



SUMMARY REPORT

Agenda Date: 5/16/2023

To: Board of Supervisors, Sonoma County Water Agency Board of Directors, Russian River County Sanitation District, and Sonoma Valley County Sanitation District

Department or Agency Name(s): Sonoma County Water Agency, Sonoma County Public Infrastructure, Russian River County Sanitation District, and Sonoma Valley County Sanitation District

Staff Name and Phone Number: Grant Davis, 547-1911, Johannes Hoevertsz, 565-2550

Vote Requirement: 4/5ths

Supervisorial District(s): Countywide

Title:

Water Security Fund Recommendations

Recommended Action:

- A) Approve and allocate Water Security Funds for the a) Russian River Water Forum (\$350,000), b) Flood Risk Assessment and Creek Maintenance (\$270,000), c) Schellville Flooding Climate Adaptation Strategies Study (\$200,000), d) Green Valley Road Flood Reduction, and Habitat and Public Safety Improvement Project (\$1,000,000), e) Alexander Valley Water and Natural Resource Management and Feasibility Study (\$1,100,000), f) West County Wastewater Management and Regional Solutions Feasibility Study (\$450,000), and g) Sonoma Valley Springs Area Lateral and Mainline Replacements Project (\$500,000).
- B) Authorize Sonoma County Water Agency's General Manager and Sonoma County Department of Public Infrastructure's Executive Director to execute a Memorandum of Understanding with Gold Ridge Resource Conservation District in a form approved by County Counsel, for the Green Valley Creek Flood Reduction, and Habitat and Public Safety Improvement Project through June 30, 2026, in the not-to-exceed amount of \$1,000,000.
- C) Adopt a Resolution of the Board of Supervisors of the Sonoma County Department of Public Infrastructure Authorizing Adjustment to the Board Adopted Budget for Fiscal Year 2022/2023 for the Sonoma County Department of Public Infrastructure Road Administration Fund in the amount of \$1,000,000 for the Green Valley Road Flood Reduction, and Habitat and Public Safety Improvement Project. (4/5th Vote Required)
- D) Adopt a Resolution of the Board of Directors of the Sonoma County Water Agency Authorizing Adjustment to the Board Adopted Budget for Fiscal Year 2022/2023 for the Russian River Projects Fund in the amount of \$1,450,000 for the Russian River Water Forum and Alexander Valley Feasibility Study, for Flood Control Zones 1A and 2A each in the amount of \$90,000, and for Flood Control Zone 3A in the amount of \$290,000 for Flood Risk Assessment and Creek Maintenance and Schellville Flooding Study. (4/5th Vote Required)
- E) Adopt a Resolution of the Board of Directors of the Russian River County Sanitation District Authorizing Adjustment to the Board Adopted Budget for Fiscal Year 2022/2023 in the amount of \$450,000 for the West County Wastewater Management Feasibility Study. (4/5th Vote Required)
- F) Adopt a Resolution of the Board of Directors of the Sonoma Valley County Sanitation District Authorizing Adjustment to the Board Adopted Budget for Fiscal Year 2022/2023 in the amount of

\$500,000 for the Sonoma Valley Springs Area Lateral and Mainline Replacements. (4/5th Vote Required)

Executive Summary:

During the June 2022 Budget Hearings, the Sonoma County Board of Supervisors set aside \$5,000,000 from County discretionary one-time balances to create a Water Security Fund.

On July 12, 2022, the Board of Supervisors, also acting as the Board of Directors of the Sonoma County Water Agency (Sonoma Water), approved the Drought Response and Flood Control Coordination Project recommended by the Department of Emergency Management and Sonoma Water, and provided \$1,130,000 in funding from the Water Security Fund. The Boards also heard recommendations on the use of the County's remaining \$3,870,000 in the Water Security Fund. These recommendations included allocating funding to 1) Sonoma Water for Flood Control Zones 1A, 2A, 3A modeling and risk assessment, Russian River Water Supply Resiliency, and Alexander Valley Water Resource Resiliency; 2) Sonoma Valley County Sanitation District and Russian River County Sanitation District for Water Quality Protection, and 3) to Sonoma Public Infrastructure for Green Valley Road Flood Reduction and Habitat and Public Safety Improvements. These investments will address water resource equity, climate change resilience, and drought resilience in Sonoma County.

On February 27, 2023, Sonoma Water's Board of Directors held a public workshop to receive presentations and discuss the water resource challenges and opportunities facing the region, including recommendations for the use of the remaining Water Security Funds. Sonoma Water, Sonoma Public Infrastructure, Sonoma Valley County Sanitation District, and Russian River County Sanitation District staff request that the Boards approve the Water Security Fund project recommendations.

Discussion:

During the June 2022 Budget Hearings, the Sonoma County Board of Supervisors set aside \$5 million from County discretionary one-time balances to create a Water Security Fund. On July 12, 2022, the Board of Supervisors, also acting as the Board of Directors of Sonoma Water, approved \$1,130,000 to fund the Drought Response and Flood Control Coordination Project (Project) recommended by the Department of Emergency Management and Sonoma Water. The Boards also heard recommendations for expending the Water Security Funds to address water resource equity, climate change resilience, and drought resilience in Sonoma County. The recommendations were subsequently presented at the Sonoma Water Board of Directors public workshop on February 27, 2023, during a presentation to consider water resource challenges and opportunities facing the region. Descriptions of these recommendations are presented below.

Russian River Water Forum - \$350,000 Funding Recommendation

Sonoma Water received a grant from the California Department of Water Resources (DWR) to initiate a formal engagement process with stakeholders to identify water supply resiliency solutions that respond to PG&E's planned decommissioning of the Potter Valley Project (PVP). Subsequent to Board approval on April 19, 2022, Sonoma Water initiated the first phase of this process which included retaining a facilitation consultant, Kearns and West, and resulted in the creation of the Russian River Water Forum (Water Forum). The Water Forum is comprised of parties with interest in water resources in the Russian River and Eel River basins with an initial focus on a local solution to the PVP decommissioning and a longer-term focus on water supply resiliency and watershed health.

The DWR grant funded effort is nearing completion and additional funding is necessary to continue the Water Forum. On March 21, 2023, Sonoma Water received Board approval to apply for and execute an agreement with DWR for approximately \$2,000,000 in funding from the DWR Urban and Multi-benefit Drought Relief Grant Program, which requires a \$650,000 local match to continue the Water Forum for two years. This requested DWR funding covers facilitation services, technical consultants, tribal participation, and part of Sonoma Water's expenses for managing the grant and the Water Forum. Sonoma Water's Water Contractors have agreed to provide \$150,000 of matching funds and Mendocino County water suppliers are seeking \$150,000 of matching funds. Staff recommend allocating to Sonoma Water \$350,000 from the Water Security Fund to fulfill the local matching funds. Sonoma Water is also providing \$350,000 of in-kind labor that is not match eligible. If DWR does not approve the grant application, the proposed local funding could support one year of facilitation services.

Flood Risk Assessment (Zones 1A, 2A, 3A) and Creek Maintenance (Zone 2A, 3A) - \$270,000 Funding Recommendation

Sonoma Water developed the Flood Control Zones 2A and 3A Natural Channels Maintenance Project (Natural Channels Project) to implement flood control maintenance activities to reduce flood risk and avoid bank erosion or other environmental damage on creeks not covered by Sonoma Water's Stream Maintenance Program. The Natural Channels Project includes small-scale flood control maintenance activities primarily on properties under private ownership in Flood Control Zone 2A (Petaluma Valley) and Zone 3A (Sonoma Valley). Most maintenance is preventative actions to reduce flood risk and avoid bank erosion or other environmental damage. There could be a greater need from private property owners for these services following the significant rainfall from this past winter.

Additionally, Sonoma Water maintains about 75 miles of constructed flood control channels in Flood Control Zones 1A (Santa Rosa Plain), 2A, and 3A. These channels are maintained under stringent standards set by various state and federal resource agencies, which require the preservation and enhancement of shaded canopies and other beneficial habitat features in these channels. Since the primary purpose of these flood control channels is to protect communities against flooding, the presence of vegetation in the channels can conflict with flood protection goals. Modeling and risk assessment work is needed to identify a quantifiable balance between flood protection needs and natural resource benefits in the flood control zones.

Flood protection funding for Zones 1, 2, and 3 is constrained and designated for critical maintenance, planning, and capital replacement projects. The Natural Channels program is unbudgeted and funding is limited to unused maintenance funds. There is limited funding available for flood protection studies and projects in the Flood Control Zones. Additional funding is needed to provide flood protection support to the Flood Control Zones. Allocating funding to Sonoma Water for the Natural Channels Program and the Engineered Channel Modeling efforts is recommended to utilize \$300,000 of funding from the flood control zones and \$270,000 from the Water Security Fund. Sonoma Water will return to the Board for approval of future agreements, as appropriate, related to this flood risk assessment and protection work.

Schellville Flooding - \$200,000 Funding Recommendation

Funding is needed to further study portions of Schellville and surrounding areas which are frequently flooded during relatively small winter storm events that cause flows to overtop the banks of Sonoma and Schell Creeks. Recurrent flooding has caused economic loss and considerable damage to private property and

roadways in this area. The recommended allocation of funding to Sonoma Water of \$200,000 would be used to build on previous studies and further evaluate and/or advance climate change adaptation strategies that could increase climate change resilience and reduce flood risks in the Schellville area. Sonoma Water will return to the Board for approval of future agreements, as appropriate, related to Schellville flooding.

Green Valley Road Flooding - \$1,000,000 Funding Recommendation

A portion of Green Valley Creek near Graton regularly floods a section of Green Valley Road making it impassable. In 2017, this road was flooded for over two months before an emergency sediment removal project in Green Valley Creek was performed.

The Gold Ridge Resource Conservation District (Gold Ridge RCD) has worked for over a decade to identify a long-term solution to this flooding. Green Valley Creek is home to several listed aquatic species that are also impacted when Green Valley Creek overflows its banks. Climate change is predicted to increase the magnitude and duration of flooding in this location.

Currently, the Gold Ridge RCD is updating a feasibility study to identify a project to advance towards final design and completion of a California Environmental Quality Act (CEQA) document. Sonoma Public Infrastructure, Gold Ridge RCD, and Sonoma Water are developing a Memorandum of Understanding (MOU) to advance a design that will improve habitat in Green Valley Creek and reduce the magnitude, frequency, and duration of flooding on Green Valley Road.

An estimated \$1,500,000 will be needed to complete the design and a CEQA document for a project to reduce Green Valley Creek flooding and improve its habitat. It is recommended that Sonoma Water Flood Control Zone 5A funds (\$500,000) and Water Security Funding, allocated to Public Infrastructure in the amount of \$1,000,000 be provided to the Gold Ridge RCD pursuant to the terms of the yet to be completed MOU, which will provide funding upon completion of the feasibility study update and selection of a preferred project alternative. A budgetary Resolution is attached to allocate funds from the Water Security Fund to the Road Fund in the amount of \$1,000,000. Staff recommends delegating authority to the General Manager of Sonoma Water and Director of Public Infrastructure to enter into an MOU with Gold Ridge RCD in a form approved by County Counsel.

Alexander Valley Water and Natural Resource Management - \$1,100,000 Funding Recommendation

There is a growing recognition of the need to focus on water resource management in the Alexander Valley. This recognition stems from impacts associated with gravel accumulation in the Russian River, water right curtailments during the recent drought, increased flood risks to homes and businesses, potential impacts of PG&E's plans to decommission the Potter Valley Project, and the potential need to form a groundwater sustainability agency. The Russian River Property Owners Association is working towards forming a public water district in the Alexander Valley that could address some or all of these issues.

Funding is needed to perform a feasibility study that could be used to prioritize water resource management needs and begin the necessary environmental assessments on the identified priority actions. Additionally, funding is also needed to address near term erosion threats posed to public facilities by large gravel bars in this area. It is recommended that \$1,100,000 of Water Security Funds be allocated to Sonoma Water and directed towards these efforts. Sonoma Water will return to the Board for approval of future agreements, as appropriate, related to Alexander Valley Water and Natural Resource Management.

West County Wastewater Management - \$450,000 Funding Recommendation

Existing wastewater systems in western Sonoma County (West County) are challenged by small customer bases and high wastewater rates for the economically-disadvantaged communities they serve. The North Coast Regional Water Quality Control Board estimates that up to 12,000 onsite wastewater treatment system (OWTS) owners in this area must comply with Russian River Pathogen Total Maximum Daily Load (Pathogen TMDL). The West County has had numerous wastewater incidents associated with flooding. Meanwhile, during the recent drought there was a recycled water shortage in Sonoma County as demands exceeded supplies for this important water source. Climate change and the planned decommissioning of PG&E's Potter Valley Project are anticipated to put further stress on the region's water supplies and will increase the importance of recycled water supply.

A high-level feasibility study is proposed to evaluate potential regional projects that could improve water quality, recycled water supply, Pathogen TMDL compliance, and climate change resiliency in the Russian River watershed, and address ratepayer costs for West County wastewater systems. The feasibility study would be coupled with an interested party program to help inform and identify community support for potential regional solutions to the many wastewater challenges and water resource opportunities in the West County. This effort could include an assessment of district consolidation opportunities.

The feasibility study would also assess connecting unsewered communities to existing wastewater treatment systems. This work would build upon an Onsite Wastewater Treatment System (OWTS) Mapping Study being performed by the County. The County's Mapping Study will provide information on the location and density of OWTS throughout the County, and the proximity of OWTS to other wastewater infrastructure, geographic, and jurisdictional boundaries.

A roadmap for the advancement of feasible projects that have broad support and/or consensus support from existing wastewater treatment systems will be prepared at the conclusion of the feasibility study. This feasibility study and stakeholder engagement would be supported by funding from the Russian River County Sanitation District (\$450,000) and the Water Security Fund (\$450,000). Russian River County Sanitation District will return to the Board for approval of future agreements, as appropriate, related to the West County feasibility study and public facilitation services.

Sonoma Valley Springs Area Lateral and Mainline Replacements - \$500,000 Funding Recommendation

The Sonoma Valley County Sanitation District (Sonoma Valley CSD) serves the "Springs" area in the Sonoma Valley that contains many economically-disadvantaged households. This area also experiences sanitary sewer overflows during large storm events. The Sonoma Valley CSD has undertaken capital and maintenance projects in attempts to eliminate overflows that have included many miles of sewer trunk main replacements and improvements to the State of California Sonoma Developmental Center's sewer system.

The next focus area in the Sonoma Valley CSD's sewer collection system replacement program will target the Springs area. This area is known to have some of the highest inflow and infiltration issues in the Sonoma Valley CSD's collection system. Reducing inflow and infiltration is necessary to prevent wet weather sewer overflows. Funding from the Water Security Fund is recommended for the Springs area for replacing privately-owned laterals and for expediting mainline replacement projects in this area (\$500,000). With additional funding, design of mainline replacement projects in the Springs area could begin in FY 23/24. Sonoma Valley

CSD will return to the Board for approval of future agreements, as appropriate, related to the lateral replacement program and/or sewer mainline design services.

SUMMARY

Recommended uses of the Water Security Fund will address water resource equity, climate change resilience, and drought resilience in Sonoma County. The recommended funding distribution of the Water Security Fund is as follows:

Russian River Water Forum	\$350,000
Risk Assessment and Zone 2A and 3A Creek Maintenance:	\$270,000
Schellville Flooding	\$200,000
Green Valley Road Flooding	\$1,000,000
Alexander Valley Water and Natural Resource Management	\$1,100,000
West County Wastewater Management	\$450,000
Sonoma Valley Springs Area Lateral and Mainline Replacements	\$500,000
<u>Total</u>	<u>\$3,870,000</u>

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The proposed funding action by the Boards is exempt from CEQA pursuant to CEQA Guidelines section 15378 (b)(4) because these funding mechanisms and fiscal activities do not amount a commitment to any specific project that may result in a potentially significant impact on the environment. The funded feasibility studies are also exempt pursuant to CEQA Guidelines sections 15262 and 15306. The Sonoma Water Board previously adopted a Mitigated Negative Declaration for the Natural Channels Project.

Budget Resolutions to Allocate Funds

Sonoma Water staff recommend that their respective Boards approve and allocate Water Security Funds and adopt Resolutions authorizing adjustments to the Board Adopted Budget for Fiscal Year 2022/2023 for the 1)) Russian River Water Forum (\$350,000), 2) Creek Maintenance and Flood Protection Modeling and Risk Assessment Study (\$270,000), 3) Schellville Flooding Climate Adaptation Strategies Study (\$200,000), 4) Alexander Valley Water and Natural Resource Management and Feasibility Study (\$1,100,000), 5) West County Wastewater Management and Regional Solutions Feasibility Study (\$450,000), and 6) Sonoma Valley Springs Area Lateral and Mainline Replacements Project (\$500,000).

Department of Public Infrastructure staff recommend that its Board approve and allocate Water Security Funds and adopt Resolutions authorizing adjustments to the Board Adopted Budget for Fiscal Year 2022/202 for Green Valley Creek Flood Reduction, and Habitat and Public Safety Improvement Project (\$1,000,000).

The recommended actions request that these projects be funded from the \$5,000,000 Water Security Fund established and approved by the Board at the Budget Hearings on June 17, 2022. These recommended actions request a total of \$3,870,000 from the Water Security Fund. On July 12, 2022, the Board of Supervisors, also acting as the Board of Directors of Sonoma Water, approved the Drought Response and Flood Control Coordination Project recommended by the Department of Emergency Management and Sonoma Water, and provided \$1,130,000 in funding from the Water Security Fund.

The sum of these actions total \$5,000,000 in funding from the Water Security Fund. Upon Board approval of these actions, there will be no additional Water Security Funds to allocate.

If these projects are not funded by the Water Security Fund, they would need to be scheduled over a considerable number of years until funds become available.

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: Resilient Infrastructure

Goal: Goal 5: Support, fund, and expand flood protection.

Objective: Objective 2: Implement land use planning and assessments to address flood protection, including river setbacks and riparian corridors, and make resources available for residents.

Alexander Valley Water Management and Flood Management Projects: Sonoma Water seeks to reduce the magnitude, frequency, and duration of flooding, and avoid bank erosion and other environmental damage on creeks in Sonoma County. Modeling and risk assessment work is needed to identify a quantifiable balance between flood protection needs and natural resource benefits. Sonoma Water will build on previous studies and further evaluate and/or advance climate change adaptation strategies that could increase climate change resilience and reduce flood risks.

Sonoma Water Strategic Plan Alignment

Climate Change, Goal 1: Continuing improving our ability to respond and adapt to climate change.

Russian River Water Forum: The Water Forum is comprised of parties with interest in water resources in the Russian River and Eel River basins with an initial focus on a local solution to the PVP decommissioning and a longer-term focus to advance climate change adaptation strategies that ensure water supply resiliency and watershed health.

Climate change is predicted to increase the magnitude and duration of flooding. Funding will support additional studies to further evaluate and/or advance climate change adaptation strategies that could increase climate change resilience and reduce flood risks.

Wastewater Treatment and Water Reuse, Goal 1: Improve operational reliability of wastewater treatment and water reuse systems.

West County Wastewater Management: Climate change and the planned decommissioning of PG&E's Potter Valley Hydroelectric Project are anticipated to put further stress on the region's water supplies and will increase the importance of recycled water supply. A high-level feasibility study is proposed to evaluate potential regional projects that could improve water quality, recycled water supply, Pathogen TMDL compliance, and climate change resiliency in the Russian River watershed. Funding is also sought for replacing privately-owned laterals and for expediting mainline replacement projects. Reducing inflow and infiltration is necessary to prevent wet weather sewer overflows, protect water quality, and improve the reliability of

wastewater systems.

Racial Equity:

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

No

Prior Board Actions:

02/27/2023: Sonoma Water’s Board of Directors held a public workshop to receive presentations and discuss the water resource challenges and opportunities facing the region, including recommendations for the use of the remaining Water Security Funds.

07/12/2022: Authorized funding a Drought Response and Flood Control Coordination Project and provided direction to staff to implement the project for two-years at \$1,130,000 from the Water Security Fund.

06/17/2022: Board Budget Hearings: Sonoma County Board of Supervisors set aside \$5,000,000 from County discretionary one-time balances to create a Water Security Fund.

02/09/2016: Adopted a resolution: 1) determining that implementing the Zones 2A and 3A Natural Channels Maintenance Project will not have a significant adverse effect on the environment ; 2) approving the Initial Study and Negative Declaration of Environmental Impact; and 3) directing the filing of a Notice of Determination.

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$3,870,000		
Total Expenditures	\$3,870,000		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$3,870,000		
Use of Fund Balance			
Contingencies			
Total Sources	\$3,870,000		

Narrative Explanation of Fiscal Impacts:

With Board approval, additional FY 2022/2023 appropriations will be made pursuant to budgetary resolutions as follows:

Sonoma Water Funds:

Flood Control Zone 1A: \$90,000

Flood Control Zone 3A: \$90,000

Flood Control Zone 3A: \$290,000

Agenda Date: 5/16/2023

Russian River Projects Fund: \$1,450,000

Sonoma Valley County Sanitation District Operations Fund: \$500,000

Russian River County Sanitation District Operations Fund: \$450,000

Department of Public Infrastructure Road Fund: \$1,000,000

These appropriations are offset by \$3,870,000 from the Water Security Fund for the recommended projects.

Sonoma Water and Department of Public Infrastructure will return to the Board with consent items for partnership and consulting agreements.

Upon Board approval, these projects will be funded from the \$5 million Water Security Fund established and approved by the Board at the Budget Hearings on June 17, 2022.

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:

Resolution R1

Resolution R2

Resolution R3

Resolution R4

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

None.