



DATE: June 13, 2019

TO: Technical Advisory Committee to the Water Advisory Committee

FROM: Carrie Pollard, Water Use Efficiency Manager, Sonoma Water

SUBJECT: New Member of SMSWP- City of Healdsburg

RECOMMENDATION

It is recommended by the Water Conservation Subcommittee that the Technical Advisory Committee (TAC) approve the City of Healdsburg (Healdsburg) as a new party of the First Amended Memorandum of Understanding Regarding Sonoma-Marín Saving Water Partnership (MOU).

BACKGROUND

Healdsburg has submitted an inquiry to Sonoma Water staff regarding joining the Sonoma-Marín Saving Water Partnership (SMSWP). The MOU allows new parties to join upon recommendation of the Water Conservation Sub Committee and approval by the TAC.

On June 12, 2019 the Water Conservation Subcommittee (Subcommittee) held an email vote to consider recommending Healdsburg as a new party to the MOU. The vote resulted in the approval to recommend Healdsburg be added as a new party to the MOU.

There are three requirements outlined in the MOU to join the SMSWP: 1) pay an annual Water Conservation Fund fee to Sonoma Water for Regional Water Conservation Projects, 2) agree to budget and expend funding for Local Water Conservation Projects, and 3) execute the agreement, agreeing to all the terms.

Regional Water Conservation Project

Healdsburg's Water Conservation Fund fee for Regional Water Conservation Projects has been set at \$20,000 annually. The amount is based on the program expansion requirements to incorporate Healdsburg into the SMSWP's Regional Water Conservation Projects.

Healdsburg and Sonoma Water executed the *First Amended Agreement for the Sale of Water between the Sonoma County Water Agency and the City of Healdsburg* (Sale of Water Agreement) on December 15, 2015 which requires Healdsburg to fund or implement water conservation projects at a funding level equal to the level funded by Sonoma Water under the Restructured Agreement. Specifically, the Sale of Water Agreement requires Healdsburg to contribute water conservation funding at the same per-acre-foot amount paid by the water contractors into the Water Conservation Sub Fund each fiscal year. The FY17/18 funding details are below:

	Maximum Sale of Water Agreement (acft/yr)	FY17/18 Water Contractors WC Sub Fund Rate (\$/acft)	FY17/18 Local WC Expenditures (\$/acft)	Additional WC Sub Fund Contribution per Sale of Water Agreement (\$/acft)	FY17/18 WC Sub Fund Contribution
Healdsburg	425	\$43.77	\$35.42	\$8.35	\$3,548.10

Healdsburg’s WC Sub Fund Contribution will vary each year based on Local WC Expenditures. The WC Sub Fund Contribution is deposited in the Water Conservation Sub Fund for implementing the Regional Water Conservation Projects, therefore the annual WC Sub Fund Contribution paid through the Sale of Water Agreement will be deducted from the City’s annual Water Conservation Fund Fee of \$20,000.

For Example:

Sale of Water Fee for FY 17/18: \$3,548

Water Conservation Fund Fee for FY17/18: \$20,000 - \$3,548 = \$16,452

Each year, upon calculation of the Sale of Water Fee, the Water Conservation Fund Fee will be calculated and invoiced per the MOU.

Local Water Conservation Project

Per the MOU, a SMSWP member is required to budget and expend an annualized amount of at least 175% of their Water Conservation Fund fee for Local Water Conservation Projects. Healdsburg would be required to budget and expend \$35,000 each year on local water conservation projects. Annually the actual Local Water Conservation Project expenditures will be published in the SMSWP Annual Report.

Execute the Agreement

Healdsburg will bring the MOU before City Council for consideration upon approval of the TAC.