



## COUNTY OF SONOMA

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

### SUMMARY REPORT

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**Agenda Date:** 9/26/2023

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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:** Grant Davis 707-547-1911  
**Vote Requirement:** 4/5th  
**Supervisory District(s):** Countywide

**Title:**

Development of Renewable Energy, Efficiency, and Regulatory Programs

**Recommended Action:**

- A) Authorize Sonoma County Water Agency's (Sonoma Water) General Manager to execute an agreement with Rusty Klassen, in a form approved by County Counsel, for services related to Sonoma Water's Energy and Climate Resiliency Policy through June 30, 2025, in the not-to-exceed amount of \$100,000.
- B) Authorize Sonoma Water's General Manager to execute an agreement with Karen Eggerman, in a form approved by County Counsel, for services related to Sonoma Water's Energy and Climate Resiliency Policy through June 30, 2025, in the not-to-exceed amount of \$100,000.
- C) Adopt a Resolution authorizing adjustments to the Board Adopted Budget for FY 2023/2024 for the Sustainability Fund in the amount of \$200,000. (4/5<sup>th</sup> Vote Required)

**Executive Summary:**

Rusty Klassen and Karen Eggerman (Consultants) are being hired to conduct work in support of Sonoma Water's 2023 Energy and Climate Resiliency Policy (Energy Policy). Consultants will 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. In the past, 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. Additional services from Consultants are required to continue these efforts.

**Discussion:**

**HISTORY OF ITEM/BACKGROUND**

In 2005, Sonoma Water's Board of Directors authorized the Sonoma Water 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 the updated Energy Policy to replace Sonoma Water's previous Energy Policy and authorize and direct the General Manager to implement the Energy Policy. The updated policy directs Sonoma Water to continue to pursue Carbon Free Water; invest in climate science and innovation; develop and implement climate resiliency strategies, including those identified in the Climate Adaptation Plan; collaborate with low-income 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. Additional services from Consultants are required to continue these efforts.

#### **SELECTION PROCESS**

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 consultant through a competitive selection process.

Sole Source Waivers have been obtained from the County of Sonoma, General Services Department, Purchasing Division.

#### **SERVICES TO BE PERFORMED**

Under the agreements, Consultants will:

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.

The cost of Rusty Klassen's services will not exceed \$100,000. The agreement will cover services rendered from July 1, 2023, to June 30, 2025.

The cost of Karen Eggerman's services will not exceed \$100,000. The agreement will cover services rendered from July 1, 2023, to June 30, 2025.

The agreements will include authorization for the General Manager to make changes to lengthen time schedules or make minor modifications to the scope of work, which do not increase the amount paid under the agreement, in a form approved by County Counsel.

The agreements will include two options for Sonoma Water to extend the term for a period of one year each by providing written notice to Consultants thirty days in advance of the expiration date of the agreement and of the first extension option. The extension will be formalized in an amended agreement or amendment signed by Sonoma Water and each Consultant.

**County of Sonoma Strategic Plan Alignment:**

This item directly supports the 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.

**Racial Equity:**

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

No

**Sonoma Water Strategic Plan Alignment**

Energy, Goal 1: Increase carbon free energy use and reduce greenhouse gas (GHG) emissions.

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.

**Prior Board Actions:**

08/15/2023: Approved the updated Sonoma Water Energy Policy and authorized and directed the General Manager to implement the Energy Policy.

07/21/2015: Approved agreement between Sonoma Water and Rusty Klassen for consulting services in support of the Energy Policy. Cost \$120,000, term end date July 31, 2017.

06/17/2014: Approved agreement between Sonoma Water and Rusty Klassen for consulting services in

support of the Energy Policy. Cost \$65,000; term end date July 31, 2015.

07/30/2013: Approved amended agreement between Sonoma Water and Rusty Klassen for consulting services in support of the Energy Policy. The new total cost is \$185,000; term end 07/31/2014.

03/22/2011: Approved the updated Sonoma Water Energy Policy and Energy Initiatives and directed the General Manager to implement the energy policy.

03/22/2011: Approved agreement between Sonoma Water and Rusty Klassen for consulting services in support of the Energy Policy. Cost \$100,000; term end 06/30/2013.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY23-24 Adopted</b>	<b>FY24-25 Projected</b>	<b>FY25-26 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	\$200,000		
<b>Total Expenditures</b>	<b>\$200,000</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	\$200,000		
Contingencies			
<b>Total Sources</b>	<b>\$200,000</b>		

**Narrative Explanation of Fiscal Impacts:**

Additional FY 2023/2024 appropriations in the amount of \$200,000 from the Sustainability Fund are requested to process this expense. A budgetary resolution has been submitted with this item.

<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

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

None.