$ 50,357,016

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**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**

Independent Auditor's Report

To the Board of Directors
of the Solano County Water Agency
Vacaville, 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 major funds of the Solano County Water Agency, (Agency), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 30, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 the entity'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.

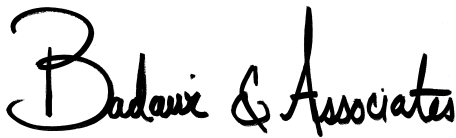
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*.

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

A stylized, handwritten signature in black ink that reads "Badawi & Associates". The signature is fluid and cursive, with the ampersand being particularly prominent.

Badawi & Associates, CPAs
Berkeley, California
December 30, 2022

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: February 9, 2023

SUBJECT: Water Conservation and Drought Resilience Optimization Project

RECOMMENDATIONS:

Approve Resolution 2023-03 authorizing Interim General Manager to apply for and if successful execute a grant agreement with the California Department of Water Resources for the Water Conservation and Drought Resilience Optimization Project.

FINANCIAL IMPACT:

Potential grant award is \$7,566,000 for the Water Agency and \$10,035,000 for Fairfield Suisun Sewer District, for a total of \$17,591,000. The project would leverage the Water Agency's water conservation funding by 3:1 over the next three years.



Recommended: _____
Chris Lee, Interim General Manager

☐

Approved as
Recommended

☐

Other
(see below)

☒

Continued on
next page

Modification to Recommendation and/or other actions:

I, Chris Lee, Interim General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2023 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Chris Lee
Interim General Manager & Secretary to the
Solano County Water Agency

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SCWA Match:

	2023-2024	2024-2025	2025-2026	Total
Admin	\$ 1,323,000	\$ 1,455,000	\$ 1,657,000	\$ 4,435,000
NBA	\$ -	\$ -	\$ 700,000	\$ 700,000
Solano Project	\$ 40,000	\$ 30,000	\$ 40,000	\$ 100,000
Total	\$ 1,363,000	\$ 1,485,000	\$ 2,397,000	\$ 5,235,000

The cost of preparing a grant application package with EKI Consultants is \$40,000. EKI and staff time in grant preparation counts toward match if awarded. Sufficient funding is available in the FY 2022-2023 admin budget for this expenditure.

BACKGROUND:

For over a decade, the Water Agency has sponsored water use efficiency projects resulting in a savings of over 1.2 billion gallons of water. These programs have included rebates for replacement of appliances, replacement of lawns with water efficient landscapes, detection of leaks, demonstration gardens, commercial, industrial and institutional water use efficiency and educational programs. DWR will implement ~10% lower per capita targets for water use and this project would help to meet those targets.

DWR has \$300 million to allocate statewide on water use efficiency projects. SCWA spent \$1,332,049 in Admin funds on Water Conservation in 2022, the last full year currently available. The proposed budget assumes the continuation of existing programs and leverages these investments in full. However, DWR may not grant the full award and the Agency could negotiate a reduced scope and budget in contracting following an award.

A grant from the Department of Water Resources 2022 Urban Community Drought Relief Grant Program would allow expansion of existing programs and new initiatives. Three projects are proposed:

1. Water Conservation and Drought Resilience Optimization Project
2. Recycled Water Use Optimization Project
3. Solano County Water Security Project

Water Conservation and Drought Resilience Optimization Project (\$5,281,000 grant request/\$4,425,000 Admin match) Expands existing water conservation programs with emphasis on lawn replacement. Underserved areas of Fairfield, Vacaville and Vallejo are eligible for free landscape replacement. Includes demonstration landscapes on Solano Community College campuses, education of homeowners' associations, expanded public education and outreach programs and an updated water use and conservation study. Continues assistance to low income and mobility challenged senior citizens for water use efficiency and expands projects with Sustainable Solano.

Recycled Water Use Optimization Project (FSSD) (\$10,035,000 grant request/\$644,000 match by FSSD): In partnership with Fairfield Suisun Sewer District, implements reclaimed water projects including a landscape demonstration project; a recycled water system planning and infrastructure project; a landscape optimization pilot project; and planning to use recycled water for the Pacific Flyway Center in the Suisun Marsh.

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Solano County Water Security Project: (\$1,775,000 grant request/\$700,000 match from NBA; \$110,000 match from Solano Project). Provides for a geotechnical study of Putah South Canal where it crosses earthquake faults; and includes funding for acquisition of Campbell Lake by easement or fee title to address water quality issues with the North Bay Aqueduct.

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN:

This is consistent with Goal#1 (Water Supply Management) and Goal# 4 (Water Resource Resiliency).

RESOLUTION NUMBER 2023-03

Resolution of the Board of Directors of the SOLANO COUNTY WATER AGENCY
AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE AND EXCUTION FOR THE
WATER CONSERVATION AND DROUGHT RESILIENCE OPTIMIZATION PROJECT
FROM THE
2022 URBAN COMMUNITY DROUGHT RELIEF GRANT PROGRAM

WHEREAS, the Legislature and Governor of the State of California have provided funds for the program shown above; and

WHEREAS, the Department of Water Resources has been delegated the responsibility for the administration of this grant program and establishing necessary procedures; and

WHEREAS, said procedures established by the Department of Water Resources require a resolution certifying the approval of application(s) by the Applicant’s governing board for submission of said application(s) to the State; and

WHEREAS, SOLANO COUNTY WATER AGENCY has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, SOLANO COUNTY WATER AGENCY proposes to apply for grant funding from the Department of Water Resources for the WATER CONSERVATION AND DROUGHT RESILIENCE OPTIMIZATION PROJECT; and

WHEREAS, the Applicant, if selected, will enter into an agreement with the State of California to carry out the project.

NOW, THEREFORE, BE IT RESOLVED by the Board of SOLANO COUNTY WATER AGENCY

- 1. That pursuant and subject to all of the terms and provisions of the Budget Act of 2021 (Stats. 2021, ch. 24, § 80) as amended (Stats. 2022, ch.44 § 25), the SOLANO COUNTY WATER AGENCY, General Manager is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources, and take such other actions necessary and appropriate to obtain grant funding,
- 2. The SOLANO COUNTY WATER AGENCY General Manager is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.
- 3. The SOLANO COUNTY WATER AGENCY General Manager or designee is hereby authorized and directed to submit any required documents, invoices and reports required to obtain grant funding.

Approved and adopted the 9th day of February 2023. I, the undersigned, hereby certify that the foregoing Resolution Number 2023-01 was duly adopted by the SOLANO COUNTY WATER AGENCY

Following Roll Call Vote: Ayes: _____
Nos: _____
Abstain: _____
Absent: _____

Ronald Kott, Chair
Solano County Water Agency

Attest: _____
Chris Lee
Clerk/Secretary for the Governing Board

BUDGET

Summary Budget

Projects	GRANT AMOUNT BUDGET (\$000)	COST SHARE BUDGET (\$000)
Grant Administration	500	0
Project 1: Water Conservation and Drought Resilience Optimization Project	5,281	4,425
Project 2: Recycled Water Use Optimization Project	10,035	644
Project 3: Solano County Water Security	1,775	810
GRAND TOTAL	17,591	5,879

Administration

TASKS	GRANT AMOUNT BUDGET (\$000)	COST SHARE BUDGET (\$000)
Task 1: Grant Administration	500	
1.1) Ongoing project management (invoicing, budget tracking, etc.)	45	
1.2) Regular meetings with project proponents and DWR	79	
1.3) Quarterly progress reports	202	
1.4) Expense monitoring and review	174	
Category (a) Subtotal	500	
GRAND TOTAL	500	

Project 2: Recycled Water Use Optimization Project		
TASKS	GRANT AMOUNT BUDGET (\$000)	COST SHARE BUDGET (\$000)
Category (a) Component Administration		
Task 1: Project Management	900	0
1.1) Ongoing project management (invoicing, budget tracking, etc.)	900	
<i>Category (a) Subtotal</i>	<i>900</i>	<i>0</i>
Category (b) Land Purchase / Easement		
<i>Category (b) Subtotal</i>	<i>0</i>	<i>0</i>
Category (c) Planning/Design/Engineering/Environmental Documentation		
Task 2: Recycled Water System Planning and Infrastructure Improvements	2,087	10
2.1) Update Recycled Water Master Plan	567	10
2.2) Design and Permitting of Treatment Upgrades	750	
2.3) Design, Permitting of Construction Distribution Infrastructure	770	
Task 3: Recycled Water Landscape Demonstration Projects	517	28
3.1) Front Entry Gardens	52	15
3.2) Iceplant Removal and Landscape Restoration	150	7
3.3) Community Grove	315	6
Task 4: Recycled Water for Habitat Creation	1,146	0
4.1) Design and Implementation of Freshwater Wetlands	146	
4.2) Design and Permitting for a Community Treatment Wetland	1,000	
Task 5: Pacific Flyway Center Recycled Water Supply	250	6
5.1) Planning and Coordination	250	6
5.2) Engineering Design & Permitting		
<i>Category (c) Subtotal</i>	<i>4,000</i>	<i>44</i>
Category (d) Construction/Implementation		
Task 6: Recycled Water System Planning and Infrastructure Improvements	600	0
6.1) Construction of Distribution Infrastructure	600	
Task 7: Recycled Water Landscape Demonstration Projects	3,581	0
7.1) Front Entry Gardens	334	
7.2) Iceplant Removal and Landscape Restoration	1,019	
7.3) Community Grove	2,227	
Task 8: Recycled Water for Habitat Creation	954	600
8.1) Design and Implementation of Freshwater Wetlands	953	600
<i>Category (d) Subtotal</i>	<i>5,135</i>	<i>600</i>
GRAND TOTAL	10,035	644

Project 3: Solano County Water Security				
TASKS			GRANT AMOUNT BUDGET (\$000)	COST SHARE BUDGET (\$000)
Category (a) Component Administration				
Task 1: Project Management			225	0
1.1) Ongoing project management (invoicing, budget tracking, etc.)			225	
Category (a) Subtotal			225	0
Category (b) Land Purchase / Easement				
Task 2: Campbell Lake			730	700
2.1) Purchase Cost (80-acres @ \$17,500/acre)			700	700
2.2) Realty Support (Consultant Support, Legal, Appraisal, Escrow Costs, Fees)			30	
Category (b) Subtotal			730	700
Category (c) Planning/Design/Engineering/Environmental Documentation				
Task 3: Putah South Canal Modernization & Risk Reduction Project			750	110
3.1) Engineering Project Management			80	20
3.2) Field Investigations			160	20
3.3) Pipeline Final Design			350	50
3.4) Environmental Services			160	20
Category (c) Subtotal			750	110
Category (d) Construction/Implementation				
Task 4: Recycled Water System Planning and Infrastructure Improvements			70	0
4.1) Alternative Water Source			70	
Category (d) Subtotal			70	0
GRAND TOTAL			1,775	810

APPLICATION

PROJECT 1 INFORMATION TAB

Project Name: Water Conservation and Drought Resilience Optimization Project

Local Project Sponsor: Same as grantee

Water System Public ID: Not Applicable

Project Map:

How many households will benefit from this project?

- Approximately 154,000 households (452,000 residents) within the Solano County Water Agency (SCWA) service area will benefit from additional water supply made available to SCWA customers through increased and optimized investment in water conservation measures, programs, and outreach.

Please briefly describe the proposed project:

The Water Conservation and Drought Resilience Optimization Project (Project) will reduce water consumption in the SCWA service area by approximately _____ acre-feet per year (AFY) to improve water supply reliability, including during times of drought. The Project includes the design and implementation of a suite of water conservation measures and programs that will supplement and expand SCWA’s existing water conservation efforts to achieve SCWA’s overall savings target of _____ AFY by 2027. To maximize water savings from these conservation measures, SCWA will develop a Water Conservation Optimization Strategy (Conservation Strategy) which will identify: (1) the remaining conservation potential, (2) the most effective conservation measures/programs and program design to achieve the water conservation goals, (3) an outreach and marketing plan, and (4) a performance monitoring plan.

The SCWA provides wholesale water to cities, institutions, and agricultural districts within Solano County. The cities, or “Member Units”, served by SCWA include: Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo. Institutional customers served by SCWA include: the University of California at Davis, Solano Community College, and California State Prison Solano. The SCWA provides irrigation water to Solano Irrigation District, Maine Prairie Water District, and Reclamation District 2068. Since 2007, SCWA has implemented a water conservation program throughout its service area which has included high-efficiency (HE) toilet rebates, HE clothes washer rebates, turf replacement rebates, residential water use surveys, and smart irrigation controller rebates. Through 2020, SCWA’s water conservation program is estimated to have achieved a cumulative water savings of approximately 3,784 acre-feet (AF).

In 2017, SCWA prepared a *Single-Family Residential Water Use and Conservation Potential Study* (2017 Study) to evaluate the effectiveness of SCWA’s water conservation programs, identify remaining water conservation potential in the single-family residential (SFR) sector, and identify methods to better target and refine SFR conservation program offerings. The findings of the 2017 Study indicated that: (1) the SFR water conservation programs that SCWA has implemented have resulted in a significant and measurable amount of water savings; and (2) that additional water conservation potential remains. In particular, the 2017 Study observed lower levels of participation in conservation programs within older, lower income neighborhoods and recommended targeted water conservation programming for these underrepresented populations. The 2017 Study evaluated four SFR conservation measures and estimated a remaining conservation potential of 356 AFY. The 2017 Study also identified several opportunities to generate additional savings through implementation of new water conservation measures.

Since completion of the 2017 Study, SCWA has implemented some of the recommended actions, including indoor and outdoor water conservation programs for low-income households, the Landscape Assistance Program and additional outreach including educational programming, (i.e., School Water Education Programs). However, staffing and budget limitations have prevented SCWA from fully implementing the necessary conservation measures to reach its maximum savings target. In particular, some of the key programs to assist underserved communities in reducing water use have been underutilized, with waitlists for potential participants, due to budget and staffing limitations. Other programs

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identified to have strong savings potential have had limited customer participation, likely due to lack of staff support for outreach and marketing. Additionally, potential conservation measures for residential multi-family and non-residential sectors have not yet been implemented due to budget constraints.

Water Conservation Optimization Strategy

To implement the Project, SCWA will begin by developing a Conservation Strategy, along with an outreach and marketing program and a monitoring plan. The Conservation Strategy will evaluate implementation progress of SCWA's active water conservation programs (i.e., HE Toilet Rebates, HE Washer Rebates, Turf Replacement Rebates, Residential Water Use Surveys, and Smart Irrigation Controller Rebates) across the member units served by SCWA (i.e., Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo). The Conservation Strategy will evaluate savings achieved, program cost-effectiveness, and saturation rates from past program implementation using program participation data, key demographic characteristics, and geospatial analytical methods. The Conservation Strategy will also expand the analysis to include other water use sectors and users (e.g., commercial, industrial, and institutional [CII] sector, multi-family residential [MFR] sector, and agricultural users) and will include a detailed analysis of the individual water conservation program impacts, benefits, and opportunities within SCWA's service area. The goal of the Conservation Strategy is to guide SCWA's conservation program design and implementation, comply with the Making Conservation a California Way of Life (MCCWL) regulations, and increase drought resilience within the SCWA service area.

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To implement the Conservation Strategy, SCWA will design an outreach and marketing program to target customers in high-potential areas to maximize effectiveness. The outreach and marketing program will include an approach to expand conservation program implementation in areas with low saturation rates, such as previously identified lower-income communities. The Conservation Strategy will also provide a performance monitoring plan to track Project implementation water savings and cost-effectiveness.

Targeted Water Conservation Measure Implementation

The Project will implement "Targeted Water Conservation Measures" in identified high-potential areas, as identified in the Conservation Strategy analysis, and throughout the SCWA service area following completion of the Conservation Strategy. These water conservation measures may include, but are not limited to:

- Turf replacement with native and drought tolerant plants for low-income seniors and disabled households;
- Landscape replacement with native and drought tolerant plants along with a deep layer (twelve inches) of wood chips for any or commercial property owners; Lawn replacement with native vegetation promotes water efficiency and provides wildlife habitat in urban areas. Specifically, SCWA has developed a method using a twelve-inch layer of wood chips that smothers lawns and precludes runoff, conserving rainwater, enhancing soil health, suppressing weeds and planting to moisture with only one irrigation at planting (to wet the chips) if at all. The wood chips condense soil moisture at the surface allowing native plants to establish as they do in nature with no subsequent irrigation required. The wood chips naturally decompose after about five years by which time native plants are well established. Local cities, arborists and orchard removals provide a steady supply of wood chips at a cost of less than \$1.00 per square foot (sq. ft.) of lawn replacement, delivered;
- Promote landscaping with locally sourced native plants, such as native plants supplies by the Putah Creek Council, that are best adapted to local climate and soils and provide habitat benefits to native wildlife within urban areas in addition to water savings;
- Increasing rebates for turf replacement from \$1.00 per sq. ft. to \$1.50 per sq.ft.;
- Education, planning and implementation of sustainable landscaping, including nature-based solutions, for large landscapes such as HOAs and/or public spaces of Cities (Sustainable Solano's Sustainable Landscaping Program);
- Implementing the Sustainable Backyards Program to install waterwise sustainable gardens through educational workshops that spread knowledge within the local community and share those gardens with the wider community through torus and in-garden educational opportunities (Sustainable Solano's Sustainable Landscaping Program);
- Implementing rebates and incentives for CII water conservation;
- Improved leak detection;
- Regional landscape;

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Commented [es4R3]: This might be referring our work with a consultant to carry out leak detection in homes and multi-family units? Or referring to the new technology used to find leak detections in city infrastructure?
@andy

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- Expanding public outreach materials and classroom programs; and
- Development of internships, apprenticeships and workforce versed in sustainable landscaping and water conservation.

Of the measures identified for implementation, several are focused on increased water use efficiency in underserved and underrepresented communities. In general, disabled and particularly low-income households tend to have older water fixtures and less efficient landscapes. Furthermore, as a demographic group, they are typically less able to afford the upfront cost of installing water-efficient landscapes and fixtures and/or are physically unable to perform the desired water conservation upgrades themselves. These measures include:

- Use of a professional landscape company to administer a Landscape Assistance Program aimed at senior, low-income households to develop a water-efficient landscape tailored to the residents needs and desires. This is a turn-key program whereby the contractor designs and installs the water-efficient landscape and performs follow-up visits;
- Educational opportunities through the sustainable landscaping of large landscapes and the Sustainable Backyards Program; and
- Internship, apprenticeship and workforce training opportunities.

PROJECT LEVEL EVALUATION

Does this project respond to an existing emergency to humans and/or wildlife? Yes.

If so, please answer the three questions below.

- **How does this project address a current water supply shortage which significantly endangers the public health, safety, or welfare of a specific community or region?**

Yes. This project addresses a current water supply shortage which significantly endangers the public health, safety and welfare in Solano County. Since the summer of 2022, each of the urban water suppliers served by SCWA has implemented Stage 2 of its Water Shortage Contingency Plan (WSCP) to achieve water use reductions of up to 20 percent. These reductions in water use are needed to stretch Solano County's water supplies to maintain sufficient water for the health, safety, economic security, and welfare of Solano County's 452,000 residents and major businesses, should drought conditions continue and as drought conditions become more frequent. Without continued water use reductions through expansion of water use efficiency measures, a water supply shortage would likely occur.

The majority of SCWA's municipal supply is sourced from the Solano Project, which primarily stores water in Lake Berryessa. In 1993 the reservoir storage dropped to within two years of going completely dry. These severe depletions in the surface water supply during drought years, puts the communities within the County that rely on surface water at risk during prolonged droughts, especially the communities that are entirely dependent on surface water, such as the City of Vallejo which supplies water to 125,000 residents. When coupled with other supply risks, such as proposed unrestricted flow releases to the Delta and curtailed diversions from the North Bay Aqueduct for habitat development, Solano County could face supply shortfalls in the future.

Solano County's economy is centered around established industrial and manufacturing centers. The Port of Benicia and Benicia Industrial Park includes the Valero Refinery which provides over 400 jobs. City of Fairfield includes the Anheuser-Busch Company Budweiser Brewery, which has provided hundreds of jobs to Solano County residents for almost 50 years and the Jelly Belly headquarters which has provided jobs to Solano County residents for almost 40 years. The City of Vacaville includes Genentech, one of the world's largest biotechnology manufacturing plants which expands upon 100 acres and provides hundreds of jobs. Not only are local jobs provided by these industrial and manufacturing centers, but they also provide state-wide and nation-wide economic benefits. As described in the City of Fairfield Urban Water Management Plan (UWMP), economic growth factors affecting water supply include continued industrial growth in the food sector, which is a water -intensive category. These industrial centers rely heavily on SCWA's water supply and make up a significant portion of the County's water demands. Industrial operations in these centers, as well as supporting

businesses throughout the County, are threatened by increased water restrictions and future shortages. In turn, job security and the regional economy would be significantly impacted by future supply shortfalls.

Furthermore, Solano County expects to see increased wildfire frequency in the future due to rising temperatures and drought conditions. Two years ago, the LNU Lightning Complex Fire burned 42,000 acres and destroyed over 800 structures and 300 homes in Solano County alone. SCWA member cities have adapted to increased wildfire frequency by maintaining adequate water storage for emergency and firefighting use. Future water shortage coupled with increasing frequency of emergency scenarios is likely to threaten Solano County's ability to meet its water demands and protect its residents during these emergencies.

Lastly, groundwater supplies approximately 60% of the total water supply in the Solano Groundwater Subbasin during drought years. SCWA is part of the Solano Collaborative, that is committed to maintaining the sustainability of groundwater resources in the Subbasin. Projects and management actions (PMAs) have been developed to support the sustainability goal for the Subbasin. This Project aligns with and will support the ongoing PMA *Municipal and Industrial Water Use Efficiency Outreach and Implementation*. The Project will help reduce the demand for groundwater which will help avoid a storage deficit in the Basin. Additionally, the improved understanding of benefits from conservation practices within the Subbasin can be integrated into the 2027 Groundwater Sustainability Plan (GSP), will improve the understanding of impacts on the different beneficial users in the Subbasin and help guide the next phase of GSP implementation.

- **How does this project address a current water quality emergency which significantly endangers the public health, safety or welfare of a specific region?**

The water-efficient landscapes proposed as part of this project would eliminate the need for irrigation by replacing lawns with a thick, 12-inch layer of wood chips and mulch. This type of landscape retains a greater amount of water, allowing precipitation to infiltrate into the ground instead of running off to paved surfaces. This generally improves surface water quality, as urban runoff collects contaminants such as oil and grease from roadways and other paved surfaces.

Additionally, wildfire threatens to impair surface water sources through flooding and erosion of burned landscape. Access to emergency water supply is essential to swiftly respond to wildfire events and minimize damage to surface water sources. This project seeks to reduce daily water demands and prevent a water supply shortfall. Therefore, successful implementation of this project will make more water available to quickly respond to wildfire emergencies and protect surface water quality, without disrupting regular water service.

Furthermore, some of SCWA's member units such as the City of Fairfield rely solely on surface water to meet all water demands as groundwater in the area is brackish and unsuitable for irrigation and drinking water use without relatively expensive treatment. These communities will directly benefit from additional water supply made available to SCWA customers through SCWA's increased and optimized investment in water conservation measures during this project.

- **How does this project address a current water supply shortage which significantly endangers a species of concern or a species listed on either the California or Federal Endangered Species Acts?**

The majority of SCWA's municipal supply is sourced from the Solano Project, which primarily stores water in Lake Berryessa. In addition to being used for municipal supply, water from Lake Berryessa is released to support riparian and aquatic habitat along the Putah Creek and within the Sacramento-San Joaquin Delta (Delta). This project seeks to reduce municipal demands through conservation efforts, which will allow a greater volume of water to remain stored in Lake Berryessa. These savings will provide security for approximately 35,000 AFY of environmental water releases to the Putah Creek and Delta needed to support habitat for all wildlife, but specifically species of concern. Within Solano County, there are 24 species Federally listed as either endangered, threatened, or a candidate for listing, and 14 species State listed as either endangered or threatened (11 of which are joint listed), many of which are located within the sensitive ecosystems of the Putah Creek and Delta which rely on the environmental water releases.

Briefly describe how the community/area benefitting from this project is being impacted by the current drought.

Benefits from this project will be seen across the entire SCWA service area. The SCWA member units, that are required to comply with the California Urban Water Management Planning Act, have implemented Stage 2 of its Water Shortage

Contingency Plan (WSCP), which targets a reduction in water use of up to 20%. To achieve these reductions, the cities have enforced mandatory conservation measures, encouraged community-oriented voluntary conservation measures, and implemented mandatory water use reduction measures to decrease demands. Stage 2 activities include a continuation of activities described under Stage 1, as well as greater conservation and water use restrictions. Stage 1 and Stage 2 restrictions include: prohibitions on water waste and washing paved areas; limiting outdoor irrigation only between the hours of 6 pm and 9 am; and, restricting businesses from watering non-functional turf (i.e., grass that is solely ornamental and not used for recreation). Additionally, the cities have performed a significant amount of public outreach and education about the current drought, current water shortages and recommended methods individuals can implement to reduce water use and water waste.

As described previously, the majority of SCWA’s municipal supply is stored in Lake Berryessa, which has experienced historically low water storage levels. These severe depletions in surface water during drought years puts the communities within the County that rely on surface water at risk during prolonged droughts, especially the communities that are entirely dependent on surface water, such as the City of Vallejo which supplies water to 125,000 residents.

How will this project alleviate the drought impacts described above?

The project will alleviate the drought impacts from a Stage 2 shortage by reducing water consumption within the SCWA service area. These water savings become available for a variety of uses that can alleviate drought impacts, such as releasing water to protect aquatic habitats during drought years or storing surplus water to provide security in case of future worsened drought conditions or other emergencies. Additionally, covering landscape with mulch and native plants will build more organic matter in the soil, creating soils that are better able to capture and store water and reduce runoff which will in turn improve water quality.

Please describe why state funding is needed for this project. If state funding is not secured, what will happen to this project?

State funding is needed to continue and expand lawn replacement programs, to enhance commercial, industrial and institutional (CII) water use efficiency, to enhance agricultural water efficiency, to promote water savings programs in disadvantaged communities, to educate the community in water conservation, to engage homeowner associations in water saving landscapes, and to promote native vegetation for water savings, tribal uses and habitat value. Without state funding, SCWA would continue to assist disabled residents with direct replacement of appliances and landscapes for water savings and provide modest educational and demonstration programs.

As described earlier, staffing and budget limitations have prevented SCWA from fully implementing the conservation measures to reach the maximum amount of potential savings. In particular, some of the key programs to assist underserved communities in reducing water use have been underutilized due to budget and staffing limitations. Other programs identified to have strong savings potential have had limited customer participation, likely due to lack of staff support for outreach and marketing. Additionally, potential conservation measures for residential multi-family and non-residential sectors, such as agricultural that makes up 131,000 acres, have not yet been implemented due to budget constraints.

Can the applicant utilize a partial award if one should be made available? What would the minimum funding needed be to complete the project as proposed?

SCWA can utilize a partial award if one should be made available. Implementation of the conservation measures would be incrementally reduced with a partial award, as would the projects contribution to SCWA’s overall savings target. Depending on the amount of the partial award, SCWA may reduce the number of measures implemented or reduce budgets for individual measures.

Primary Benefit Type: Reduce Water Demand

Secondary Benefit Type: Ecosystem/Habitat Restoration

- Commented [KL8]:** We need to come up with a minimum \$ value
- Commented [rm9R8]:** \$9,000,000 all but the recycled water for habitat projects
- Commented [rm10R8]:** Other water savings projects reduced proportionately to allow for EKI admin and efficiency study
- Commented [KL11]:** Rich, can you tell us what the options are from the dropdown?
- Commented [rm12R11]:** Reduce Water Demand

Description: Please briefly describe how the project will achieve the claimed benefits including how the project benefits an Urban Community. Please include the name of the Urban Community this project benefits. Please include in the explanation information on the timespan of the primary project benefit and how the project will adapt to ensure a public benefit under future climate conditions.

Achievement of Claimed Benefits: The project will achieve the claimed benefit by targeting potential conservation savings to areas with the highest potential to reduce water use, including underrepresented communities.

Benefitting Communities:

The project will benefit the urban communities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo. Collectively, these communities provide water service to over 400,000 residents in Solano County, including over 72,000 residents in Disadvantaged Communities (DACs) or Severely Disadvantaged Communities (SDACs).

The project will also benefit the agricultural communities served by Solano Irrigation District, Maine Prairie Water District, and Reclamation District 2068. Irrigated crop land makes up approximately 131,000 acres in the northern part of the County. Solano County has historically ranked 27th out of 58 counties in gross value of agricultural production and ranked first amongst California counties in tritacale production and second in wheat and seed production.

Furthermore, as previously described Solano County’s economy is centered around established industrial and manufacturing centers. These industrial centers rely heavily on SCWA’s water supply and make up a significant portion of the County’s water demands, provide job security and benefits the regional economy. Industrial operations in these centers, as well as supporting businesses throughout the County, are threatened by increased water restrictions and future shortages and therefore will greatly benefit from increased water use efficiency across the SCWA service area.

Project Timespan: The primary project benefits will be ongoing, with immediate benefits from the from Targeted Water Conservation Measure Implementation projects and future expected benefits from the outcome from the Water Conservation Optimization Strategy study and from the increased stakeholder outreach and educational opportunities.

Planned Project Adaptation: The project will adapt to ensure a public benefit under future climate conditions by conducting periodic updates to the Water Conservation Optimization Strategy study to guide SCWA water conservations strategy on the most optimal conservation measures for the specific climate condition that the SCWA is faced with.

What percentage of project benefit will go to an Underrepresented Community? Provide a numeric percentage of the project benefits that go to a DAC and/or EDA.

This project is aimed towards reducing water consumption across Solano County. As such, the calculated percentage of project benefit that will go to an Underrepresented Community is based on proportion of Solano County area encompassed by Underrepresented Communities, as shown in Figure X.

Based on the results of this area analysis, 71.5% of project benefits are anticipated to serve an Underrepresented Community. Of this 71.5%, 2.7% of project benefits will go towards DACs or SDACs, and 9.5% of project benefits will go towards Economically Disadvantaged Areas.

	Area (Acres)	% of Solano County
DAC	13,505	2.3%
SDAC	2,359	0.4%
EDA	55,197	9.5%
EnvDAC	183,969	31.6%
Fringe Community	208,334	35.8%
Total area covered by a URC (excludes overlapping acreage)	416,543	71.5%

If the project provides a benefit to an Underrepresented Community, please describe the benefit, the percentage of project benefit and justification for the benefit level, and how the area meets the definition of an Underrepresented Community.

Benefits of the Project are expected to be distributed evenly throughout the SCWA service area by contributing to the sustainability and reliability of SCWA's water supply, and therefore will benefit all URCs within SCWA's service area (Solano County). By land area, 71.5% of the Basin is an Underrepresented Community: 2.3% of DACs, 0.4% of SDACs, 9.5% of EDAs, 31.6% of EnvDACs, and 35.8% of Fringe Communities. Benefits of the Project are expected to be distributed evenly throughout the SCWA service area therefore, approximately 416,543 acres, or 71.5% of the SCWA service area will benefit from the Project.

Furthermore, for implementation of sustainable landscaping for large landscapes such as HOAs and/or public spaces, Sustainable Solano will target more than half of their outreach for the large landscape to Underrepresented Communities in Solano County, including DACs and SDACS in Fairfield, Vacaville and Vallejo. Through targeted education in the communities that would most benefit from this project, particularly Solano County's DAC, SDAC and EDA and EnvDAC communities, Sustainable Solano is able to connect with community members about the value of waterwise landscaping measures in a way that fits with their lived experiences. Outreach is conducted through various means of community engagement, including education around climate resilience, hands-on landscaping workshops around water savings, environmental justice education, and "take action" projects for county youth. Engagement is often around waterwise landscapes that carry additional benefits, such as gardens that incorporate food, which builds interest in the program and access to healthy food in communities that often have limited access. Youth in Sustainable Solano's paid internships explore environmental justice issues and bring that knowledge back to their communities. Youth in the sustainable landscaping internships not only share about the importance of water conservation in the context of climate change and continued drought, but also can share with their communities practical ways they can create waterwise landscapes at home. Conversations around climate resilience in these Underrepresented Communities can promote SCWA's programs and sustainable landscaping opportunities while building community trust around these programs.

Does the project provide a benefit(s) to a Tribe? Select yes or no.

Yes. Even though there are no tribal land within the SCWA service area, SCWA is part of the Solano Collaborative of the Solano Groundwater Subbasin, which is committed to maintaining the sustainability of groundwater resources in the Subbasin which Yocha Dehe Wintun Nation is identified as one of the beneficial users.

Futhermore, as part of the Targeted Water Conservation Measure Implementation projects will focus on locally sourced native vegetation. SCWA has the unique opportunity, with support from Putah Creek Council (see support letter), to replace some landscaping with White Root Sedge, a deep-rooted native plant used by every Native American tribe in the Central Valley to weave baskets from their rhizomes. Adapted to riparian understory, White Root Sedge tolerates dry shade, requires no summer irrigation and is an example of a native plant that could provide the aesthetic of lawn without the water requirements of lawn. White Root Sedge is one of the most difficult of traditional basketweaving materials to obtain due to the loss of traditional gathering sites and lack of access to most remaining sites. The California Indian Basketweavers Association advocates for greater access to traditional basketweaving materials as a top priority.

What percentage of the project benefit will go to a tribe? Provide a numeric percentage of the project benefits to a Tribe. 5%

If the project provides a benefit to a Tribe please include the name of the Tribe, the percentage of project benefits directly benefitting the Tribe, and justification for the benefit level.

Although there is no tribal land within the SCWA service area, SCWA has the unique opportunity to provide a benefit to tribes throughout the Central Valley by facilitating the planting of the native plant White Root Sedge. As described by United States Department of Agriculture, every tribe in the valley uses White Root Sedge for basketweaving, and facilitating access for tending and gathering traditional materials is a top priority for the California Indian Basketweavers

Association. Therefore, it is assumed at least 5% of the project benefits will go to tribes throughout the state providing them with traditional basket weaving materials.

Please describe the specific climate change vulnerabilities that will impact the Urban Water Management Plan area. Applicants must cite a reference document which identifies the local area vulnerability (eg. UWMP, climate change analysis, local IRWM, etc.)

According to the 2005 SCWA Integrated Regional Water Management Plan, potential climate change vulnerabilities impacting the UWMP areas of the SCWA member units include: 1) diminished Sierra Nevada snowpack, which could lead to reduced capture of water in reservoirs and a reduction in SWP supplies; 2) rising ocean levels could flood low lying areas, strain Delta levees, and increase Delta salinity; and 3) inability of City treatment facilities to treat the more saline water to a level that suitable for potable use. Additionally, rising temperatures and drought conditions are expected to increase the frequency of wildfires. Finally, regional climate changes may affect human health, agriculture, and ecosystems within and around the UWMP area.

Please describe how the project will mitigate the vulnerabilities described in the previous question.

The project will protect against diminished water supply availability by reducing total water demand and therefore reduce dependency on SWP and Delta supplies. Reducing total demand will also increase availability of water for firefighting. Trees chipped on site can be used as part of the mulch, sequestering carbon. Additionally, the project will help protect human health, as urban vegetation reduces heat island effects, which can lead to better health outcomes for residents.

In addition to the overall project benefits, the specific conservation measures that include landscape conversions to sustainable landscapes will mitigate against vulnerabilities from drought and flood through application of wood chips. A thick (12-inch) layer of wood chips in place of lawn eliminates runoff and maximizes groundwater recharge. Landscapes converted to native plants can be planted to moisture in the spring and often never need irrigation water. Landscape conversion will also mitigate climate change impacts to ecosystems by providing habitat for native species.

Additionally, as part of the Large Landscape replacement projects, incorporating swales into the landscape will be considered. Swales capture rainwater and will not only provide the drought-resilience benefit of storing more rainwater in the soil, but also provide a flood resilience benefit by reducing runoff during large rainstorms.

Is land acquisition or landowner permission required for this project? If so, please briefly describe the status of the acquisition or agreement with the landowner. If the acquisition is not complete or permission not secured at the time of application, please describe the plan to complete it.

Land acquisition is not required for this project. Landowner permission is required for rebate program participation and implementation of sustainable landscapes for large landscape sites. The project includes development and implementation of an outreach plan which will specifically address outreach to landowners to secure participation.

Has planning for this project been completed? Please describe the status of planning and tasks needed for the project.

Initial planning for this project has been completed. In 2017 SCWA completed the Single-Family Residential Water Use and Conservation Potential Pilot Study, which identified remaining conservation potential within the SCWA service area for single-family residential customers. In addition, program setup has been completed for [redacted] of specific conservation measures.

Additional planning efforts will include [pull in language from conservation optimization study description above]

Has design for this project been completed? Please describe the status of design and tasks needed for the project.

For [redacted] of the potential conservation measures, design has already been completed. Design of potential new conservation measures, along with modifications to program design for existing measures to optimize benefits, will be completed through the Conservation Strategy task.

Are the CEQA (and NEPA if applicable) processes for this project complete? Please briefly describe the CEQA (or NEPA) documents for this project.

Commented [AL13]: Andy/Elise: Can you please confirm how many of the measures on the list are existing?

Commented [af14R13]: SCWA is focusing on outdoor water savings. Regarding the other measures, we are considering implementing the residential water survey program.

Project is exempt from CEQA and NEPA.

Is permitting for this project complete? Please briefly describe the permits necessary to complete this project.

Permitting is not required for this Project.

Please describe the necessary activities related to construction/implementation for this project.

Commented [KL15]: Andy/Elise please list out the activities that go into implementing the various conservation programs

Commented [af16R15]: For the Landscape Assistance Program and the Water Assistance Program applicants will contact the SCWA contractor and they will be placed on a list. To qualify for the program, the applicant must meet State standards for income and disability status.

Commented [es17R15]: For the Water Efficient Landscape Rebate Program, potential customers apply to the program via our program hotline, email, or via our digital application portal. This program is one of the most popular water conserving programs. Customers who plan on removing their turf grass with drought tolerant materials and low-water use plants receive a rebate based off their total square footage, up to 1000 square feet (or \$1500 dollars). This program involves an initial inspection and then a final inspection (before and after). Rebates are then issued on a first come, first serve basis.

Commented [es18R15]: Our Agency has several educational programs. We work wit Sustainable Solano, which is an organization that focuses on providing residents of Solano County with resources, workshops, and webinars that espouse the role of sustainability, especially around gardens and home landscapes. We also work with Zun Zun and Rock Steady to provide local area schools with water-based programming for school assemblies. Additionally, we also fund Solano County School Water Education Program (SWEP), as well as the Water Awareness Video Contest.

Commented [es19R15]: We also have rebates for High Efficiency Washing Machines, Smart Controllers, rain barrels, pool covers, laundry-landscape, recirculating water components, and rain sensors. For these rebates, customers fill out an application and provide a copy of their product invoice. This information is emailed or mailed to our office. Then we issue a rebate as a check in the mail.

Commented [RM20]:

PROJECT 2 INFORMATION TAB

Project Name: Recycled Water Use Optimization Project

Local Project Sponsor: Same as grantee

Water System Public ID: Not Applicable

Project Map:

How many households will benefit from this project?

- Approximately 154,000 households (452,000 residents) within the Solano County Water Agency (SCWA) service area will benefit from optimizing recycled water uses to reduce the potable water demand and ultimately providing relief to potable water supplies.

Please briefly describe the proposed project:

The Recycled Water Use Optimization Project (Project) will be a joint project between SCWA and Fairfield-Suisun Sewer District (FSSD) that will replace potable and raw water demands with recycled water, reducing SCWA's potable water demand by approximately 13,940 acre-feet per year (AFY), which will provide immediate and on-going relief to the potable water supplies. The Project will also utilize recycled water to create and restore approximately 970 acres of wildlife habitat, providing additional wildlife protection within Solano County. The Project will include: 1) recycled water system planning and infrastructure improvements, 2) recycled water landscape demonstration projects, 3) recycled water for habitat creation, and 4) providing planning and permitting for a recycled water supply for the proposed Pacific Flyway Center.

The SCWA provides wholesale water to cities, institutions, and agricultural districts within Solano County. The cities, or "member units", served by SCWA include: Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo. Institutional customers served by SCWA include: the University of California at Davis, Solano Community College, and California State Prison Solano. The SCWA provides irrigation water to Solano Irrigation District, Maine Prairie Water District, and Reclamation District 2068.

The FSSD is a wastewater special district located about 40 miles northeast of San Francisco serving approximately 150,000 customers in Central Solano County, in the SCWA's member units of Fairfield and Suisun City. FSSD safeguards public health and helps protect the Suisun Marsh, the nation's largest brackish water marsh and the largest remaining contiguous wetland on the Pacific Coast of North America. FSSD plays an integral part in the preservation of these 116,000-acre marshlands.

The FSSD wastewater treatment facilities occupy approximately 150 acres off of Chadbourne Road in Southern Fairfield, and owns an additional 380 acres mostly to the east and north of the fenced treatment plant boundaries, so a total of 530 acres is within FSSD management. Over several decades, FSSD has evolved from a technical engineering entity to a valuable resource manager, partner in local economic development, and active member of the watershed community. FSSD has taken numerous actions to shift traditional thinking about the way wastewater utilities are run. This Project will continue this forward-thinking approach and advance the utilization of recycled water from FSSD throughout the SCWA's service area.

The four major components of the proposed Project are described below.

Recycled Water System Planning and Infrastructure Improvements

The FSSD wastewater treatment plant has a dry weather flow capacity of 23.7 million gallons per day (MGD), with a typical flow of 10-15 MGD. Currently, 100% of the plant's effluent is treated to "disinfected secondary-23" standards, meaning the water quality is high enough for specific non-potable reuse applications such as surface irrigation of limited types of crops. Recycled water is currently used for irrigation and in-plant purposes on land owned or managed by FSSD. The suite of projects making up the Project, proposed in partnership with City of Fairfield, would advance the planning and

Commented [ec21]: I thought this portion of the grant was not included? We will need to reach out and coordinate with the Flyway Center, as to date, they are not aware of this opportunity...

Commented [KL22R21]: The planning portion is included, not the 10 million construction portion

Commented [ec23R21]: The way it is written now it reads as though it is certain - is the team okay with this edited language?

implementation of recycled water projects throughout FSSD's service area to reduce demand on both potable and raw water supplies.

The first task is to develop an updated Recycled Water Master Plan, which will be an update to the 1992 Central Solano Dual Water System Master Plan, to identify potential water reuse opportunities and update water quality requirements, develop and rank feasible projects, and provide recommendations for implementing high priority projects. The second task is design and permitting of an upgrade to the current wastewater treatment process to meet Title 22 tertiary recycled water standards. The third task is design, permitting, and implementation of a first phase of conveyance infrastructure to begin connecting users to recycled water supplies. The required distribution infrastructure will be confirmed during the Recycled Water Master Planning process but is expected to include connections to agricultural users adjacent to the wastewater treatment plant.

These projects have the potential to increase recycled water use within the Fairfield-Suisun vicinity by up to 12 MGD, or 13,442 AFY, over the next 20 years, offsetting an equivalent amount of potable water demand.

Recycled Water Landscape Demonstration Projects

FSSD proposes to implement a suite of three (3) multi-benefit projects at our publicly accessible wastewater treatment plant in Fairfield. These projects will replace existing outdated landscape areas and demonstrate uses of recycled water for water efficient and habitat beneficial landscaping. The new landscapes will create welcoming and educational spaces for visitors, including the nearby underrepresented communities, and staff to learn about recycled water.

The first project will replace approximately a half-acre of existing turf with native and habitat enhancing landscapes at the front entry and surrounding FSSD facilities. The second project will replace over four acres of invasive iceplant with habitat enhancing native plants suited for bank stabilization and will feature examples of native and drought tolerant sod ideal for recycled water use. The third project will create an over 6-acre community park with commemorative trees, a native plant hedgerow, and thematic gardens to introduce habitat and as an opportunity to educate the community about recycled water uses. Trails will include open spaces for pets, interpretive signage, and benches for seating, with access points from Chadbourne Road and the FSSD facility.

Combined, these three projects would create approximately 11 acres of recycled water demonstration gardens within an underrepresented community (Disadvantaged Community; [DAC]).

Recycled Water for Habitat Creation

FSSD discharges treated wastewater to the Suisun Marsh – a region that not only supports abundant plant life but is also a stopover for up to 1.5 million migratory birds traversing the Pacific Flyway each year. FSSD has identified two multi-benefit projects within its 530-acre property to recycle treated wastewater for habitat creation along the Pacific Flyway. Both projects have the potential to provide valuable recreational opportunities in an underrepresented and underserved area with minimal access to parks. This could include wildlife viewing opportunities as well as educational components including signage and programming.

The first project will convert approximately 14 acres of effluent holding ponds to a series of wetland ponds optimized for ecological enhancement and nutrient removal. The second project will include the engineering design and permitting of an approximately 100-acre freshwater wetland and horizontal levee developed in collaboration with adjacent landowners and stakeholders to equitably engage and benefit disadvantaged communities while increasing resiliency, enabling public access and educational opportunities, and managing nutrient discharges to the San Francisco Bay.

Pacific Flyway Center Recycled Water Supply

The Pacific Flyway Center (Center) is a proposed 845-acre wetland preserve in the Suisun Marsh in Fairfield that will allow visitors, including members of the nearby underrepresented communities, to experience the ecological benefits of the site as a resting, nesting, and feeding area for thousands of migrating shorebirds and waterfowl. The Center will educate visitors from all over the world about habitat restoration and the conservation of wetlands and wildlife. The visitor experience center and the habitat restoration require an approximately 500 AFY supply of freshwater, currently planned

through a new connection to a raw water supply line from the Solano Water Project to the City of Benicia. However, an alternative water supply source under consideration is through a satellite recycled water treatment plant at one of FSSD's wastewater pump stations.

This project includes the planning, permitting, design, and construction of either a recycled water scalping plant at the FSSD Lopes Pump Station or Cordelia Pump Station, or a distribution pipeline from the FSSD wastewater treatment plant, to seasonally supply habitat areas associated with the Pacific Flyway Center.

Grant Amount Requested: \$2,000,000

Other Cost Share:

Geographic Information:

- **Lat/long:**
- **County:** Solano

PROJECT LEVEL EVALUATION

Does this project respond to an existing emergency to humans and/or wildlife? Yes.

If so, please answer the three questions below.

- **How does this project address a current water supply shortage which significantly endangers the public health, safety, or welfare of a specific community or region?**

Yes. This project addresses a current water supply shortage which significantly endangers the public health, safety and welfare in Solano County. Since the summer of 2022, each of the urban water suppliers served by SCWA has implemented Stage 2 of its Water Shortage Contingency Plan (WSCP) to achieve water use reductions of up to 20 percent. These reductions in water use are needed to stretch Solano County's water supplies to maintain sufficient water for the health, safety, economic security, and welfare of Solano County's 452,000 residents and major businesses, should drought conditions continue and as drought conditions become more frequent. Without continued water use reductions through expansion of water use efficiency measures, a water supply shortage would likely occur.

The majority of SCWA's municipal supply is sourced from the Solano Project, which primarily stores water in Lake Berryessa. Critically low rainfall over the past few years has resulted in historically low water storage levels in Lake Berryessa. In 1993 the reservoir storage dropped to within two years of going completely dry. These severe depletions in surface water during drought years puts the communities within the County that rely on surface water at risk during prolonged droughts, especially the communities that are entirely dependent on surface water, such as the City of Vallejo which supplies water to 125,000 residents. When coupled with other supply risks, such as proposed unrestricted flow releases to the Delta and curtailed diversions from the North Bay Aqueduct for habitat development, Solano County could face supply shortfalls in the future.

Solano County's economy is centered around established industrial and manufacturing centers. The Port of Benicia and Benicia Industrial Park includes the Valero Refinery which provides over 400 jobs. The City of Fairfield includes Budweiser Brewery which has provided jobs to Solano County residents for almost 50 years and the Jelly Belly headquarters which has provided jobs to Solano County residents for almost 40 years. The City of Vacaville includes Genentech, one of the world's largest biotechnology manufacturing plants which expands upon 100 acres and provides hundreds of jobs. Not only are local jobs provided by these industrial and manufacturing centers, but they also provide state-wide and nationwide economic benefits. As described in the City of Fairfield Urban Water Management Plan (UWMP), economic growth factors affecting water supply include continued industrial growth in the food sector, which has been a water-intensive use category. These industrial centers rely heavily on SCWA's water supply and make up a significant portion of the County's water demands. Industrial operations in these centers, as well as supporting businesses throughout the County, are threatened by increased water restrictions and future shortages. In turn, job security and the regional economy would be significantly impacted by future supply shortfalls.

Commented [KL24]: We need to expand on this. Is it under consideration due to lack of funding? If the grant funding is awarded will it no longer be under consideration and become an actual project? This feeds into the question about what will happen to the project if funding isn't provided.

Commented [ec25R24]: I had understood the Pacific Flyway wasn't going to be included in the proposal - happy to pivot - but if we do, I think we need to reach out /coordinate with the Pacific Flyway team ASAP.

Commented [ec26R24]: They have an existing supply agreement with City of Benicia/City of Fairfield ... What happens if this proposal is successful and our initial Planning and Coordination (\$250k) yields that proceeding with additional design and permitting (\$1.75M estimate) is not warranted at this time?

Commented [KL27]: Is there any other cost share for these projects?

Futhermore, Solano County expects to see increased wildfire frequency in the future due to rising temperatures and drought conditions. Two years ago, the LNU Lightning Complex Fire burned 42,000 acres and destroyed over 800 structures and 300 homes in Solano County alone. SCWA member cities have adapted to increased wildfire frequency by maintaining adequate water storage for emergency and firefighting use. Future water shortage coupled with increasing frequency of emergency scenarios is likely to threaten Solano County's ability to meet its water demands and protect its residents during these emergencies.

Lastly, groundwater supplies approximately 60% of the total water supply in the Solano Groundwater Subbasin during drought years. SCWA is part of the Solano Collaborative, that is committed to maintaining the sustainability of groundwater resources in the Subbasin. Projects and management actions (PMAs) have been developed to support the sustainability goal for the Subbasin. This Project aligns with and will support the ongoing PMA *Municipal and Industrial Water Use Efficiency Outreach and Implementation*. The Project will help reduce the demand for groundwater which will help avoid a storage deficit in the Basin. Additionally, the improved understanding of benefits from using recycled water as an alternative water source within the Subbasin can be integrated into the 2027 Groundwater Sustainability Plan (GSP) and help guide the next phase of GSP implementation.

- **How does this project address a current water quality emergency which significantly endangers the public health, safety or welfare of a specific region?**

Several SCWA member units, such as the City of Fairfield and City of Benicia, rely solely on surface water to meet all water demands, as groundwater in the area is brackish and unsuitable for irrigation and drinking water use without relatively expensive treatment. Substituting recycled water for potable water irrigation and environmental use will make more potable water available for communities like the City of Fairfield and City of Benicia.

Additionally, wildfire threatens to impair surface water sources through flooding and erosion of burned landscape. Access to emergency water supply is essential to swiftly respond to wildfire events and minimize damage to surface water sources. This Project will reduce demands for new water and prevent a water supply shortfall. Therefore, successful implementation of this Project will make more water available to quickly respond to wildfire emergencies and protect surface water quality, without disrupting regular water service.

Lastly, the water-efficient landscapes proposed as part of the recycled water landscape demonstration projects could eliminate the need for irrigation by replacing lawns with a thick, 12-inch layer of wood chips and mulch. This type of landscape retains a greater amount of water, allowing precipitation to infiltrate into the ground instead of running off to paved surfaces. This generally improves surface water quality, as urban runoff collects contaminants such as oil and grease from roadways and other paved surfaces.

- **How does this project address a current water supply shortage which significantly endangers a species of concern or a species listed on either the California or Federal Endangered Species Acts?**

The project addresses a current water supply shortage which significantly endangers species of concern and endangered species by providing an alternative and relatively drought-proof water supply to support critical habitat and restoring habitat in an area of diminishing wetlands. Within Solano County, there are 24 species Federally listed as either endangered, threatened, or a candidate for listing, and 14 species State listed as either endangered or threatened (11 of which are joint listed), many of which are located within the sensitive ecosystems of the Suisun Marsh. This Project provides wetted habitat for the federally listed endangered Salt Marsh Harvest Mouse, the federally listed endangered species Winter Run Chinook Salmon, the federally listed threatened Central Valley Steelhead, the federally listed threatened California Red-Legged Frog, and the Black Rail which is protected under the Migratory Bird Protection Act. It also improves habitat for the state-listed threatened Swainson's Hawk and special status species Burrowing Owl. This Project reclaims wastewater for the Pacific Flyway Center substituting 500 AFY of reclaimed water for raw water that would otherwise come from the City of Benicia.

With less than 10% of the wetlands remaining in California, wetland habitat restoration is critical to support millions of migratory waterfowl, shorebirds and other essential wildlife species. Due to water shortages and lack of habitat, a wide range of birds have experienced a major decrease in breeding populations over the last two years, with record breaking lowest waterfowl population surveys in 2020 and 2021. This year many of the wildlife refuges faced major water shortages

Commented [ec28]: Is the proposed "landscape optimization" project we shared (concierge style rebate + design services for stormwater + lawn replacement) going forward?

Commented [KL29R28]: That project is included in Project 1 under the Targeted Water Conservation Measure Implementation portion.

Commented [ec30R28]: Okay - Thanks - is that text available to review?

Commented [ec31]: Check if included

resulting in a major reduction of habitat in some of the main migratory stops in the Pacific Flyway, such as the Klamath Basin National Wildlife Refuge. Water shortages in these types of habitats result in extremely limited spring and summer habitat, which is vital for preservation of state and federally listed species such as the giant garter snake and Tricolored Blackbird. The lack of habitat throughout the Pacific Flyway, especially during these times of drought and major water shortages, leads to overcrowding in the habitat that is remaining and exacerbates outbreaks of avian botulism and avian influenza. Highly Pathogenic Avian Influenza (HPAI) was recently detected in over 30 wild birds in Solano County. This Project will provide an alternative and relatively drought-proof form water supply to support critical habitat for migratory birds and other essential wildlife species, including species listed on the California and Federal Endangered Species Act.

Briefly describe how the community/area benefitting from this project is being impacted by the current drought.

Benefits from this project will be seen across the entire SCWA service area. Each of the cities served by SCWA has implemented Stage 2 of its Urban Water Shortage Contingency Plan (WSCP), which targets a reduction in water use of up to 20%. To achieve these reductions, the cities have enforced mandatory conservation measures, encouraged community-oriented voluntary conservation measures, and implemented mandatory water use reduction measures to decrease demands. Stage 2 activities include a continuation of activities described under Stage 1, as well as greater conservation and water use restrictions. Stage 1 and Stage 2 restrictions include: prohibitions on water waste and washing paved areas; limiting outdoor irrigation only between the hours of 6 pm and 9 am; and restricting businesses from watering non-functional turf (i.e., grass that is solely ornamental and not used for recreation). Additionally, the cities have performed a significant amount of public outreach and education about the current drought, current water shortages and recommended methods that individuals can implement to reduce water use and water waste.

As described previously, the majority of SCWA's municipal supply is stored in Lake Berryessa, which has experienced historically low water storage levels. These severe depletions in surface water during drought years puts the communities within the County that rely on surface water at risk during prolonged droughts, especially the communities that are entirely dependent on surface water, such as the City of Vallejo which supplies water to 125,000 residents.

How will this project alleviate the drought impacts described above?

The project will alleviate the drought impacts from a Stage 2 shortage by reducing water consumption within the SCWA service area. These water savings become available for a variety of uses that can alleviate drought impacts, such as releasing water to protect aquatic habitats during drought years or storing surplus water to provide security in case of future worsened drought conditions or other emergencies. Additionally, covering landscape with mulch and native plants will build more organic matter in the soil, creating soils that are better able to capture and store water and reduce runoff which will in turn improve water quality.

Please describe why state funding is needed for this project. If state funding is not secured, what will happen to this project?

State funding is needed to: improve and update the recycled water system planning; design and permitting an upgrade to the current wastewater treatment process; design, permitting and implementation of conveyance infrastructure to connect users to recycled water supplies; to develop recycled water landscape demonstration projects that will replace existing turf and invasive plants with native and habitat enhancing landscapes; develop a community park to provide habitat and as an opportunity to educate the community about recycled water uses; convert effluent holding ponds to a series of wetlands providing additional habitat; design and permitting of an 100-acre wetland and horizontal levee development; and to provide the Pacific Flyway Center and proposed 845-acre wetland preserve with an alternative and mostly drought-proof water supply.

Recycled water is a very reliable water supply, as it is mostly drought-proof, and can provide a significant benefit to Solano County by reducing SCWA's potable water demand by approximately 13,940 acre-feet per year (AFY) and providing water to support over 900 acres of wildlife habitat. There are significant planning and infrastructure needs to fully optimize recycled water uses within Solano County. State funding is critical to getting these projects up and going.

Without state funding, SCWA and FSSD would continue to seek other grant funds to advance the proposed projects.

Commented [ec32]: Only 114 acres if Pacific Flyway not included.

Commented [KL33]: Rich/Emily please fill in

Can the applicant utilize a partial award if one should be made available? What would the minimum funding needed be to complete the project as proposed?

Yes, we can use a partial award if made available.

Primary Benefit Value: 13,940

Primary Benefit Type (from dropdown): Reduce Water Supply

Primary Benefit Unit: AFY

Secondary Benefit Value: 970

Secondary Benefit Type (from dropdown): Ecosystem/Habitat Restoration

Secondary Benefit Unit: acres

Description: Please briefly describe how the project will achieve the claimed benefits including how the project benefits an Urban Community. Please include the name of the Urban Community this project benefits. Please include in the explanation information on the timespan of the primary project benefit and how the project will adapt to ensure a public benefit under future climate conditions.

This Project will achieve the claimed benefits by upgrading current water recycling capabilities, enabling FSSD to provide 13,940 AFY recycled water to SCWA, which will reduce the potable and raw water supply demand and provide water for habitat restoration. This will benefit the urban communities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo, the member units of SCWA which have all prepared 2020 UWMPS, along with all communities served by SCWA. Planning, design, and permitting of the projects will take place over the next three years, as will construction of some of the planned recycled water distribution infrastructure, the recycled water landscape demonstration projects which will provide 11 acres of native habitat, and 14 acres of wetland habitat. Benefits will begin as soon as the identified areas start receiving water and are anticipated to continue over the next 50 years. After the completion of this grant cycle, the projects that will transition from the design/permitting stage onto the construction phase (945 acres of wetlands), will see benefits once those areas start receiving water. Recycled water is a relatively drought-proof form of water supply, as it utilizes wastewater already in the system due to domestic use. Reduced municipal water use in response to climate change may result in higher solute concentrations in influent wastewater, making it harder to treat. The planned upgrades to the treatment process will make it more robust and better able to produce high quality water under projected future climate scenarios.

What percentage of project benefit will go to an Underrepresented Community? Provide a numeric percentage of the project benefits that go to a DAC and/or EDA.

69% of the primary project benefits (reduce water demand) will go to an Underrepresented Community. The Recycled Water System Planning and Infrastructure Improvement project is aimed towards reducing water consumption across Solano County by 13,440 AFY. 71.5% of Solano County is considered an Underrepresented Community, see Figure X and Table 1 below. Since benefits are expected to be distributed evenly across the service area (Solano County) it is assumed that 71.5% of the 13,440 AFY benefit will go to Underrepresented Communities (9,611 AFY). 9,611 AFY is 69% of the total expected primary project benefit of 13,940 AFY. The remaining primary project benefit of 500 AFY is expected to occur outside of the Underrepresented Communities (see Figure X) and will reduce water consumption from City of Benicia, which is not an Underrepresented Community.

17% of the secondary project benefits (Ecosystem/Habitat Restoration) will go to an Underrepresented Community. The Recycled Water Landscape Demonstration Projects and the Recycled Water for Habitat Creation secondary project benefit will 100% go to Underrepresented Communities, as these projects are in Underrepresented Communities. It is assumed 5% of the secondary project benefit from the Pacific Flyway Center Recycled Water Supply will benefit Underrepresented

Commented [KL34]: Rich/Emily please fill in

Commented [KL35R34]: Rich just mentioned that the Pacific Flyway planning portion would probably be the first to pull out for partial award

Commented [ec36R34]: @Rich, for our part, we would be delighted with a partial award. I assume there is a minimum award SCWA would like to see to offset admin, etc. For us, the RW Master Plan funding is a critical first step, so would propose that as a minimum award value for FSSD.

Commented [ec37]: Only 14 acres on FSSD property. Is the additional 11ac from a different project?

Commented [KL38R37]: Thanks for catching this! The 11 acres from the landscape demonstration projects got lumped together with the 14 acres of wetlands.

Commented [ec39]: 50-100 years? Just saying

Communities, even though it is not located within an Underrepresented Community it will provide a major educational resource to nearby Underrepresented Communities.

Table 1.

Underrepresented Community	Area (Acres)	% of Solano County
DAC	13,505	2.3%
SDAC	2,359	0.4%
EDA	55,197	9.5%
EnvDAC	183,969	31.6%
Fringe Community	208,334	35.8%
Total area covered by a URC (excludes overlapping acreage)	416,543	71.5%

Furthermore, the FSSD wastewater plant is located in the City of Fairfield within a census tract designated as an Equity Priority Community (EPC) by the Metropolitan Transportation Commission (MTC). EPCs are defined by the MTC as census tracts that have a significant concentration of underserved populations, such as households with low incomes and people of color. EPCs are designated for more significant future investment in services, housing, and transportation. Parts of the City of Fairfield and the City of Suisun City, northeast of the wastewater plant, are also designated as EPCs and Priority Development Areas (PDAs) by MTC. PDAs are places near public transit planned for more housing and amenities. The census tract the wastewater plant falls within is considered a disadvantaged community for the purposes of California SB 535.

If the project provides a benefit to an Underrepresented Community, please describe the benefit, the percentage of project benefit and justification for the benefit level, and how the area meets the definition of an Underrepresented Community.

Does the project provide a benefit(s) to a Tribe? Select yes or no.

No. There are no tribal land within the SCWA area, however the Yocha Dehe Wintun Nation is identified as one of the beneficial users in the Solano Groundwater Subbasin GSP and SCWA is part of the Solano Collaborative, which is committed to maintaining the sustainability of groundwater resources in the Subbasin.

What percentage of the project benefit will go to a tribe? Provide a numeric percentage of the project benefits to a Tribe. 0%

If the project provides a benefit to a Tribe please include the name of the Tribe, the percentage of project benefits directly benefitting the Tribe, and justification for the benefit level.

Please describe the specific climate change vulnerabilities that will impact the Urban Water Management Plan area. Applicants must cite a reference document which identifies the local area vulnerability (eg. UWMP, climate change analysis, local IRWM, etc.)

According to the 2005 SCWA Integrated Regional Water Management Plan, potential climate change vulnerabilities impacting the UWMP areas of the SCWA member units include: 1) diminished Sierra Nevada snowpack, which could lead to reduced capture of water in reservoirs and a reduction in State Water Project (SWP) supplies; 2) rising ocean levels could flood low lying areas, strain Delta levees, and increase Delta salinity; and 3) inability of City treatment facilities to treat the more saline water to a level that suitable for potable use. Additionally, rising temperatures and drought conditions are expected to increase the frequency of wildfires. Finally, regional climate changes may affect human health, agriculture, and ecosystems within and around the UWMP area.

Please describe how the project will mitigate the vulnerabilities described in the previous question.

By providing an alternative source of irrigation water, the Project will reduce potable and raw water demands, meaning that less water will be needed from SWP and Delta supplies. Recycled water is a stable, relatively drought-proof source of water, which will make the community more resilient in the face of climate change and potential supply reductions. The Project will also create and support habitat for migratory birds and aquatic species in the Suisun Marsh, along the Pacific Flyway. This will provide substantial ecosystem benefits and promote biodiversity. Additionally, portions of habitat creation projects will be designed both as a treatment wetland and a horizontal levee to increase the resiliency of the treatment plant and surrounding properties to sea level rise related flooding. By reducing demand for urban irrigation, more water will be available for agriculture and firefighting. Finally, the Project will help protect human health. Specifically, the recycled water supplied by the Project will support urban vegetation, which reduces heat island effects and can improve the health of residents. Also, by preserving habitat, the Project reduces the likelihood of human interactions with stressed wildlife, decreasing the potential for zoonotic disease transmission.

Is land acquisition or landowner permission required for this project? If so, please briefly describe the status of the acquisition or agreement with the landowner. If the acquisition is not complete or permission not secured at the time of application, please describe the plan to complete it.

The proposed projects are within FSSD property, except for a first phase of conveyance infrastructure to begin connecting users to recycled water supplies. The location and necessary landowner permissions will be secured as part of the project planning, design, and permitting proposed as part of this project.

Commented [ec40]: The FSSD 100-acre Community Wetland project will be designed both as a treatment wetland and a horizontal levee to increase the resiliency of the treatment plant and surrounding properties to sea level rise related flooding.

Commented [KL41]: Rich/Emily please fill in

Has planning for this project been completed? Please describe the status of planning and tasks needed for the project.

In 2021 FSSD collaborated with partners to develop a Resilient & Green Master Plan that aims to shift people's perception of the wastewater industry from dirty and dangerous to clean and safe. The plan identified 4 overarching planning programs that integrate into 6 implementation projects that FSSD can build with partners in the near term (1-2 years), medium term (3-5 years), and long term (5-10 years). The proposed Recycled Water Demonstration and Habitat Creation projects included in this proposal are included in the FSSD Resilient and Green Master Plan.

Recycled Water System Planning and Infrastructure Improvements is ongoing and is part of the proposed work.

Substantial planning has been completed for the Recycled Water Landscape Demonstration Projects.

The Recycled Water System Planning and Infrastructure Improvements will involve updating the Recycled Water Master Plan and identifying and prioritizing water reuse opportunities. The Recycled Water Habitat Creation will include planning for construction of the wetlands and collaboration with adjacent landowners and stakeholders. Finally, the Pacific Flyway Center Recycled Water Supply will require the selection of a supply method and coordination with the City of Benicia on approach, ownership, operation, maintenance, and project leadership.

Has design for this project been completed? Please describe the status of design and tasks needed for the project.

Design is not yet complete, as design is part of the proposed work. The Recycled Water System Planning and Infrastructure Improvements will require designing upgrades to the current wastewater treatment process and new conveyance infrastructure. The Recycled Water Landscape Demonstration Projects will involve designing front entry gardens, a community grove, and restored landscaping. The recycled water for habitat creation will include design for wetland ponds to replace the effluent holding ponds, in addition to a freshwater wetland and levee. Finally, the Pacific Flyway Center Recycled Water Supply will require design for a wetland preserve and either a recycled water scalping plant or distribution pipeline.

For each of these projects, the design effort in anticipated include the preparation of 50% and 100% design plans and specifications, along with topographic surveys and geotechnical work in support of the design documents.

Are the CEQA (and NEPA if applicable) processes for this project complete? Please briefly describe the CEQA (or NEPA) documents for this project.

CEQA processes for the project are not yet complete. Upgrading the wastewater treatment plant for Recycled Water System Planning and Infrastructure Improvements will likely require a Mitigated Negative Declaration or Environmental Impact Report depending on scale. The same may apply to the construction of new conveyance infrastructure and/or a scalping plant if constructed. If the proposed project is only partially awarded the project team would seek supplemental grant funds that could require NEPA processes, which are not yet complete.

Is permitting for this project complete? Please briefly describe the permits necessary to complete this project.

Permitting is not yet complete, as it is part of the proposed work. The project will require the preparation and submittal of Title 22 Engineering Reports for the treatment plant improvements and potential scalping plant to be submitted to the State Water Resources Control Board. Additionally, notices of intent and/or reports of Waste Discharge will need to be submitted to the Regional Water Resources Control Board for the use of recycled water for irrigation and wetlands.

Other likely permits required include encroachment and grading permits from the various cities and jurisdictions, as well as a stormwater permit for construction activities. Additional potential permits may include a permit to construct from the Bay Area Air Quality Management District.

Please describe the necessary activities related to construction/implementation for this project.

The Recycled Water System Planning and Infrastructure Improvements will involve upgrades to the treatment plant and construction of portions of the new conveyance system to provide connections to priority users near the treatment plant. The Recycled Water Landscape Demonstration Projects will involve bank stabilization, landscaping, and the installation of

Commented [DU42]: Seems like we need to be specific about what planning has been completed. Has there been a specific planning document written?

Commented [KL43R42]: Rich/Emily please expand on this

Commented [ec44R42]: Please see added text - happy to provide additional detail as needed about our Resilient & Green Master Plan...

Commented [DU45]: Do we need to meet NEPA requirements? Should mention if we do. Only would need it if we are potentially going to try to get funding under a Federal SRF or USBR program in addition to the state funding.

Commented [KL46R45]: Rich/Emily please address Dave's comment and modify the text as needed

Commented [ec47R45]: We are looking at applying to a USBR RW grant - but would only need those funds if this proposed work is not funded...

Commented [DU48]: We say "not yet complete", but has it been started? If it is started but not complete, it seems like we should state when we expect it to be complete. If it hasn't been started, I think we should say that.

Commented [KL49R48]: Rich/Emily please address Dave's comment

signages, benches, and access points. Construction for the Recycled Water for Habitat Creation will consist of replacing holding ponds with constructed wetlands. Finally, the Pacific Flyway Center Recycled Water Supply will include construction of a wetland preserve and either a recycled water scalping plant or distribution pipeline.

PROJECT 3 INFORMATION TAB

Project Name: Solano County Water Security Project

Local Project Sponsor: Same as Grantee

Water System Public ID: Not Applicable

Project Map: Figure 5 – Campbell Lake Project Site

How many households will benefit from this project?

- Approximately 154,000 households (452,000 residents) within the Solano County Water Agency (SCWA) service area will benefit from increased water security. In addition, 36,700 households (105,610 residents) will benefit in Napa County, which is outside of SCWA’s service area, but served by the same regional water supply project.

Please briefly describe the proposed project:

The Water Security Project (Project) will help secure a total of approximately 179,000 acre-feet per year (AFY), 150,000 AFY in the SCWA service area and 29,000 AFY in Napa County, to improve water supply reliability, especially during times of drought and as drought conditions become more frequent. The Project includes (1) acquisition of Campbell Lake to manage water quality impacts to SCWA’s State Water Project (SWP) supply and (2) upgrades to the Putah-South Canal to address current failures and prevent potential catastrophic failures.

The SCWA provides wholesale water agricultural districts, institutions, and cities within Solano County. Institutional customers served by SCWA include: the University of California at Davis, Solano Community College and California State Prison Solano. The SCWA provides irrigation water to Solano Irrigation District, Maine Prairie Water District, and Reclamation District 2068. The cities, or “member units”, served by SCWA include: Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo.

Napa County imports SWP water via the North Bay Aqueduct (NBA) for municipal and industrial uses within the Cities of Napa, American Canyon and Calistoga. Acquisition of Campbell Lake will improve downstream water quality in the NBA which is vital to building drought resiliency and protecting drinking water supply to Napa County.

Campbell Lake

Approximately 14% of SCWA’s water supply is from the SWP, delivered via the NBA. Since the NBA was brought online in 1989, its water quality has consistently been among the poorest in the SWP¹. Throughout the winter and early spring months the NBA experiences very high concentrations of total organic carbon, pathogens and high turbidity. Rapid fluctuations in water quality, including sudden drops in alkalinity, create major challenges for treatment plant operators during the wet season. Additionally, during local storm events the NBA water quality can change dramatically over the course of a few hours and remain poor for weeks to months at a time. More recently, the NBA has encountered taste & odor issues from blue-green algae during the winter months, further impacting water quality. A primary source of these

taste and odor issues has been determined to be local runoff from algal blooms in Campbell Lake, a privately-owned 40-acre impoundment, located within the Barker Slough Watershed approximately two miles upstream of SCWA’s NBA

¹ Based on water quality issues documented in the 1996, 2001, 2006, 2011, 2017, and 2021 SWP Watershed Sanitary Surveys (<https://rtdf.info/>)

intake. Most irrigation water and irrigation return water from the upper watershed is stored in the lake during the summer months. These water quality issues have resulted in numerous customer complaints and at least a 6-week outage in 2009².

SCWA's options to manage algal blooms in Campbell Lake are currently limited because the lake is located on private property. SCWA currently has only a verbal agreement with the property owner to access the lake for weekly sampling. With no formal easement, this agreement could be rescinded at any time, and SCWA's ability to manage water quality is limited. With an easement or fee title, SCWA could actively manage Lake Campbell and implement measures to mitigate algal blooms and maintain reliable water quality of its NBA supplies. Examples of the potential mitigation techniques and selection process are illustrated in a flow chart³ provided by the Mitigation Subcommittee of the California Cyanobacteria and Harmful Algal Bloom Network (a workgroup of the California Water Quality Monitoring Council).

This project will acquire the minimum portion of the Argyll Park property necessary to actively manage Campbell Lake and improve NBA water quality. Following the property acquisition, SCWA will initiate active management of the lake through potential activities, including: permitting identifying and mitigating nutrient sources using techniques such as aeration or chemical treatment; dredging the lake to restore its original capacity; improvements to the spillway; metering outflows; restoring riparian habitat; and removing invasive species.

Putah-South Canal

This project will replace the 3-mile-long Terminal Check portion of the Putah South Canal (PSC). The Terminal Check portion of the PSC crosses two active earthquake faults: the Concord – Green Valley and Cordelia Faults and is in an area of significant groundwater pressure. The Mangels Siphon crosses the active Cordelia Fault and the Green Valley Siphon crosses the Green Valley Fault. During and after storms, groundwater levels have been observed at elevations higher than the water surface of the PSC, which can impact the integrity of the concrete canal liner. The existing liner is severely cracked, has had several seepage failures, and is located in a highly urbanized area with a significant number of homes at the base of the PSC.

The project will upgrade and reduce the risk of seismic failure of the PSC including the 3 existing siphons, protecting the regional water supply to the cities of Benicia and Vallejo (150,000 residents). The project will also reduce the risk of canal or pipeline failure, associated with 2-active faults that cross the PSC, and will reduce the risk of further seepage and canal liner failures. The project will also include an emergency regional water supply intertie with the NBA Cordelia Forebay, part of the California State Water Project, to provide water resilience for residents of Napa and Solano Counties. The United States Bureau of Reclamation (USBR) USBR has awarded SCWA a repayment contract (30-year loan) for the "Putah South Canal – Terminal Check Seismic Upgrade & Risk Assessment Extraordinary Maintenance (XM Project)" funded in Fiscal Year 2022 through Bipartisan Infrastructure Law (BIL) Aging Infrastructure Account (AIA).

Grant Amount Requested: \$2,250,000

Other Cost Share: \$XX

Geographic Information:

- **Lat/long** (*central point in service area*)
- **County:** Solano

PROJECT LEVEL EVALUATION

Does this project respond to an existing emergency to humans and/or wildlife?

² See page 8-4 of the 2011 Sanitary Survey

(https://rtdf.info/public_docs/Miscellaneous%20RTDF%20Web%20Page%20Information/Sanitary%20Surveys/California%20State%20Water%20Project%20Watershed%20Sanitary%20Survey%202011%20Update.pdf)

³ Algae Mitigation Technique Selection Process for Lakes

(https://mywaterquality.ca.gov/habs/images/algae_mitigation_technique_selection_process_for_lakes.jpg)

Yes.

If so, please answer the three questions below.

- **How does this project address a current water supply shortage which significantly endangers the public health, safety, or welfare of a specific community or region?**

In 2022, local surface water supplies to the City of Vallejo were curtailed due to drought conditions, and the City was solely dependent on the PSC to serve its 122,000 customers. A failure to the PSC would have catastrophic consequences for both Vallejo and Benicia, as the PSC provides up to 42% of water supply to these communities during dry years.

The Berryessa Reservoir is the main water supply of Solano County. In 1993 the reservoir storage dropped to within two years of going completely dry. The Water Board has more recently proposed that 44% of the unrestricted flow (in the absence of Monticello Dam) be released to the Delta. A water supply shortage is likely if water supply is not made more reliable. The alternative North Bay Aqueduct water supply is at risk of habitat development projects in the Delta that are likely to curtail diversions until an alternative intake is developed.

Commented [rm50]: A reservoir level excel chart would illustrate this

- **How does this project address a current water quality emergency which significantly endangers the public health, safety or welfare of a specific region?**

The North Bay Aqueduct water intake has taste and odor issues associated with algal blooms in nearby Campbell Lake. This project will seek an easement or fee title purchase of the lake to provide control over water quality.

- **How does this project address a current water supply shortage which significantly endangers a species of concern or a species listed on either the California or Federal Endangered Species Acts?**

This project seeks to improve the security of surface water supplies by improving the water quality of Campbell Lake and reliability of the PSC infrastructure to convey water. These improvements will provide security for approximately 35,000 AFY of environmental water releases to the Putah Creek and Delta needed to support habitat for all wildlife including Central Valley Steelhead, a federally listed species.

Briefly describe how the community/area benefitting from this project is being impacted by the current drought.

Benefits from this project will be seen across the entire SCWA service area. The SCWA member units, that are required to comply with the California Urban Water Management Planning Act, have implemented Stage 2 of its Water Shortage Contingency Plan (WSCP), which targets a reduction in water use of up to 20%. To achieve these reductions, the cities have enforced mandatory conservation measures, encouraged community-oriented voluntary conservation measures, and implemented mandatory water use reduction measures to decrease demands. Stage 2 activities include a continuation of activities described under Stage 1, as well as greater conservation and water use restrictions. Stage 1 and Stage 2 restrictions include: prohibitions on water waste and washing paved areas; limiting outdoor irrigation only between the hours of 6 pm and 9 am; and, restricting businesses from watering non-functional turf (i.e., grass that is solely ornamental and not used for recreation).

As described previously, the majority of SCWA's municipal supply is stored in Lake Berryessa, which has experienced historically low water storage levels. These severe depletions in surface water during drought years puts the communities within the County that rely on surface water at risk during prolonged droughts, especially the communities that are entirely dependent on surface water, such as the City of Vallejo which supplies water to 125,000 residents.

How will this project alleviate the drought impacts described above?

The project will alleviate the drought impacts from a Stage 2 shortage by augmenting water supply within the SCWA service area. These water savings become available for a variety of uses that can alleviate drought impacts, such as releasing water to protect aquatic habitats during drought years or storing surplus water to provide security in case of future worsened drought conditions or other emergencies. Additionally, covering landscape with mulch and native plants will build more organic matter in the soil, creating soils that are better able to capture and store water and reduce runoff which will in turn improve water quality.

Please describe why state funding is needed for this project. If state funding is not secured, what will happen to this project?

If state funding is not secured, the project would not be completed.

Can the applicant utilize a partial award if one should be made available? What would the minimum funding needed be to complete the project as proposed?

SCWA can utilize a partial award if one should be made available. Implementation of the mitigation measures would be incrementally reduced with a partial award, as would the projects contribution to SCWA's overall water supply augmentation target. Depending on the amount of the partial award, SCWA may reduce the number of measures implemented or reduce budgets for individual measures.

Primary Benefit Value:

Primary Benefit Type (from dropdown): (Other: Water Supply Security)

Primary Benefit Unit:

Secondary Benefit Value: Improve Operational Efficiency

Secondary Benefit Type (from dropdown):

Secondary Benefit Unit:

Description: Please briefly describe how the project will achieve the claimed benefits including how the project benefits an Urban Community. Please include the name of the Urban Community this project benefits. Please include in the explanation information on the timespan of the primary project benefit and how the project will adapt to ensure a public benefit under future climate conditions.

Achievement of Claimed Benefits:

Urban Communities: Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo (all have 2020 Urban Water Management Plans [UWMPs]).

Benefitting Communities:

The project will benefit the urban communities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo. Collectively, these communities provide water service to over 400,000 residents in Solano County, including over 72,000 residents in Disadvantaged Communities (DACs) or Severely Disadvantaged Communities (SDACs).

The project will also benefit the agricultural communities served by Solano Irrigation District, Maine Prairie Water District, and Reclamation District 2068. Irrigated crop land makes up approximately 131,000 acres in the northern part of the County. Solano County has historically ranked 27th out of 58 counties in gross value of agricultural production and ranked first amongst California counties in triticale production and second in wheat and seed production.

Furthermore, as previously described Solano County's economy is centered around established industrial and manufacturing centers. These industrial centers rely heavily on SCWA's water supply and make up a significant portion of the County's water demands, provide job security and benefits the regional economy. Industrial operations in these centers, as well as supporting businesses throughout the County, are threatened by increased water restrictions and future shortages and therefore will greatly benefit from increased water use efficiency across the SCWA service area.

Project Timespan: The project timespan...

Planned Project Adaptation: The project will adapt to ensure a public benefit under future climate conditions by improving the security (water quality and reliability of distribution infrastructure) of surface water supplies for the SCWA service area.

What percentage of project benefit will go to an Underrepresented Community? Provide a numeric percentage of the project benefits that go to a DAC and/or EDA.

This project is aimed towards augmenting water supply across Solano County. As such, the calculated percentage of project benefit that will go to an Underrepresented Community is based on proportion of Solano County area encompassed by Underrepresented Communities, as shown in Figure X.

Based on the results of this area analysis, 71.5% of project benefits are anticipated to serve an Underrepresented Community. Of this 71.5%, 2.7% of project benefits will go towards DACs or SDACs, and 9.5% of project benefits will go towards Economically Disadvantaged Areas.

	Area (Acres)	% of Solano County
DAC	13,505	2.3%
SDAC	2,359	0.4%
EDA	55,197	9.5%
EnvDAC	183,969	31.6%
Fringe Community	208,334	35.8%
Total area covered by a URC (excludes overlapping acreage)	416,543	71.5%

If the project provides a benefit to an Underrepresented Community, please describe the benefit, the percentage of project benefit and justification for the benefit level, and how the area meets the definition of an Underrepresented Community.

Benefits of the Project are expected to be distributed evenly throughout the SCWA service area by contributing to the sustainability and reliability of SCWA’s water supply, and therefore will benefit all URCs within SCWA’s service area (Solano County). By land area, 71.5% of the Basin is an Underrepresented Community: 2.3% of DACs, 0.4% of SDACs, 9.5% of EDAs, 31.6% of EnvDACs, and 35.8% of Fringe Communities. Benefits of the Project are expected to be distributed evenly throughout the SCWA service area therefore, approximately 416,543 acres, or 71.5% of the SCWA service area will benefit from the Project.

Does the project provide a benefit(s) to a Tribe? Select yes or no.

No.

What percentage of the project benefit will go to a tribe? Provide a numeric percentage of the project benefits to a Tribe.

0%

If the project provides a benefit to a Tribe please include the name of the Tribe, the percentage of project benefits directly benefitting the Tribe, and justification for the benefit level. Not applicable.

Please describe the specific climate change vulnerabilities that will impact the Urban Water Management Plan area. Applicants must cite a reference document which identifies the local area vulnerability (e.g. UWMP, climate change analysis, local IRWM, etc.)

According to the 2005 SCWA Integrated Regional Water Management Plan, potential climate change vulnerabilities impacting the UWMP areas of the SCWA member units include: 1) diminished Sierra Nevada snowpack, which could lead to reduced capture of water in reservoirs and a reduction in SWP supplies; 2) rising ocean levels could flood low lying areas, strain Delta levees, and increase Delta salinity; and 3) inability of City treatment facilities to treat the more saline water to a level that suitable for potable use. Additionally, rising temperatures and drought conditions are expected to increase the frequency of wildfires and risk of erosion and turbidity spikes during subsequent runoff events. Finally, regional climate changes may affect human health, agriculture, and ecosystems within and around the UWMP area.

Please describe how the project will mitigate the vulnerabilities described in the previous question.

This project will mitigate the vulnerabilities described in the previous question by increasing the reliability of SCWA's water supply conveyed in the PSC an NBA and help reduce the risk of these vulnerabilities inducing a water supply shortage emergency for humans.

Is land acquisition or landowner permission required for this project? If so, please briefly describe the status of the acquisition or agreement with the landowner. If the acquisition is not complete or permission not secured at the time of application, please describe the plan to complete it.

For Campbell Lake water quality management, the first step of this project is property acquisition. SCWA has consulted with a real estate advisor and has obtained an estimate of the cost per acre. When funding is secured, SCWA will initiate discussions with the property owner to discuss level of interest for various options, including easements or fee title, for the portion of the property necessary to actively manage Campbell Lake.

Has planning for this project been completed? Please describe the status of planning and tasks needed for the project.

For Campbell Lake water quality management, significant analysis has been conducted to identify the source of the NBA taste and odor issues and potential options to mitigate these water quality concerns to provide SCWA's ability to utilize this source of supply. Following property acquisition, SCWA would initiate planning steps, including a professional evaluation of treatment options.

Has design for this project been completed? Please describe the status of design and tasks needed for the project.

Design for this project has not been completed and would be initiated following completion of the land acquisition and planning activities.

Are the CEQA (and NEPA if applicable) processes for this project complete? Please briefly describe the CEQA (or NEPA) documents for this project.

CEQA and NEPA are not required for the property acquisition. Following property acquisition, CEQA and NEPA will be completed as part of the planning process for active lake management.

Is permitting for this project complete? Please briefly describe the permits necessary to complete this project.

Permitting is not required for the property acquisition. Following property acquisition, permitting will be completed as part of the planning process for active lake management.

Please describe the necessary activities related to construction/implementation for this project.