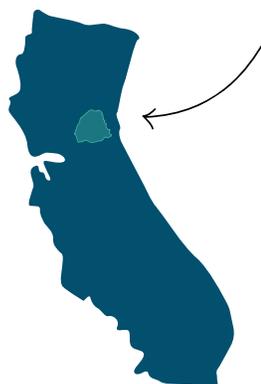


A New View of Water Value

Valuing Water Supply from the Upper American and Cosumnes River Watersheds

The headwaters region of the American and Cosumnes River watersheds supports both regional and statewide water supplies, helping sustain the world's fifth-largest economy through an interconnected system of reservoirs, conveyances, and water management facilities. The working landscapes **generate nearly 3 million acre-feet of water on average each year**, with less than 1 percent of the water used by those living in these watersheds. This water benefits much of California, from Sacramento to Los Angeles, for households, industry, ecosystems, and agriculture. **In drier years, this water is even more crucial, providing reliable, cool, high-quality water when other sources fall short.** Major wildfires and prolonged droughts of increasing intensity and frequency have threatened overall water resiliency driving the need for innovative investment strategies to secure a sustainable water supply.



Our Headwaters Provide Cascading Value Statewide

One of the most striking aspects of source watersheds is the cascading value that water provides. Unlike most other goods which can only be used for a period of time before discarding, water can be beneficially used numerous times as it travels throughout the state. The water from these watersheds provide many cascading benefits, some of which include:



Water supply



Recreation



Fishery and riparian habitat



Water quality



Hydropower generation

A New Approach to Valuing Water

Although the value of source watersheds is widely acknowledged in concept, quantifying their tangible economic value is critical for informed management and investment decisions. That is why EDWA took a new approach to value water supply originating from these headwaters by looking at California's water transfer market and end-user actual costs.

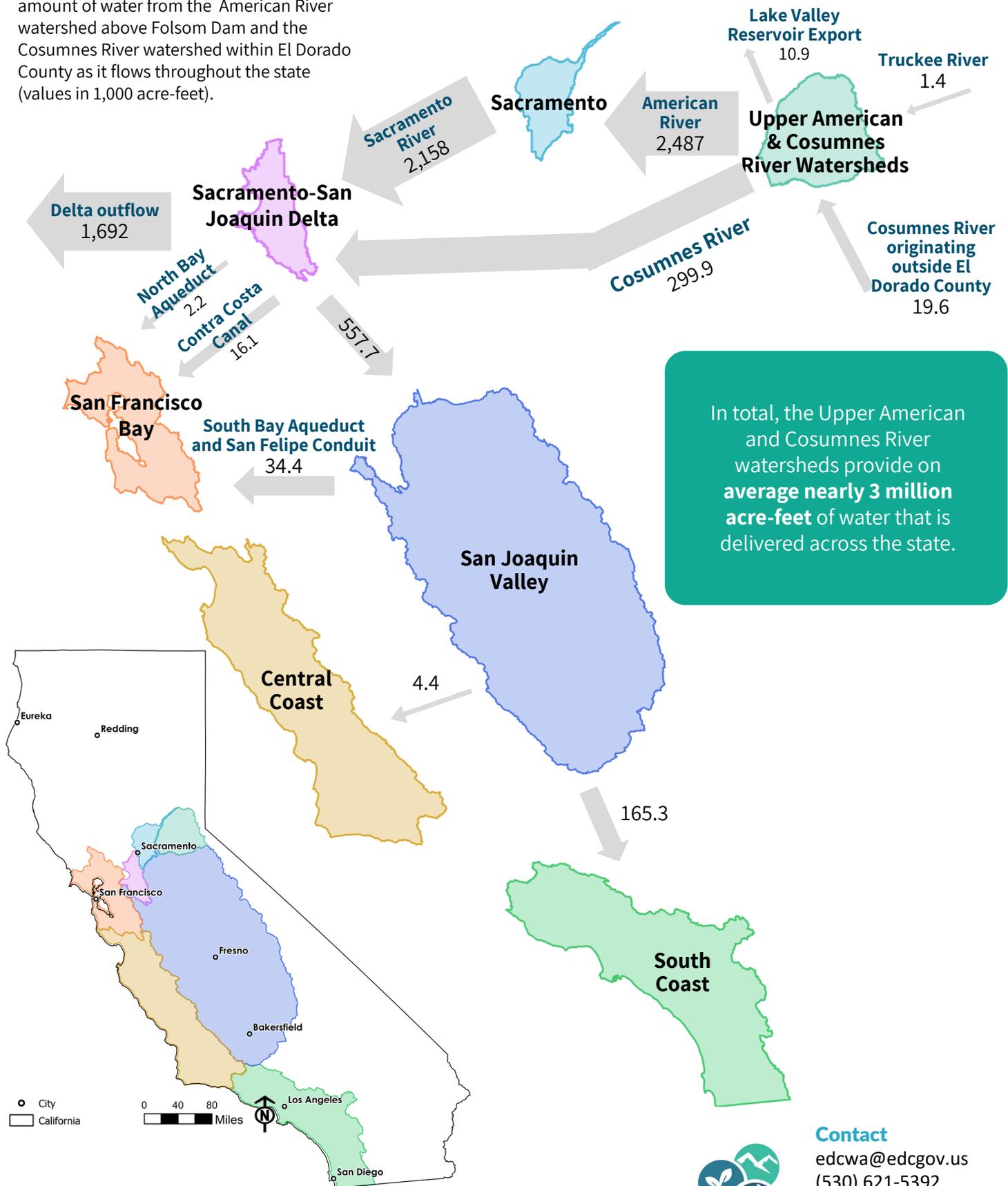
This analysis offers decision-makers in downstream beneficiary areas essential information that is typically unavailable when evaluating investments in their source watersheds. Results conservatively estimate that water originating from these watersheds has an estimated long-term average value exceeding \$1 billion per year.



OVER \$1 BILLION
in Water Supply
Benefits Every Year

Water From These Watersheds Benefits Millions

Below shows the long-term average annual amount of water from the American River watershed above Folsom Dam and the Cosumnes River watershed within El Dorado County as it flows throughout the state (values in 1,000 acre-feet).



In total, the Upper American and Cosumnes River watersheds provide on average nearly 3 million acre-feet of water that is delivered across the state.

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Source: Soares, J., Batker, D., and Batker-Pritzker, A. 2025. A New View of Water Value: A Valuation of Water Supply from the Upper American River Watershed. Batker Consulting, Tacoma, WA. Prepared for El Dorado Water Agency.

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