



## SUMMARY REPORT

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**Agenda Date:** 6/3/2025

**To:** Board of Directors, Sonoma County Water Agency, Occidental County Sanitation District, Russian River County Sanitation District, Sonoma Valley County Sanitation District, South Park County Sanitation District

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

**Staff Name and Phone Number:** Dale Roberts - 707-547-1979

**Vote Requirement:** Majority

**Supervisory District(s):** First

**Title:**

Sonoma Valley Treatment Plant Solar System Replacement

**Recommended Action:**

- A) Authorize the Sonoma County Water Agency's General Manager, on behalf of the Sonoma County Water Agency and the Sonoma Valley County Sanitation District, to execute the Deed Of Conveyance of Renewable Electricity Generating Facilities and License Termination Agreement with the Power and Water Resources Pooling Authority, and to execute the Certificate of Acceptance for the Quitclaim Deed from the Power and Water Resources Pooling Authority to the Sonoma Valley County Sanitation District.
- B) Authorize the Sonoma County Water Agency's General Manager on behalf of the Sonoma Water, Sonoma Valley County Sanitation District, Occidental County Sanitation District, Russian River County Sanitation District, and South Park County Sanitation District to execute the Second Amended and Restated Memorandum of Agreement for Sonoma Water's Internal Services Fund Power Fund.
- C) Authorize the Sonoma County Water Agency's General Manager to execute the Deed Of Conveyance of Renewable Electricity Generating Facilities and License Agreement with White Pine Renewables, LLC, and its associated exhibits and other documents necessary to complete the transaction in a form as approved by County Counsel that does not significantly change the intent of the agreement and exhibits between the Sonoma County Water Agency and White Pine Renewables, LLC, to replace the Sonoma Valley Treatment Plant Photovoltaic System with a new photovoltaic system financed, designed, built, owned, operated, and maintained by White Pine Renewables, LLC.

(2/3<sup>rd</sup> Vote Required) (First District)

**Executive Summary:**

This item recommends authorization for Sonoma County Water Agency's (Sonoma Water's) General Manager to execute various agreements that would allow a third-party solar developer (White Pine Renewables, LLC) to replace the photovoltaic solar system at Sonoma Valley Treatment Plant, which is at the end of its useful life. White Pine Renewables, LLC, would remove the old solar system, then finance, design, construct, own, operate, maintain, and monitor the new solar system.

White Pine Renewables, LLC, would then sell the power generated from the solar system through a Solar Power Services Agreement to Sonoma Water's primary power provider, the Power and Water Resources Pooling Authority (Pooling Authority). The Pooling Authority would then allocate the power and the associated

environmental attributes to Sonoma Water pursuant to an existing agreement.

This structure allows Sonoma Water to cost effectively use on-site renewable power and transfer the responsibility of capital financing, operation, and maintenance of the solar system to White Pine Renewables, LLC.

**Discussion:**

In 2023, Sonoma Water's Board of Directors (Board) adopted its Energy and Climate Resiliency Policy. Part of this policy directed Sonoma Water to continue to cost effectively use a net carbon free power supply for its operations. All power Sonoma Water receives through the Pooling Authority is from renewable or carbon free sources.

Entering into a license agreement with White Pine Renewables, LLC, would allow Sonoma Water to replace the photovoltaic solar system with a new photovoltaic solar system at Sonoma Valley Treatment Plant (Treatment Plant), which is at the end of its useful life.

In 2023, White Pine Renewables, LLC approached Sonoma Water and proposed removing the existing photovoltaic solar system at the Treatment Plant and offered to finance, design, build, own, operate, maintain, and monitor a new solar system. White Pine Renewables, LLC, is the Pooling Authority's preferred power provider and has developed solar projects for many other Pooling Authority members.

This proposal requires that the Pooling Authority transfer the current ownership of the existing solar system at the Treatment Plant back to Sonoma Water pursuant to the Deed of Conveyance of Renewable Electricity Generating Facilities and License Termination Agreement between Sonoma Water, Sonoma Valley County Sanitation District, and the Pooling Authority. Sonoma Water would then resume temporary ownership of the photovoltaic solar system and transfer that ownership to White Pine Renewables, LLC, and enter into a new license agreement with Sonoma Water allowing White Pine Renewables, LLC, to develop a new solar system. White Pine Renewables, LLC, would also enter into a Solar Power Services Agreement with the Pooling Authority which would allow the Pooling Authority to continue providing the Treatment Plant with renewable power needs in a cost-effective manner.

The Solar Power Services Agreement would sell power at a cost of \$0.0988 per kilowatt-hour with a 1.5 percent annual escalator over 35 years and no capital cost down. If no power is produced, Sonoma Water would pay nothing. Sonoma Water would save approximately \$15.5 million over the life of the Solar Power Services Agreement. Sonoma Water had the Pooling Authority's Operations Manager evaluate and analyze the proposal. The Pooling Authority's Operations Manager believes that the price of renewable power from this project lowers PG&E delivery costs as well as provides local renewable power.

The current power pricing proposed by White Pine Renewables, LLC reflects the existing tariffs on solar equipment imported from overseas. It is possible that increased tariffs or other federal incentives relating to solar systems may be implemented by the federal government. As such, the cost of this proposal may increase by \$0.004 per kilowatt-hour for every additional \$100,000 incurred by White Pine Renewables, LLC, if such changes to federal law are implemented. This would marginally decrease the cost savings associated with the Solar Power Services Agreement, but the price of renewable power would still remain competitive on the

current power market.

The proposed arrangement of new solar panels on the site provides the best opportunity for Sonoma Water to encourage renewable energy development in a minimally impactful manner, primarily because the area is using the same footprint as the existing solar system.

**California Environmental Quality Act (CEQA)**

The General Manager of Sonoma Water has determined that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15301 and 15302. Section 15301, Existing Facilities, provides, generally, that the operation and leasing of existing public structures and facilities involving negligible or no expansion of existing or former use is categorically exempt from CEQA. The examples in subdivision (b) of Section 15301 specifically provide that the existing facilities of publicly owned utilities used to provide electric power is exempt. Section 15302(c), Replacement and Reconstruction, includes the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including existing utility systems and/or facilities involving negligible or no expansion of capacity. The project would allow Sonoma Water to continue to cost effectively meet its Energy Policy goal of achieving Carbon Free Water. Sonoma Water staff prepared a Notice of Exemption in accordance with the CEQA, the State CEQA Guidelines and Sonoma Water's Procedures for the Implementation of CEQA.

**County of Sonoma Strategic Plan:**

This item directly supports the County's Five-year Strategic Plan as noted below.

**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.

**Sonoma Water Strategic Plan Alignment**

This item directly supports Sonoma Water's Strategic Plan as noted below.

Goal: 2. Planning and Infrastructure - Implement comprehensive, integrated, and innovative infrastructure planning to strengthen existing services, minimize life cycle costs, and prepare for the future.

Strategy: 2.1 Conduct planning that integrates and balances operational, maintenance, and infrastructure priorities.

Action Item: 2.1.4 Continue to identify opportunities to Implement renewable and efficiency-enhancing, energy projects to meet energy policy objectives.

Executing these agreements allows Sonoma Water to cost effectively replace its aging and dilapidated solar system with no capital investment and to outsource the financing, design, construction, ownership, operation, and maintenance of a new solar power system.

**Racial Equity:**

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

No

**Prior Board Actions:**

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY24-25 Adopted</b>	<b>FY25-26 Projected</b>	<b>FY26-27 Projected</b>
Budgeted Expenses	\$0	\$108,500	\$220,620
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$108,500</b>	<b>\$220,620</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	\$0	\$108,500	\$220,620
Use of Fund Balance			
General Fund Contingencies			
<b>Total Sources</b>	<b>\$0</b>	<b>\$108,500</b>	<b>\$220,620</b>

**Narrative Explanation of Fiscal Impacts:**

There is no impact to the current fiscal year budget. Appropriations for FY 25-26 through FY 26-27 will be budgeted for in those fiscal years. The project would produce about 2,200,000 kWh of renewable energy in the first year of operation, or about six percent of Sonoma Water's annual energy load. At a rate of \$0.0988Wh, this would result in Sonoma Water committing to purchase \$217,000 of power in the first year then an escalation rate of 1.5% per year for 35 years. Sonoma Water would already budget a comparable amount for purchasing energy, so the net fiscal impact is zero and hedges against escalation of rates of electrical energy over the life of the agreement.

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Attachment 1 Deed Of Conveyance of Renewable Electricity Generating Facilities and License Termination Agreement

Attachment 2 Certificate of Acceptance for the Quitclaim Deed from the Power and Water Resources Pooling Authority to the Sonoma Valley County Sanitation District

Attachment 3 Second Amended and Restated Memorandum of Agreement Regarding the Sonoma County Water Agency Internal Service Fund for Electrical Generation and Supply

Attachment 4 Deed Of Conveyance of Renewable Electricity Generating Facilities and License Agreement

Attachment 5 White Pine Renewables, LLC, Solar Repower Proposal for Sonoma County Water Agency

Attachment 6: Prior Board Actions

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**Agenda Date:** 6/3/2025

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**Related Items “On File” with the Clerk of the Board:**

None.