



SUMMARY REPORT

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**Agenda Date:** 10/8/2024

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**To:** Board of Directors, Sonoma County Water Agency  
**Department or Agency Name(s):** Sonoma County Water Agency  
**Staff Name and Phone Number:** David Manning 707-547-1988  
**Vote Requirement:** 4/5th  
**Supervisory District(s):** Countywide

**Title:**

Engineering and Design Services for Eel-Russian Facility Planning and Design Project

**Recommended Action:**

- A) Authorize Sonoma County Water Agency's General Manager to execute an agreement with McMillen, Inc., in substantially the form as the draft presented to this Board, for engineering and design services for Eel-Russian Facility Planning and Design Project through December 31, 2028, in the not-to-exceed amount of \$1,999,861.
- B) Adopt a Resolution authorizing adjustments to the Board Adopted Budget for FY 2024/2025 for the Russian River Projects Fund in the amount of \$300,000 for the Engineering and Design Services for Eel-Russian Facility Planning and Design Project. (4/5th Vote Required)

**Executive Summary:**

In 2022, Sonoma Water obtained a planning grant from the California Department of Water Resources to evaluate the feasibility, and risks associated with acquiring and modifying existing diversion facilities and constructing new infrastructure to continue importing water from the Eel River into the Russian River Watershed. The preferred alternative, the New Eel-Russian Facility (NERF), will include substantial removal of Cape Horn Dam, construction of a pump station, and modification of the Van Arsdale tunnel intake infrastructure on the Eel River.

The United States Bureau of Reclamation provides opportunities to apply for funding through its WaterSMART Aquatic Ecosystem Restoration Grant Program (AERP). In December 2023, Sonoma Water was awarded \$2 million in AERP funding to advance the NERF to the 60% design stage and continue to support a technical advisory group to evaluate designs and future operations.

Sonoma Water requires assistance to advance the NERF preferred alternative to a 60% level of design and has selected McMillen, Inc. to perform the work. McMillen, Inc., (Consultant) was selected to perform the work because of Consultant's experience and expertise on similar dam removal and modification projects, experience with fish passage facilities, and proven track record coordinating stakeholder outreach and successfully delivering the preliminary design of the NERF.

**Discussion:**

**HISTORY OF ITEM/BACKGROUND**

The Potter Valley Project is an inter-basin water transfer project, importing water from the Eel River basin to a

hydroelectric facility in the headwaters of the East Fork Russian River that has been in operation for over a century. The project facilities include Scott and Cape Horn dams on the Eel River, a diversion tunnel and hydroelectric plant in the Russian River Watershed above Lake Mendocino. The project is owned and operated by Pacific Gas and Electric Company (PG&E).

In 2019, PG&E chose not to relicense the project with the Federal Energy Regulatory Commission (FERC) and plans to submit a final license surrender application by 2025. Once approved by FERC, PG&E may begin decommissioning the project. PG&E has indicated decommissioning will include removing the dams and hydroelectric facilities. A preferred alternative facility has been identified by proponents in both the Eel and Russian watersheds that will maintain water diversions to the Russian River and allow volitional fish passage along the Eel River.

Since 2017, Sonoma Water has been actively involved with other stakeholders to advocate for continued transfers of Eel River water to the Russian River in a manner that enhances Eel River fisheries. This partnership currently includes Sonoma Water, Mendocino Inland Water and Power Commission, Round Valley Indian Tribes, California Department of Fish and Wildlife, Humboldt County, California Trout, and Trout Unlimited.

In 2022, Sonoma Water obtained a planning grant from the California Department of Water Resources to evaluate the feasibility, and risks associated with acquiring and modifying existing diversion facilities and constructing new infrastructure to continue importing water from the Eel River into the Russian River Watershed. The work included development of feasibility-level designs (20-30% design) and cost estimates for modifications to, and operations of the Cape Horn Dam and appurtenant diversion facilities to restore capacity to meet design flow rates, improve fish passage, continued maintenance, and system upgrades. The study, entitled "Potter Valley Project Diversion Facilities Assessment, Preliminary Engineering Report," was completed on May 25, 2024, and identified a preferred alternative fish passage and diversion facility. The preferred alternative, the New Eel-Russian Facility (NERF), will include substantial removal of Cape Horn Dam, construction of a pump station, and modification of the Van Arsdale tunnel intake infrastructure on the Eel River. The NERF will be operated as a run-of-the-river facility - diverting flow from the Eel to the Russian River basin in a manner that protects the ecological integrity of the Eel River.

The United States Bureau of Reclamation (Reclamation) provides opportunities to apply for funding through its WaterSMART Aquatic Ecosystem Restoration Grant Program (AERP). AERP aims to support collaborative efforts in studying, designing, and constructing projects that restore aquatic ecosystems. In December 2023, Sonoma Water was awarded \$2 million in AERP funding. The grant funding will be used to advance the NERF to the 60% design stage and continue to support a technical advisory group to evaluate designs and future operations.

Sonoma Water seeks the assistance of a consultant to advance the NERF.

#### SELECTION PROCESS

McMillen, Inc. (Consultant) was selected from a federally compliant competitive selection process. Attached is a memo that explains the competitive selection process.

Sonoma Water may seek to amend or enter into subsequent agreement(s) with Board approval if required, relying upon this competitive selection process, after the preliminary or initial work is completed for the Project.

**SERVICES TO BE PERFORMED**

Under the agreement, Consultant will complete a final design package for the preferred alternative to the 60% design level. The final design package is anticipated to include, but is not limited to, the following:

- a. Basis of Design Report (including geotechnical investigation and 2-D hydraulic model development and application).
- b. 60% design drawing plan set.
- c. 60% technical specifications for major products.
- d. 60% technical specification table of contents.
- e. Association for the Advancement of Cost Engineering (AACE) Class 3 Cost Estimate.
- f. Construction schedule.
- g. 60% bid table and bid item descriptions.
- h. Topographic and bathymetric survey information.

The cost of services will not exceed \$1,999,861; the term end date is December 31, 2028.

Under the agreement, the General Manager shall have the ability to extend the term of the agreement for two additional years by providing written notice to the other party thirty days in advance of the expiration date. The extension shall be formalized in an amended agreement or amendment signed by the parties.

**Strategic Plan:**

County of Sonoma Strategic Plan Alignment:

N/A

Sonoma Water Strategic Plan Alignment:

This item directly supports Sonoma Water’s Strategic Plan and is aligned with the following goal, strategy, and action item.

Goal: 5. Climate Change - Assess risk and uncertainty of climate change, and develop and take actions that improve resiliency and sustainability.

Strategy: 5.1 Develop and implement practices to understand and minimize vulnerability to climate change impacts.

Action Item: 5.1.2 Support interagency partnership efforts addressing regional climate-resiliency planning and projects.

The Project will provide water supply resiliency to the Russian River in the face of exceptional drought, continuing effects of climate change, and the uncertainties surrounding the Potter Valley Project’s future.

**Racial Equity:**

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

No

**Prior Board Actions:**

11/7/2023: Resolution of the Board of Directors of The Sonoma County Water Agency ratifying and approving the General Manager of the Sonoma County Water Agency’s filing of a Grant Application for the Eel River at Cape Horn Dam Fish Passage Improvement Planning And Design Project, made to the United States Department Of The Interior, Bureau of Reclamation. The General Manager of Sonoma Water, or designee, is hereby authorized to execute a grant agreement with the United States Bureau of Reclamation.

12/14/2022: Agreement between Sonoma Water and Consultant for assessment of Potter Valley Project

diversion facilities. Cost \$650,000; term end June 1, 2024.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY24-25 Adopted</b>	<b>FY25-26 Projected</b>	<b>FY26-27 Projected</b>
Budgeted Expenses	\$700,000	\$999,861	
Additional Appropriation Requested	\$300,000		
<b>Total Expenditures</b>	<b>\$1,000,000</b>	<b>\$999,861</b>	
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$650,000	\$649,909	
Fees/Other	\$350,000	349,952	
Use of Fund Balance			
General Fund Contingencies			
<b>Total Sources</b>	<b>\$1,000,000</b>	<b>\$999,861</b>	

**Narrative Explanation of Fiscal Impacts:**

Budgeted amount of \$700,000 is available from FY 2024/2025 appropriations for the Russian River Projects fund. Offsetting revenue in the amount of \$1,299,909 will come from the United States Bureau of Reclamation WaterSMART Aquatic Ecosystem Restoration Grant Award for FY 2024/2025 and FY 2025/2026. Additional appropriations in the amount of \$300,000 are required to process this expense. A budgetary resolution has been submitted with this item. FY 2025/2026 appropriations will be budgeted in that fiscal year.

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

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

N/A

**Attachments:**

- Resolution
- Agreement with McMillen, Inc.
- Consultant Selection Memo

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

None