An aerial photograph of a mountain valley. A river winds through the center of the valley, surrounded by green fields and small settlements. The surrounding mountains are covered in dense green forest. The sky is hazy, suggesting a misty or overcast day.

Proposed Alexander Valley Water District

November 4, 2024 WAC TAC Meeting
Agenda Item 8

Presented to:

Sonoma Water Advisory
Committee

Presented by:

Mike Martini and Peter Kiel

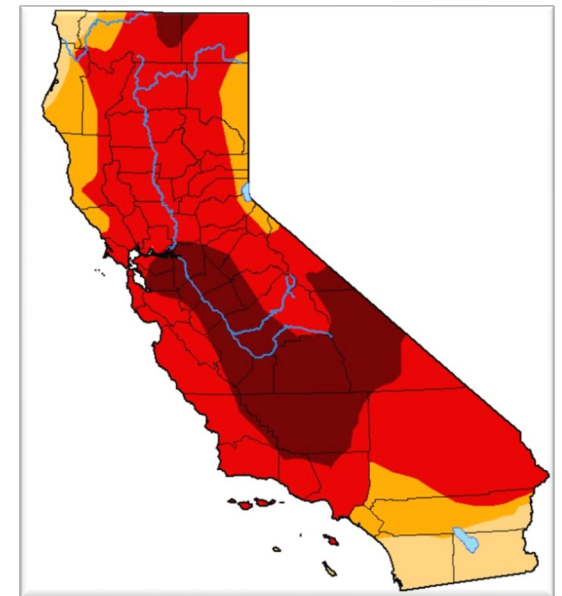
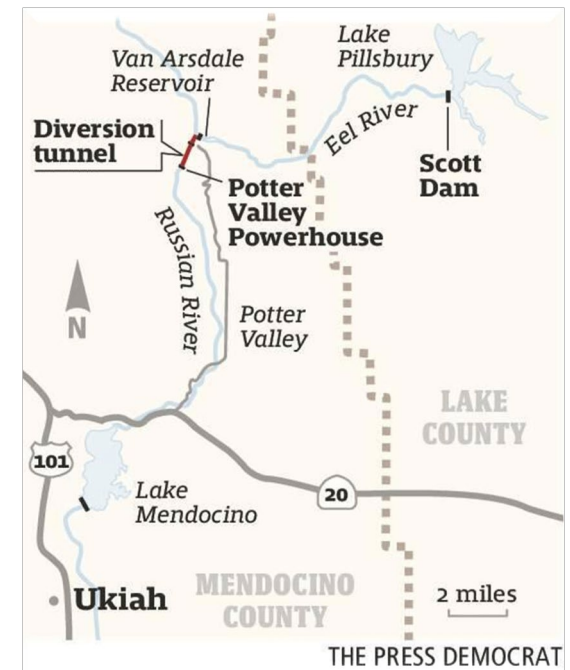
November 4, 2024

Background & Introduction

- Over the past three years representatives of agricultural water users in the Alexander Valley have been engaged to secure water supply and improve water resilience
- The Russian River Property Owners Association have led this effort supported by technical and legal advisors and in consultation with other water users including the cities of Healdsburg and Cloverdale, the Dry Creek and Lytton Rancherias, Sonoma Water, State regulatory agencies, and conservation organizations.
- In addition to responding to regulatory requirements and participating in regional water supply efforts, agricultural landowners pursued formation of a new special district, a California Water District, to provide services currently not provided and beyond the capacity or authority of any existing organizations
- A considerable effort has been undertaken to develop, specify, and evaluate the proposed new Water District, including detailed mapping of boundaries and preparation of land use data, articulation of proposed services, outreach and engagement with landowners and affected agencies, and responding to LAFCO Application requirements.

Threats to Alexander Valley Water Supply

1. Measurable changes in long-term climate patterns suggest that a period of increased duration of periodic droughts and more intense storm and flood events has arrived
2. Significant reduction and possible total loss of Eel River imports
 - a. The transfer of Eel River water to the Russian River is currently reduced to a de minimis amount as a result of equipment failure at the PG&E Potter Valley hydropower project
 - b. PG&E intends to decommission and remove the Eel River diversion infrastructure, and future inter-basin transfers would occur only if a new facility is constructed
3. Russian River surface water rights are curtailed by the State Water Board in severe droughts (e.g., 2014, 2021-2022), and are likely to be curtailed in all but the wettest years (i.e., about 8 out of 10 years) due to reduction in the Eel River inter-basin transfer
 - a. Groundwater curtailments may also be imposed due to underflow connection of the aquifer to the River flows
4. Domestic use and Russian River minimum instream flows to support anadromous fish have priority over agricultural and commercial use during periods of reduced water supply



Water District Purpose & Functions

The primary purpose of the proposed California Water District (WC 34000) is to improve the reliability and availability of the common supply of groundwater and surface water available to lands within the district. The District would have the following specific functions and related services:

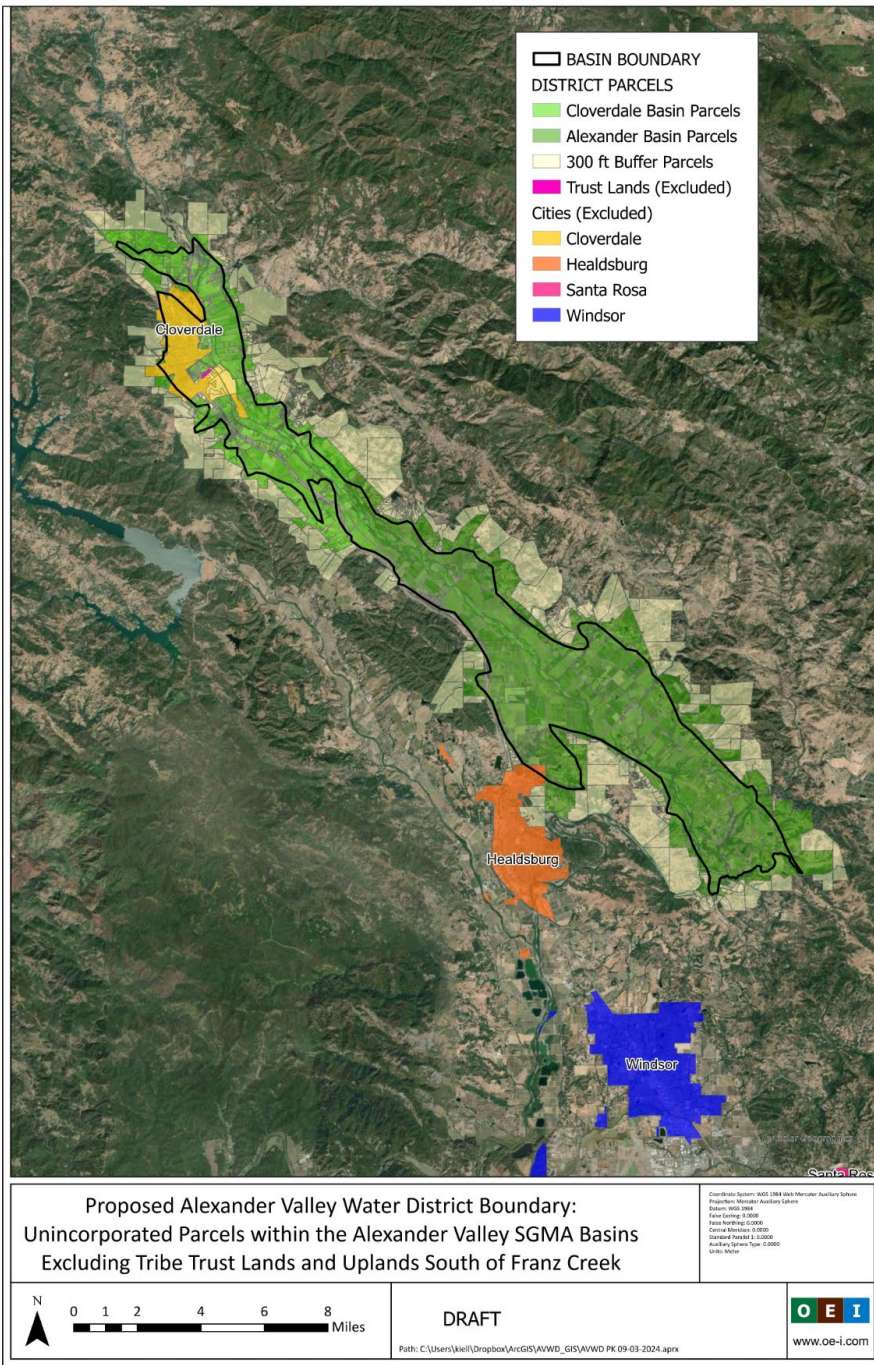
1. Water Sharing Program: establish and manage a water sharing program for the Alexander Valley in cooperation with other water agencies in the Russian River watershed.
2. New Eel River-Russian River Diversion Facility: negotiate with, and potentially be a member of, the Eel-Russian Project Authority that proposes to own, construct and operate a new water diversion facility on the Eel River; contract for and administer any new water supply acquired for Alexander Valley water users.
3. Groundwater Investigation and Management: study the relationship between groundwater pumping, groundwater recharge and streamflow and the impact of reduced Eel River imports; join a GSA and prepare a GSP if mandated by DWR.
4. Groundwater Recharge Program: construct and operate new water diversion and conveyance facilities, obtain water rights and regulatory approvals, and monitor and report performance of the on-farm groundwater recharge program on behalf of participating landowners.

The Water District would not provide retail water, sewer, or other municipal services.

In addition to these services, the proposed Water District would represent private water users in local and regional water supply and conservation efforts and regulatory proceedings and cooperate with other local and regional water supply organizations and non-profit entities.

District Boundary & Area Description

- The proposed boundary is intended to cover the valley floor along mainstem Russian River within Alexander Valley
- Includes approximately 28,910 acres of parcels overlying the Cloverdale Area and Alexander Area Groundwater Basins, but excluding:
 - incorporated cities and other public lands
 - Tribal Trust lands, and
 - upland area of Alexander Basin south of Franz Creek (Chalk Hill)
- The boundary encompasses an estimated 1,655 parcels including 300 large (greater than five acres) agricultural and some upland grazing and forested parcels
- The boundary also includes several residential subdivisions, scattered rural residential parcels, the community of Geyserville, 43 wineries, and other commercial uses
- All landowners within the proposed boundary not so excluded will participate in the district

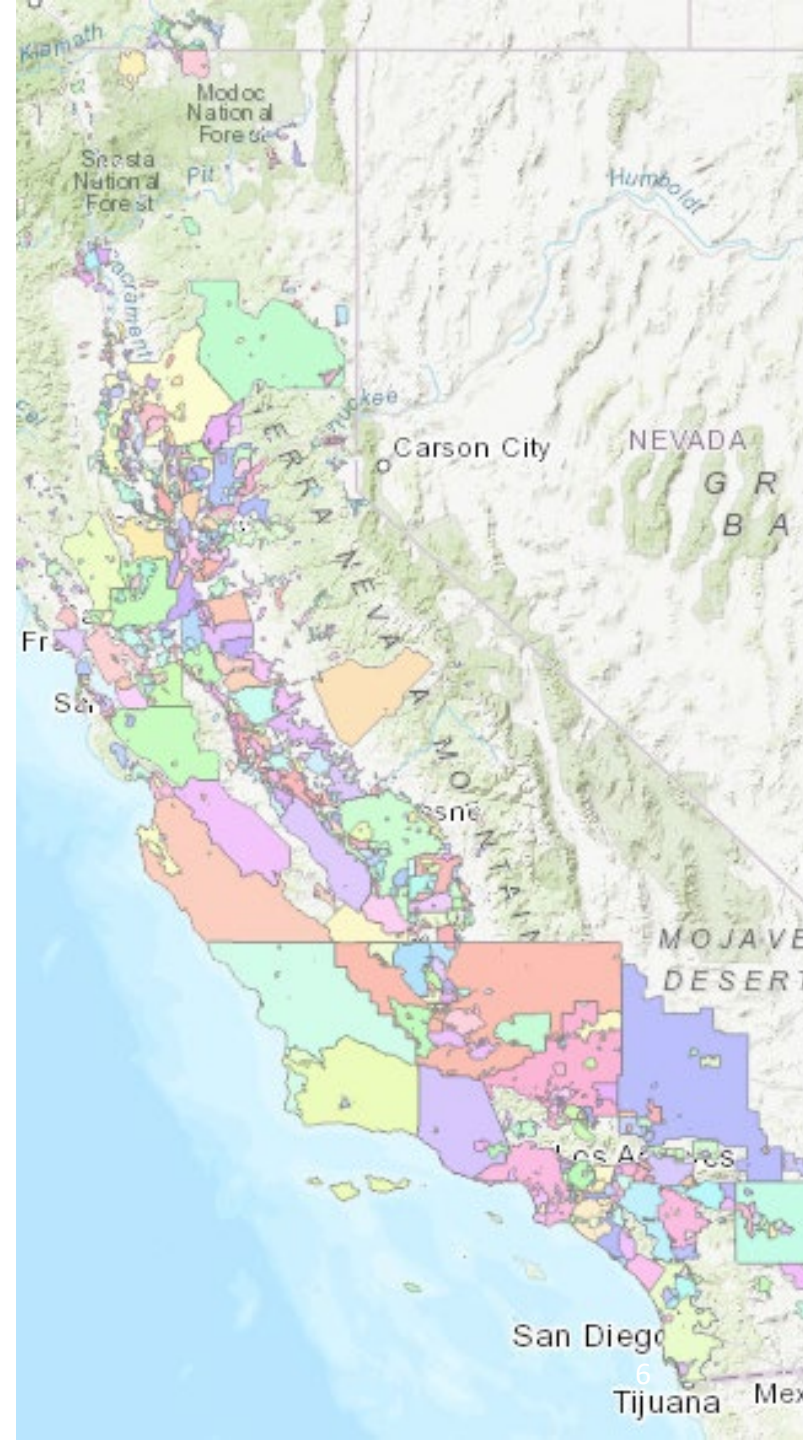


Recent Precedents for Water District Formation

In recent years California Water Districts have been formed in association with the requirements of SGMA to establish Groundwater Sustainability Agencies.

Examples include:

- Amsterdam Water District, Merced County, formed in **2018** to join existing Groundwater Sustainability Agency.
- Cuyama Basin Water District, multi-county, formed in **2017** prior to formation of multi-agency GSA.
- Estrella-El Pomar-Creston Water District and Shandon-San Juan Water District, San Luis Obispo County, formed in **2017** primarily to serve as Groundwater Sustainability Agencies.
- Shandon-San Juan Water District has also filed applications to appropriate flood flows for groundwater recharge and is providing support to landowners diverting floodwater under the Governor's Executive Order N-4-23.
- San Antonio Basin Water District, Santa Barbara County, formed in **2018** for the primary purpose of being a Groundwater Sustainability Agency under SGMA.
- Tuscan Water District, Butte County, formed in **2022** to import surface water for direct use and groundwater recharge and to participate in existing Groundwater Sustainability Agencies.



Proposed District Leadership & Staff

- A minimum of five directors will be elected by landowners at the time of District formation
 - Directors must be landowners within the District (or their legal representatives)
 - Increase number of directors, establish director divisions and establish director qualifications after formation to diversify representation
- An executive director would be retained to serve the Board and manage a small administrative and technical staff and retain professional advisors and consultants for program or project-specific efforts
- Coordination with local water supply agencies and regulatory agencies and public interest organizations will be a key function of District leadership, including establishing formal partnerships such as a joint powers authority to serve as a GSA

Proposed District Funding Sources

New funding will be required to support District administration, operation, programs, and capital investments, indeed the capacity to raise public funding for water supply and conservation is a primary purpose. Specific funding sources would include:

- It is proposed that a nominal special tax or assessment be established concurrently with District formation and scaled to support basic District operating costs
- It is proposed that the District would elect to be a GSA after formation in order to utilize SGMA funding authorities
- Specific programs would be funded through fees for service and regulatory fees consistent with statutory requirements
- Capital investments, including proposed participation the new Eel-Russian Diversion Facility and any local water supply or conservation infrastructure would be funded through grants, special benefit assessments, and bond measures as may be appropriate, all requiring subsequent landowner voter approval

Potential Benefits of AVWD to Sonoma Water Contractors

- More efficiently use surface water and groundwater in Alexander Valley to reduce reliance on Eel River and Lake Mendocino storage
- Help clarify and administer the Lake Mendocino 10 TAF reservation for Sonoma County
 - Goal is to allow Sonoma Water and Mendocino County FC&WCD more efficiently conserve and manage Lake Mendocino storage and Russian River minimum streamflows
- Jointly establish and administer a Russian River water sharing program with other agencies
- Provide additional funding for New Eel-Russian Facility

Requests of Sonoma Water Contractors and the WAC

- Identify concerns with AVWD proposal
- Inform us how AVWD can help the Contractors and regional water management
- Help communicate the benefits of AVWD to Contractors' customers
- Express support for AVWD formation to LAFCO and elected officials

Q&A

AVWD Contacts

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