



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 4/16/2019

To: Board of Directors, Sonoma County Water Agency
Department or Agency Name(s): Sonoma County Water Agency
Staff Name and Phone Number: David Cuneo 547-1935
Vote Requirement: Majority
Supervisory District(s): Fourth

Title:

Russian River Biological Opinion - Dry Creek Ecosystem Restoration Cost Share Design Agreement with U.S. Army Corps of Engineers

Recommended Actions:

Authorize Sonoma County Water Agency's (Sonoma Water) Chair of the Board of Directors to sign a Design Agreement with United States Army Corps of Engineers in a cost-share partnership for the development of project designs for habitat enhancement work in Dry Creek (4th District) with total estimated costs to design and construct 2.6 miles of habitat restoration in partnership with the Army Corps of \$44,900,000, or \$29,200,000 federal and \$15,700,000 non-federal. (Fourth District)

Executive Summary:

This item requests authorization for the Chair of the Board of Directors of Sonoma Water to enter into a Design Agreement with the U.S. Army Corps of Engineers (Corps) for funding habitat work in Dry Creek as it relates to implementation of the Russian River Biological Opinion. Sonoma Water is partnering with the Corps towards the implementation of habitat efforts in Dry Creek under a General Investigation process.

Discussion:

HISTORY OF ITEM/BACKGROUND:

The 2008 National Marine Fisheries Service's Russian River Biological Opinion concluded that the existing operation of the Russian River Project (the combined operation of Warm Springs Dam and Coyote Valley Dam for water supply and flood control purposes) is likely to jeopardize the survival and recovery of the Endangered Species Act-listed Steelhead trout and Coho salmon and adversely modify their critical habitats. The Biological Opinion requires Sonoma Water and the Corps to implement enhancements of up to six miles of habitat in Dry Creek to increase the survival of juvenile Steelhead trout and Coho salmon.

Sonoma Water and the Corps have completed over three miles of habitat work working both individually and in partnership on projects constructed in Dry Creek since 2012. Most recently in 2018, the Corps completed the Dry Creek Phase 2, Part 2 Habitat Enhancement project, which was a cost-shared partnership effort between Sonoma Water and the Corps under the Corps' Continuing Authorities Program Section 1135 of the Water Resources Development Act of 1986 (Public Law 99-662) as amended. As of November 2018, the total

project cost for the Dry Creek Phase 2, Part 2 Project was just over \$6 million (\$4.7 million of which were federal dollars and \$1.7 million from Sonoma Water). In addition, Sonoma Water has been working with the Corps on cost-shared funding under the authority of a Corp's Ecosystem Restoration Project General Investigation for portions of mile 4-6 habitat work in Dry Creek targeted for construction between 2021 and 2023.

The Corps' General Investigation process utilizes cost-share agreements during the feasibility, preconstruction engineering and design (engineering phase), and construction phases of the process. Sonoma Water entered into a feasibility cost-share agreement with the Corps under the General Investigation process on May 6, 2015. The feasibility study is complete and final signature by the Army Corps' Director of Civil Works was provided on March 29, 2019. To advance the concepts in the feasibility study to engineering designs, a new cost-share design agreement for the engineering phase is required. The engineering phase extends from April 2019 to November 2020. When the project enters the construction phase in 2021, a project partner agreement will be required. Costs for the engineering phase design agreement, and construction phase project partner agreement, combined are shared with the Corps on a 65 percent federal/ 35 percent non-federal basis. Total estimated costs to design and construct 2.6 miles of habitat restoration in partnership with the Army Corps is \$44,900,000 or \$29,200,000 federal and \$15,700,000 non-federal. Out of these totals, the federal costs are expected to be \$1.7 million and Sonoma Water's costs of \$4 million during the engineering design phase. Because Sonoma Water is providing the project designs, the bulk of the costs during the engineering design phase will be paid by Sonoma Water. The majority of project costs will then be paid during the construction phase by the Corps. Sonoma Water expenses to produce engineering designs are creditable toward the required \$15,700,000 non-federal cost. The design agreement will allow Sonoma Water to claim expenses incurred with three different consultants already under contract (InterFluve, Environmental Science Associates, and Cardno) as in-kind credit. Funds to support Sonoma Water's participation in the Army Corps' Ecosystem Restoration Project and complete Dry Creek habitat projects required by the Biological Opinion are provided by water sales through Sonoma Water's Watershed Planning and Restoration Fund - a portion of Sonoma Water's Water Transmission System budget.

Partnering with the Corps under the Corps' Continuing Authorities Program has already resulted in federal cost-sharing dollars towards the construction of habitat enhancements in Dry Creek (dollars that otherwise would have been paid entirely through local funds). Continuing to partner with the Corps under the Corp's General Investigation funding process is expected to continue to result in millions of dollars in local cost savings as a result of federal funds being cost shared towards the construction of the Dry Creek habitat projects. Without cost-sharing with the Corps, Sonoma Water would still be required under the Russian River Biological Opinion to pay the full amount of the Dry Creek habitat enhancement work (currently estimated to be \$11.5 million dollars per mile). Sonoma Water intends to provide its portion of the cost-share for the design agreement by using funds already earmarked for mile 4-6 design, environmental compliance, right-of-way, and project management costs.

Prior Board Actions:

Agenda Date: 4/16/2019

02/02/16: Approved authorization to execute engineering and design agreements for Dry Creek mile 4-6 design.

01/27/15: Approved authorization for Sonoma Water to enter into a General Investigation feasibility cost share agreement with the Corps for habitat enhancement work in Dry Creek.

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses	\$794,250	\$2,151,950	2,426,905
Additional Appropriation Requested			
Total Expenditures	\$794,250	\$2,151,950	2,426,905
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$794,250	\$2,151,950	2,426,905
Use of Fund Balance			
Contingencies			
Total Sources	\$794,250	\$2,151,950	2,426,905

Narrative Explanation of Fiscal Impacts:

Sonoma Water's cost share under this arrangement will be \$4 million during the engineering phase and will be met through expenditures to pay for engineering, design, and project management. On February 2, 2016, Sonoma Water received Board approval to encumber agreements in the amount of \$4.5 million for design of Phases 4, 5, and 6. Expenditures under these agreements will be cost shared with the Corp. Expenditures exceeding \$4 million will be creditable to the required non-federal cost share. The project is budgeted in the Watershed Planning and Restoration Fund. The source of funds is water rates.

Staffing Impacts:			
Position Title (Payroll)	Monthly Salary Range (A - I Step)	Additions (number)	Deletions (number)
N/A			

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Agreement

Agenda Date: 4/16/2019

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