



## COUNTY OF SONOMA

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

### SUMMARY REPORT

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**Agenda Date:** 9/24/2019

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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:** Joan Hultberg, 547-1902  
**Vote Requirement:** 4/5th  
**Supervisory District(s):** All

**Title:**

Facilitation Services for Potter Valley Project

**Recommended Action:**

- A) Adopt a resolution approving the application for grant funds from the California Natural Resources Agency for Facilitation Services for the Potter Valley Project. (Majority vote)
- B) Adopt a resolution authorizing adjustments to the Board adopted budget for fiscal year 2019-2020 for Sonoma County Water Agency's Russian River Projects Fund in the amount of \$128,367 for Facilitation Services for the Potter Valley Project. (4/5<sup>th</sup> Vote Requirement)
- C) Authorize the General Manager or designee as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project. (Majority vote)
- D) Authorize the General Manager or designee to execute an agreement with Consensus Building Institute, Inc. for facilitation services for the Potter Valley Project; amount \$103,360; term ends 12/31/2021 (Majority vote)

**Executive Summary:**

Pacific Gas & Electric's (PG&E) Potter Valley Project (PVP) is a hydroelectric facility that diverts Eel River water through a tunnel to a powerhouse in the Russian River watershed. After producing power, water is discharged from the powerhouse to the East Fork of the Russian River and then flows into Lake Mendocino. The current license for PVP, issued by the Federal Energy Regulatory Commission, will expire in April 2022.

Since 2017, Congressman Jared Huffman has convened an Ad Hoc Committee (Huffman Ad Hoc Committee) of interested parties to work toward a Two-Basin Solution for the future of PVP that addresses issues and concerns in both the Eel River and Russian River watersheds. Huffman's Ad Hoc Committee consists of over 25 public, private and government entities that focus on identifying a solution that will meet the needs of both basins involved in PVP.

The California Natural Resources Agency has committed to provide \$103,360 in grant funds to support the Huffman's Ad Hoc Committee's collaborative planning, facilitation, and policy materials development related to the relicensing of PVP. Sonoma County Water Agency (Sonoma Water) would be the grant recipient and

pass through grant funds to Consensus Building Institute, Inc. (CBI), a non-profit organization that has worked for several years with Huffman's Ad Hoc Committee and its technical working groups to address the future of PVP.□

This agenda item requests that your Board approve the applications of grant funds to California Natural Resources Agency for the Potter Valley Facilitation Services Project (Facilitation Services Project), authorize the General Manager of Sonoma Water to act as the Board's agent to negotiate, execute, and submit all documents needed to complete the Facilitation Services Project, and authorize the General Manager to execute an agreement with CBI for facilitation services for PVP.□

**Discussion:**

In 2017, Congressman Jared Huffman convened an Ad Hoc Committee of interested parties to work toward a Two-Basin Solution for the future of PVP that addresses issues and concerns in both the Eel River and Russian River watersheds. The County of Sonoma and Sonoma Water have been participating in the Huffman Ad Hoc Committee, and have been working with regional stakeholders, including PG&E, to plan for the future of PVP that protects fisheries and water supply in both the Eel and Russian River watersheds. Much technical work around fish passage options and water supply reliability is nearly complete as a result of the ad hoc process. This work will provide a common understanding for all PVP stakeholders on these two important issues that are key to a Two-Basin Solution.

The California Natural Resources Agency has deemed that facilitation and mediation services for stakeholders to engage on the future of PVP is an eligible activity under the Proposition 68 California River Parkways Grant Program, and has committed \$103,360 in grant funds to support this effort. Sonoma Water was selected to be the recipient of the grant because of its experience and ability to administer state grant funds under the California Natural Resources Agency, and because Sonoma Water is a member of the Huffman Ad Hoc Committee.

California Natural Resources Agency has selected CBI to provide the facilitation services for the Huffman Ad Hoc Committee. CBI would work with the committee members and Congressman Huffman's office to function as a "steering committee" to align the Huffman Ad Hoc Committee's input with the feasibility study (e.g., ensure input is timely to pursue funding opportunities for studies). CBI would facilitate the Huffman Ad Hoc Committee and associated technical work groups to address the future of PVP and the Two Basin Solution, and also provide independent, impartial facilitation and mediation services for stakeholders to engage on the future of PVP.□

Under an agreement with Sonoma Water, CBI would provide facilitation services for the Huffman Ad Hoc Committee and its technical working groups. CBI will perform collaborative planning, facilitation, and policy materials development. The amount of the agreement would not exceed \$103,360 and the agreement would end December 31, 2021 or when funds are exhausted, whichever occurs first.

**Recommended Actions**

Staff recommends your Board adopt a resolution approving the application for grant funds from the California Natural Resources Agency for Facilitation Services for PVP, and authorize the General Manager or designee as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project. Staff also recommends your Board adopt a budgetary resolution authorizing adjustments to the adopted FY 2019-2020 budget. Finally, staff recommends your Board authorize the General Manager or designee to execute an agreement with Consensus Building Institute, Inc. for facilitation services for PVP, in a form approved by County Counsel; amount not to exceed \$103,360; term ends 12/31/2021.

**Prior Board Actions:**

06/11/2019: Approved the Potter Valley Project Amended Planning Agreement

05/14/2019: Approved Potter Valley Project Planning Agreement

11/13/2018: Adopted Concurrent Resolution of the County Board of Supervisors and Sonoma Water Board of Directors to Support the Concept of a Two-Basin Solution for the Potter Valley Project

08/14/2018: Approved Consulting Services for Potter Valley Hydroelectric Relicensing Proceedings

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	\$128,367		
<b>Total Expenditures</b>	<b>\$128,367</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$103,360		
Fees/Other	\$25,007		
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$128,367</b>		

**Narrative Explanation of Fiscal Impacts:**

Total costs for the project are estimated to be \$128,367, with \$103,360 in offsetting grant funds and \$25,007 in Sonoma Water cost share. With Board approval, additional appropriations of \$128,367 will be made in the Russian River Projects Fund pursuant to the attached budgetary resolution (R2).

With Board approval for the requested additional appropriations, the Russian River Projects Fund ending fund balance will be approximately \$468,000. □

<b>Staffing Impacts:</b>
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<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:**

1. Resolution Authorizing Application for grant Funds (R1)
2. Budgetary Resolution (R2)
3. State of California Natural Resources Agency Grant Agreement (No. R31801-0)
4. Professional Services Agreement with Consensus Building Institute, Inc.

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

None