



Legislation Details (With Text)

File #: 2024-0538
Type: Consent Calendar Item **Status:** Passed
File created: 4/17/2024 **In control:** Public Infrastructure
On agenda: 6/4/2024 **Final action:** 6/4/2024
Title: West Water Company - Full Scope Administrator Agreements
Sponsors: Public Infrastructure

Indexes:

Attachments: 1. Summary Report, 2. Resolution, 3. Draft Administrator Agreement, 4. AdministratorPolicyHandbook_remediated, 5. Draft Operations and Maintenance Agreement

Date	Ver.	Action By	Action	Result
6/4/2024	1	Board of Supervisors	Approved as recommended	Pass

To: Board of Supervisors

Department or Agency Name(s): Sonoma County Public Infrastructure

Staff Name and Phone Number: Johannes J. Hoevertsz, 707-565-2550

Vote Requirement: Majority

Supervisory District(s): Fourth

Title:

West Water Company - Full Scope Administrator Agreements

Recommended Action:

Adopt a Resolution:

- A) Accepting the State Water Resources Control Board's Appointment of the County of Sonoma as the Full Scope Administrator of West Water Company through March 31, 2026.
- B) Approving and Authorizing the Director of Sonoma County Public Infrastructure to execute an Administrator Grant Agreement with the State Water Resources Control Board for grant funding in the amount of \$184,670 for water system administrator services for West Water Company through March 31, 2026.
- C) Approving and authorizing the Director of Sonoma County Public Infrastructure to execute a Drinking Water Operations and Maintenance Agreement with the State Water Resources Control Board for grant funding in the amount of \$70,346 for water system operations and maintenance services for West Water Company through March 31, 2026.
- D) Delegating to the Director of Sonoma County Public Infrastructure authority to execute amendments to the funding agreements and requests for reimbursement, and to take all other actions necessary to carry out the County's responsibilities as full scope administrator.
- E) Ratifying an extension of the Interim Operations Agreement with the State Water Resources Control

Board for grant funding for temporary operations and maintenance services to West Water Company through June 30, 2023, totaling \$88,952.

Executive Summary:

On July 14, 2020, the Board of Supervisors approved an Interim Operations Agreement with the State Water Resources Control Board (SWRCB) to receive grant funding for temporary emergency operations and maintenance services associated with the County managing the West Water Company water system (WWC). The initial term of the agreement was from August 1, 2019, to December 31, 2020, and was later extended to June 30, 2023.

As the County continues to provide interim administrative, operations, and maintenance services to WWC, SWRCB and Sonoma County Public Infrastructure (SPI) have negotiated two additional funding agreements for the County to provide services for WWC as the “Administrator” of the water system under Health and Safety Code Section 116686. One agreement is for providing administrative services to WWC and the other agreement is for providing operations and maintenance services. Together, the agreements provide grant funding to the County for services provided up to \$255,016 through March 31, 2026.

Discussion:

Background

West Water Company (WWC) operates and maintains approximately 13 water connections, serving approximately 40 residents in the unincorporated County outside of Cloverdale city limits. Prior to August 1, 2019, the owner and operator of WWC was unable to operate the water system in a manner that would provide safe water to its customers. Without an active operator, and a boil water notice in effect, the system was in the state of a local emergency.

The State Water Resources Control Board (SWRCB) contacted the County to assist with the operation of the water system and the Board of Supervisors subsequently approved an Interim Operations Agreement (Agreement) to reimburse the County for providing administrative, operations, and maintenance services to WWC on an interim basis. Water system operations and maintenance services under the Agreement have been provided by the County’s existing small water systems contractor, Russian River Utilities (RRU). The Agreement ensured that WWC customers received a continuous supply of safe drinking water while also maintaining the system. Between August 6, 2019, and June 30, 2023, interim operations and maintenance costs totaled \$88,952, all of which were reimbursed by SWRCB.

SWRCB is currently requesting the County assume additional control of the system as the full scope administrator of WWC under Health and Safety Code Section 116686. Under the arrangement, the County will provide administrative, operations, and maintenance services to WWC and SWRCB will reimburse the County for services rendered. SPI staff is requesting the Board to approve the arrangement by approving two separate grant agreements: one agreement for administrative services with funding in the amount of \$184,670, and the second agreement for operations and maintenance services with funding in the amount of \$70,346. The combined total of both agreements would be \$255,016 for services rendered through March 31, 2026.

Administrator Agreement

The Administrator Agreement between the County and SWRCB would appoint the County as the “full scope

administrator” of West Water Company. To initiate the process, the SWRCB Division of Drinking Water will issue to the WWC an Administrator Order ordering the water system to accept administrative, technical, operational, and managerial services from the County. While the County will not assume ownership of the water system, it will assume control of the system, including collection of fees from customers, which was not included in the scope of services of the interim operations agreement. The County will also be responsible for conducting a water system assessment, a water rate analysis, develop a capital improvement plan to outline the long term needs of the system, and other obligations specified under the proposed Administrator Agreement and the SWRCB Administrator Policy Handbook. The funding under this Agreement will be a not to exceed amount of \$184,670 for services rendered through March 31, 2026.

Operation and Maintenance Agreement

The Operation and Maintenance Agreement is intended to fill funding gaps required to operate and maintain the water system on a temporary basis until the County can evaluate the long term viability of WWC. The funding under this Agreement will be a not to exceed amount of \$70,346 for services rendered through March 31, 2026.

The agreements are voluntary and do not obligate the County to assume ownership or long term control of the system. However, the State could order consolidation of WWC with another small water system operated by the County. The consolidation process is a separate statutory process from the voluntary administrator process currently before the Board. In the event State requested consolidation, SPI staff will return to the Board for consideration of the agreement.

Options Available to the Board

The Board may direct Sonoma County Public Infrastructure to enter into both agreements for Administration, Operations and Maintenance of WWC, with grant funding totaling \$255,016, in order to provide WWC customers with service continuity of safe drinking water. Alternatively, the Board may direct Sonoma County Public Infrastructure to decline the grants, such that all risks and burdens to the extent practical are eliminated and the County will discontinue its services to WWC.

Strategic Plan:

N/A

Racial Equity:

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

No

Prior Board Actions:

7/14/2020 Board Item West Water Company - Interim Grant Funding.

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses		\$127,508	\$127,508
Additional Appropriation Requested			
Total Expenditures		\$127,508	\$127,508
Funding Sources			
General Fund/WA GF			
State/Federal		\$127,508	\$127,508
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources		\$127,508	\$127,508

Narrative Explanation of Fiscal Impacts:

Appropriations for both agreements are currently included in the FY2024-25 West Water (11167-34200100) Recommended Budget and will be incorporated in the FY2025-26 Recommended Budget if the agreements are approved by the Board.

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

- Resolution
- Administrator Policy Handbook
- Administrator Agreement
- Operations and Maintenance Agreement

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

Interim Operations of West Water Company Agreement #D1918101