



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 9/16/2025

To: Board of Directors, Sonoma County Water Agency

Department or Agency Name(s): Sonoma County Water Agency

Staff Name and Phone Number: Grant Davis 707-547-1900, Brad Sherwood 707-547-1927

Vote Requirement: 4/5th Vote

Supervisory District(s): Countywide

Title:

Development of Renewable Energy, Efficiency, and Regulatory Programs

Recommended Action:

- A) Authorize Sonoma County Water Agency's General Manager to execute the Second Amended and Restated Agreement for Support of Development of Renewable Energy, Efficiency, and Regulatory Programs with Rusty Klaussen, in substantially the form as the draft presented to this Board. The amended agreement increases the amount by \$95,000 and extends the agreement term by one year for a new not-to-exceed agreement total of \$335,000 and end date of June 30, 2027.
- B) Authorize Sonoma County Water Agency's General Manager to execute the Second Amended and Restated Agreement for Support of Development of Renewable Energy, Efficiency, and Regulatory Programs with Karen Eggerman, in substantially the form as the draft presented to this Board. The amended agreement increases the amount by \$95,000 and extends the agreement term by one year for a new not-to-exceed agreement total of \$335,000 and end date of June 30, 2027.
- C) Adopt a Resolution for the Sonoma Water Sustainability Fund in the amount of \$190,000 for the Development of Renewable Energy, Efficiency, and Regulatory Programs with Rusty Klassen and Karen Eggerman. (4/5th Vote Required)

Executive Summary:

Rusty Klassen and Karen Eggerman (Consultants) were retained in 2023 to conduct work in support of Sonoma County Water Agency's (Sonoma Water) 2023 Energy and Climate Resiliency Policy (Energy Policy). Under the proposed amended agreements, Consultants would continue to investigate innovative financing methods for energy development and climate adaptation projects; develop opportunities in partnership with local governmental institutions; assist Sonoma Water with proposal review; and inform Sonoma Water of legislative developments related to water, climate, energy efficiency, and drought.

Discussion:

HISTORY OF ITEM/BACKGROUND

In 2005, Sonoma Water's Board of Directors authorized Sonoma Water's General Manager to finalize an Energy Policy for Sonoma Water establishing guidelines for Sonoma Water employees in the purchase of materials, design and construction of projects, and the operation and maintenance of Sonoma Water facilities.

In 2011, Sonoma Water's Board of Directors approved an updated Energy Policy directing Sonoma Water to achieve Carbon Free Water and to collaborate on regional energy projects including investigating the feasibility

of establishing a Community Choice Aggregation program. As a result of that directive, Sonoma Water and partners established Sonoma Clean Power in 2012. Sonoma Water achieved Carbon Free Water in 2015.

In August 2023, Sonoma Water's Board of Directors approved an updated policy to replace Sonoma Water's previous Energy Policy with the Energy and Climate Resiliency Policy and authorized and directed the General Manager to implement the updated policy. The updated policy directs Sonoma Water to continue to pursue Carbon Free Water and seek ways to expand on its success; invest in climate science and innovation; develop and implement climate resiliency strategies, including those identified in the Climate Adaptation Plan; collaborate with low-income communities and communities of color; and pursue energy and climate resiliency projects of regional benefit.

Consultants have performed work in support of the original Energy Policy under past agreements with Sonoma Water to investigate innovative financing methods for climate action projects, develop opportunities in partnership with local governmental institutions, assist Sonoma Water in review of proposals, and support Sonoma Water in staying informed of legislative developments related to water, climate, energy efficiency, and drought. Specifically, Consultants have assisted in the formation of Sonoma Clean Power, the Floating Solar Project, identifying grant funding opportunities, and in monitoring the activities of the California Public Utilities Commission and the California Energy Commission.

Sonoma Water and Consultants entered into agreements for their work on Sonoma Water's 2023 Energy Policy dated July 1, 2023, in the amount of \$100,000 each.

First amended agreements, approved by the Board on December 10, 2024, increased the amount for each agreement by \$140,000 for new not-to-exceed amounts of \$240,000 each and extended the agreements terms by one year to June 26, 2026. In addition to continuing the Consultants' work for Sonoma Water, the first amended agreements also included similar services for the County of Sonoma (County), with particular focus on investigating, analyzing, and evaluating opportunities to enhance and leverage existing County assets to meet County Strategic Plan goals. This task for the County has been completed.

Consultant's' recent accomplishments under these agreements include coordination of the initial development of a pumped water storage project at Lake Sonoma; conducting stakeholder outreach on renewable energy and water resource management; and initiation of stakeholder outreach with the Department of Energy to support climate modeling options.

SELECTION PROCESS

A competitive selection process was not completed, and a Single Source Waiver for Consultants was obtained from Sonoma Public Infrastructure Department, Purchasing Division.

When the Energy Policy was updated in 2011, Rusty Klassen was selected to assist with implementation. Sonoma Water has contracted with Rusty Klassen since that time, and additionally with Karen Eggerman, who works directly with Rusty Klassen, to provide ongoing energy-related consulting services. The relevant relationships Consultants have developed with Department of Energy National Laboratories, academia, government officials, and businesses on behalf of Sonoma Water are unique, and Sonoma Water benefits from maintaining these relationships through Consultants, rather than seeking other consultants through a competitive selection process.

SERVICES TO BE PERFORMED

Under the amended agreements, Consultants will continue to:

1. Investigate innovative financing methods for energy development and climate adaptation projects, including charitable foundations, investors, and state and local finance institutions.
2. Develop opportunities for energy development and climate adaptation in communities and through partnerships with local and governmental institutions.
3. Review and comment on proposals for development of energy development and climate adaptation projects received by Sonoma Water.
4. Assist Sonoma Water in monitoring activities at CalEPA (California Air Resources Board, and State Water Resources Control Board); California Natural Resources Agency; Department of Water Resources; and regional actions related to water, climate, and drought-related legislation.
5. Advise Sonoma Water on courses of action related to regional and legislative activities and assist in preparation of possible responses to issues as appropriate.

These agreements are being amended because continued services from Consultants are required to continue these efforts.

The additional cost for each agreement is \$95,000, for new not-to-exceed amounts of \$335,000 each. The new end date for both agreements is June 30, 2027.

County of Sonoma Strategic Plan Alignment:

This item directly supports Sonoma County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Climate Action and Resiliency

Goal: Goal 2: Invest in the community to enhance resiliency and become carbon neutral by 2030

Objective: Objective 1: Design or retrofit County facilities to be carbon neutral, zero waste and incorporate resilient construction techniques and materials.

Consultants will assist in the identification of grant money and financing strategies and the promotion of energy efficiency. This will assist Sonoma Water in pursuing funding and development of renewable energy projects of broad regional benefit to generate revenue, lower county-wide emissions profile, and reduce long term rate exposure risk to consumers.

Sonoma Water Strategic Plan Alignment

Goal: Planning and Infrastructure.

Strategy: Conduct planning that integrates and balances operations, maintenance, and infrastructure priorities.

Action: Continue to identify opportunities to implement renewable and efficiency enhancing energy projects to meet energy policy objectives.

Consultants will assist in the identification of grant money and financing strategies and the promotion of energy efficiency. This will assist Sonoma Water in pursuing funding and development of renewable energy projects of broad regional benefit to generate revenue, lower county-wide emissions profile, and reduce long term rate exposure risk to consumers.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

See attached.

FISCAL SUMMARY

Expenditures	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$190,000		
Total Expenditures	\$190,000		
Funding Sources	\$		
General Fund/WA GF	\$		
State/Federal	\$		
Fees/Other	\$		
Use of Fund Balance	\$190,000		
General Fund Contingencies	\$		
Total Sources	\$190,000		

Narrative Explanation of Fiscal Impacts:

Additional appropriations are required to process this expense. With Board approval of the attached budgetary resolution, FY 2025/2026 appropriations of \$190,000 will be made in the Sustainability Fund.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1: Resolution

Attachment 2: Amended Agreement with Rusty Klassen

Attachment 3: Amended Agreement with Karen Eggerman

Attachment 4: Prior Board Actions.

Related Items "On File" with the Clerk of the Board:

None.