Sonoma Water

August 31, 2026

Sonoma County Local Agency Formation Commission
LAFCO
111 Santa Rosa Avenue
Santa Rosa CA 95404

SUBJECT: Alexander Valley Water District

Sonoma County Water Agency (Sonoma Water) staff recognize the importance of collaboration when managing water resources in Sonoma County. As Sonoma Water staff noted in our June 28, 2024 letter, there is no public water district that provides direct retail water service or water resource management within the unincorporated Alexander Valley region and a new district could provide Sonoma Water with another entity to collaborate with to protect our water resources. Collaboration is important not just for Sonoma Water, but for the region's management of the Russian River. To facilitate collaboration, while also ensuring that Sonoma Water can meet its legal water resource management obligations, the following are crucial approval provisions that would allow Sonoma Water staff to support the current proposal.

- PROPONENTS' PROPOSAL: Allow the District to become a GSA, but with restrictions on its authorities to regulate well pumping. Allow the District to participate in a GSA for the whole basin via MOU, without forming a separate legal entity.
- SONOMA WATER PROPOSED CONDITION LANGUAGE: The District is notauthorized to be a Groundwater Sustainability Agency, or to take any steps to become a Groundwater Sustainability Agency. However, the District is authorized to participate in the formation of a Joint Powers Authority that would create a new legal entity to act as the Groundwater Sustainability Agency for the two groundwater basins (1-54.01 Alexander Valley, 1-54.01 Alexander Area; 1-54.02 Alexander Valley, 1-54.02 Cloverdale Area). In the event of the consolidation of Groundwater Sustainability Agencies within Sonoma County, the District is authorized to participate in a separate Joint Powers Authority that covers more than 1-54.01 Alexander Valley, 1-54.01 Alexander Area; 1-54.02 Alexander Valley, 1-54.02 Cloverdale Area. In no event shall the District participate in a Groundwater Sustainability Agency Joint Powers Authority that does not include Sonoma Water.

Sonoma Water must be included in any Joint Powers Authority (JPA) that becomes a Groundwater Sustainability Agency (GSA) because Sonoma Water manages and coordinates releases from Lake Mendocino and Lake Sonoma, administers key Russian River water supply operations, and is responsible for complying with instream flow and environmental requirements that directly affect groundwater and surface water interactions throughout Sonoma County. Sonoma Water's reservoir operations, drought planning, streamflow management, and water supply forecasting provide information and operational capabilities that are essential to sustainable groundwater management. If Sonoma Water is not involved in the GSA, it would make coordination between groundwater management

decisions and the operation of the Russian River system harder, leading to less desirable results.

Many Sonoma County groundwater basins are hydraulically connected to the Russian River and its tributaries. Groundwater pumping can affect streamflows, and reservoir releases can affect groundwater recharge and river conditions. Because Sonoma Water manages releases that maintain Russian River flows under Decision 1610 and related regulatory requirements, it has expertise and responsibilities that are materially important for proper Sustainable Groundwater Management Act implementation.

Lastly, to ensure cooperative and consistent groundwater management, any GSA should geographically cover the entirety of the basin.

- PROPONENTS' PROPOSAL: Authorize the District to administer a water rights sharing program "in coordination" with other agencies.
- SONOMA WATER PROPOSED CONDITION LANGUAGE: The District is authorized to administer or participate in administering water rights sharing programs, including extraterritorial water rights sharing programs, solely through a binding Memorandum of Understanding with Sonoma Water. For the purposes of this term and condition, water rights sharing programs include, but are not limited to, responses to curtailments and FloodMAR initiatives.

Sonoma Water controls and coordinates water supply releases from Lake Mendocino. Any water-sharing program that relies on releases of stored water necessarily affects the timing and quantity of releases that Sonoma Water manages. Without Sonoma Water's participation, a sharing program could allocate water on paper, but the entity responsible for actually releasing that stored water would not be part of the administration process.

Sonoma Water also operates under water right permits that require compliance with Decision 1610 minimum instream flow requirements and related biological opinion obligations. Reservoir releases are not made solely for water supply purposes; they are also used to satisfy environmental and fisheries requirements in the Russian River system.

As a result, any water sharing decision can affect not only available storage, but also river flows, fish habitat, and compliance with state and federal regulatory requirements.
Sonoma Water must be able to evaluate whether a proposed voluntary water sharing program is compatible with those Lake Mendocino management obligations.

Finally, Sonoma Water has the operational models and data needed to determine water availability and under what conditions it can be released for water sharing purposes without interfering with other uses.

- PROPONENTS' PROPOSAL: The Proponents mention the 10,000 acre foot reservation in their plan for services, but do not explicitly discuss conditions with respect to this issue, other than the District would have the extraterritorial power to "administer" a water rights sharing program.
- SONOMA WATER PROPOSED CONDITION LANGUAGE: The District is notauthorized to administer or participate in administering the 10,000 acre foot reservation in State Water Resources Control Board Decision 1610, except as may be permitted through a binding Memorandum of Understanding with Sonoma Water.

A term in Sonoma Water's water right permit reserves 10,000 acre-foot-per-year (AFY) of Lake Mendocino water for the rights of post-1949 water right appropriations located in Sonoma County. The water sharing program the proponents seek to administer has discussed management of the 10,000 AFY reservation.

Ordinarily, a party that stores water in a reservoir has a right to later use and release that stored water free from claims by junior appropriators. The reservation creates an exception to that general rule by making up to 10,000 AFY of Lake Mendocino storage available for qualifying post-1949 appropriative rights. The reservation allows appropriators entitled to access the 10,000 AFY reservation from water stored in Lake Mendocino. However, access to the reservation is conditioned on meeting Sonoma Water's minimum instream flow requirements.

Sonoma Water administers the reservoir operations and holds the underlying storage permit under which the reservation exists, while the beneficiaries of the reservation depend on Lake Mendocino releases for the exercise of those rights.

Additionally, Sonoma Water has the operational models and data needed to determine whether and how much of the 10,000 AFY reservation is available in any given year under what conditions it can be released for water sharing purposes without interfering with other higher priority uses.

Please do not hesitate to contact me if you have any questions at
Grant Davis Grant.Davis@scwa.ca.gov .

Sincerely,

Grant Davis
General Manager

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Via Email

TO: **Chair Harvey and Commissioner Rabbitt, Sonoma Local Agency Formation Commission**

CC: **Verne Ball, Counsel to Sonoma Local Agency Formation Commission**

FROM: **Peter J. Kiel, Counsel for Petitioners for the Alexander Valley Water District**

SUBJECT: **Alexander Valley Water District Governance Conditions**

DATE: **August 11, 2026**

Thank you for reconsidering the denial of the Alexander Valley Water District petition and agreeing to work with the petitioners on a potential approval resolution. I recommend that we first discuss the landowner district governance issues. My summary of the governance issues and proposed resolution of these related points are below.

I. LANDOWNER DISTRICTS AND SGMA

LAFCO Counsel raised a question regarding landownership voting versus registered voter districts in the context of the Sustainable Groundwater Management Act (SGMA). A staff draft Condition (below) proposed that AVWD not have the authority to be a groundwater sustainability agency (GSA) except as a member of a joint powers authority GSA with other agencies responsible for the two groundwater subbasins underlying the district. The City of Cloverdale supports this draft Condition.

> The District is authorized to participate in a Joint Powers Authority that would act as the Groundwater Sustainability Agency (GSA) for the two groundwater basins (1-54.01 Alexander Valley, 1-54.01 Alexander Area; 1-54.02 Alexander Valley, 1-54.02 Cloverdale Area). The District shall not act as a GSA in any capacity, except as a member of a Joint Powers Authority.

Petitioner Response:
In their Petition for Reconsideration, AVWD petitioners support and agree to the spirit of this proposed condition with a minor proposed revision to allow the agencies managing the groundwater basins to choose a model other than a JPA, such as a "Coordination Agreement, MOU, or other agreement."

II. BOARD OF DIRECTORS MEMBERSHIP AND INTERGOVERNMENTAL PARTICIPATION

Concerns were expressed that in a landowner-controlled district the weight of voting control would be proportional to acreage (at formation) or assessed value (post formation), which could lead to disproportionate control by the larger landowners.

Petitioner Response:
Leadership diversity has been a concern of the applicants from the initial discussions regarding formation of the AVWD five years ago. The concern can be alleviated by increasing the number of Board of Directors (as provided for by the Principal Act) and creating categories for Board of Director membership (qualifications) that reflect various owner characteristics including parcel size groupings, water use type, and other agency representation. Additionally, conditions can require creation of a broad-based Advisory Committee to the Board of Directors to reflect and strengthen the intergovernmental functions and cooperation of AVWD.

Applicable Legal Authority:
The Water Code limits the initial board to five directors. After four years, AVWD may increase the Board to seven or more directors. (Water Code 34708.) Eligible AVWD directors are landowners within the district and landowner's appointees or delegates ("legal representatives"). (Water Code 34700.)

The Cortese Knox Hertzberg Act permits the Sonoma County Board of Supervisors to appoint the initial board of directors of a newly-created district.

A landowner may nominate a representative who is not a landowner. We anticipate that landowners will nominate a diverse group of representatives for consideration by the Board of Supervisors.

Petitioners stipulate that the Commission has the legal authority to impose director eligibility and qualification conditions not in conflict with the express provisions of the Principal Act.

Proposed Conditions:
Four special conditions are proposed to ensure a diversity of interests and intergovernmental cooperation:

1) Proposed Condition #1. The initial Board of Directors of the Alexander Valley Water District shall be composed of five (5) members appointed by the Sonoma County Board of Supervisors. Directors shall be eligible under California Water Code section 34700. At least one director shall be a domestic well user on a parcel of 10 acres or less. At least one director shall be a farmworker residing in the District. At least three directors shall be registered voters residing within the District, who may also qualify for the domestic well user and farmworker seats. Three directors shall serve four-year terms and two directors shall serve two-year terms
2) Proposed Condition #2: The initial Board of Directors of the AVWD shall, within one year of formation and after consultation with the Commission, adopt bylaws and take other appropriate action under the provisions of the Principal Act to ensure that the AVWD Board represents a diversity of landowner and registered voter interests in the

Alexander Valley. The Board shall adopt director qualification criteria that require a majority of the Directors to be registered voters residing within the District. The Board may adopt other director qualification criteria including land ownership size, land use or water use type (e.g., residential, hospitality, retail services), landowner type (e.g., water supplier entity, tribal, nonprofit, etc.), and occupation. The Board shall provide the draft bylaws to the Commission and consider Commissions comments before adoption.

3) Proposed Condition #3. The Board shall, four years following formation, increase the number of Board members to at least seven in accordance with Section 34708 of the Principal Act.

4) Proposed Condition #4. The initial Board of Directors of the AVWD shall, within six months of formation, form a standing Advisory Committee of members appointed by AVWD and other organizations to provide advice and guidance to the Board. Qualifying members of the Advisory Committee shall include but not limited to the following members:

AVWD Board Appointed Members	Other Appointed Members
• Agricultural interests • Business community interests • Environmental interests • Rural residential well-owners	• City of Cloverdale appointee • City of Healdsburg appointee • County of Sonoma appointee • Dry Creek Rancheria appointee • Independent Water Systems appointee • Lytton Rancheria appointee • Sonoma County Water Agency appointee • Sonoma Resource Conservation District appointee

III. PROTEST PROCEEDING AND ELECTIONS

Approval of the AVWD Application and Petition by the Commission does not enact the district. Its formation is conditioned on two democratic processes. First, the Commission must hold a protest proceeding that includes registered voters and landowners. A majority protest from either group would terminate AVWD.

Second, after the protest hearing and after the Board of Equalization approves the district boundary map, the district formation is subject to a landowner election. If a majority of the votes cast in the election do not support formation, the district is terminated.

A Commission condition would also provide that the district shall be dissolved if a revenue measure (e.g., special benefit assessment approved by voters) is not approved within one year of formation of the district.

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Via Email

TO: **Chair Harvey and Commissioner Rabbitt, Sonoma Local Agency Formation Commission**

CC: **Verne Ball, Counsel to Sonoma Local Agency Formation Commission**

FROM: **Peter J. Kiel, Counsel for Petitioners for the Alexander Valley Water District**

SUBJECT: **Alexander Valley Water District Geographic Scope Issues**

DATE: **August 20, 2026**

I. INTRODUCTION

The Commission on August 3 stated that there were open questions regarding the geographic scope of the Alexander Valley Water District. The Commission has the ultimate authority to set the District boundary and to include and exclude individual parcels from the boundary. The Commission also has authority to condition the geographic scope of services the District will provide. The geographic issues fall within the following three broad categories.

- Should the District boundary be expanded to include the Chalk Hill area and portions of the Russian River watershed, or be reduced?

Petitioners do not recommend expanding or reducing the District boundary at this time. The proposed boundary is narrowly drawn to the floor of the Alexander Valley, an area that has a common supply of water and acute water management needs. Annexation of upland watershed lands may be appropriate in the future.

- Should certain parcels be removed from the district boundary for policy or legal grounds?

Petitioners support the exclusion of parcels within Rains Creek Water District, Clover Crest Mutual Water Company, and West Water Company. Petitioners also support the removal or non-regulation of parcels held by the Dry Creek Rancheria and Lytton Rancheria of California.

Petitioners support the inclusion of about 15 parcels that requested inclusion in the District because the District can provide services to these parcels not offered by another water service provider.

- Which District services should be authorized outside of the boundary (extraterritorial services)?

Petitioners request authority to provide three limited extraterritorial services: (a) administer the Russian River Water Sharing Program within Sonoma County, an administrative function on behalf of willing participants; (b) contract for and convey Eel River water from outside the boundary (from the Eel Russian Project Authority) to users within the District boundary; and (c) provide water supply to parcels within 1000 feet of the boundary that have existing wells, pipelines and reservoirs within the boundary.

II. RATIONALE FOR PROPOSED BOUNDARY

Petitioners considered various alternatives before determining the floor of the Alexander Valley was the most appropriate boundary for the District for scientific, policy and management reasons. The Alexander Valley floor has a common supply of surface water from the mainstem Russian River that is interconnected with an extensive groundwater supply that is geologically and hydrologically distinct from the surrounding uplands. The valley floor has long been identified as the geographic region with the greatest need for water management services. While the upslope watershed is an important water supply for the floor of the Alexander Valley, Eel River imports and storage in Lake Mendocino directly and materially affect the water supply of the Alexander Valley floor but not the surrounding uplands. The valley floor is also roughly coterminous with two groundwater subbasins defined by the California Department of Water Resources, the Cloverdale Area and the majority of the Alexander Area subbasins. For these reasons, Petitioners defined the proposed boundary as the unincorporated parcels overlying the Cloverdale Area Subbasin and the valley floor portions of the Alexander Area Subbasin, and more specifically as follows:

> *The proposed boundary includes the valley floor of the Alexander Valley, generally along the mainstem of the Russian River beginning in the north near the City of Cloverdale approximately 1.5 miles from the Mendocino County border and ending in the south approximately 3 miles east of the City of Healdsburg. The boundary encompasses a contiguous area that overlies portions of two groundwater basins, the Alexander Area Subbasin and Cloverdale Area Subbasin, defined by the California Department of Water Resources ("DWR"). The AVWD would include the unincorporated areas overlying the Cloverdale Area Subbasin and the valley floor portions of the Alexander Area Subbasin. The upland areas of the Alexander Area Subbasin, the Chalk Hill area, and the Mark West Creek watershed, are proposed to be excluded from the AVWD because these areas lack a sufficient nexus with the mainstem Russian River and its interconnected groundwater. Although the Principal Act provides that a district may include land situated in other distinctive district agencies of the State, including other water districts organized under the provisions of the California Water District Law having different plans and purposes the object of which is not the same (Wat. Code § 34157), the City of Healdsburg, the City of Cloverdale, the Rains Creek Water District, Sonoma County CSA 41 (and their respective Spheres of Influence), and tribal trust lands are excluded from the proposed AVWD boundary.*

The Commission has the ultimate authority to change the district boundary and to include and exclude individual parcels from the boundary.

III. BOUNDARY EXPANSION OR REDUCTION

A. Watershed Expansion

Some commenters have requested that the boundary be expanded to include the surrounding upland watershed. Petitioners do not believe that the record demonstrates the need or feasibility to expand the boundary to include any substantial part of the watershed. The watershed is much larger than the valley floor, and the water management needs of the uplands are substantially different. Petitioners, however, agree that modest expansion to include upland properties that use water from the valley floor may be appropriate in the future when additional information on water sources become available. Petitioners request the Commission acknowledge that uplands may be included by annexation in the future.

B. Chalk Hill Expansion

Petitioners did not include the uplands portion of the Alexander Area subbasin (Chalk Hill and Mark West Creek watershed) in the District boundary because this portion of the aquifer is not substantially influenced by the mainstem of the Russian River and much of the area's land use is open space and livestock grazing. Some commenters questioned whether the exclusion of this area from the District would leave this portion of the subbasin unmanaged under SGMA. Petitioners do not believe that this area will be unmanaged if the basin is required to be managed under SGMA. Sonoma County would necessarily need to be part of a future GSA for this subbasin to manage unincorporated parcels that are not located within the District and City of Healdsburg.

C. Removal of Residential Concentrations

Some commenters have proposed that the boundary be reduced to exclude areas with higher residential concentrations, such as the community of Geyserville. While removal of residential areas would alleviate some concerns about registered voter representation in a landowner vote district, Petitioners do not support removal of residentially zoned parcels without an express request from those residential voters or landowners. The District will provide benefits for all residents and water users within the District, and it would be short-sided to exclude a subset of lands without valid justification.

IV. EXCLUSION OF PARCELS FOR POLICY OR LEGAL GROUNDS

Signed petitions and other written requests from six landowners for inclusion of property outside the District boundary were received. Petitioners support each request because these properties are located immediately adjacent to or are in close proximity to the boundary.

At least one oral request for exclusion was made at one of the Commission hearings. Petitioners do not have any information about this request to state a position.

Representatives for the Rains Creek Water District, an independent public agency serving a population of 208, and Clover Crest Mutual Water Company, a private water company that distributes water supplied by the City of Cloverdale, requested exclusion from the district boundary. The private West Water Company (13 connections) did not request exclusion, but the impending consolidation of this water system into County Service Area No. 41 counsels that it be removed from the district boundary now. The Petitioners support these exclusions.

The Dry Creek Rancheria and Lytton Rancheria of California tribes wrote the Commission supporting formation of the District but request that the tribes' privately owned lands are excluded from the District. The District would cooperate with the tribes through intergovernmental agreements. Petitioners support the request to exclude the tribal fee lands (about 1,500 acres, or 5% of district area) from the District and to expressly authorize the District to provide extraterritorial service to the lands, subject to the terms and conditions of the intergovernmental agreements.

V. EXTRATERRITORIAL SERVICES

Petitioners have clarified and refined the proposed extraterritorial services in their Request for Reconsideration. The following are the proposed changes to the draft Resolution Section h. Initially Authorized Extraterritorial Services with a brief rational for the changes.

~~3.~~2. The District may in coordination with other agencies administer a Russian River Water Sharing Program that includes participants within the boundaries of the District and is authorized pursuant to section 56133 to include willing participants throughout the entire Russian River watershed within Sonoma County. The District is authorized to provide services to manage curtailment activities for customers within the District.

The Water Sharing Program will be an important water management tool for thousands of Russian River water users in Mendocino and Sonoma counties. Water districts in Mendocino County have expressed an intent to jointly manage the program with entities in Sonoma County. No water districts have committed to manage the program in Sonoma County. The District's role would be administrative and focused on the Sonoma County portion of the watershed: conduct outreach and enroll voluntary participants in Program; evaluate water right terms and conditions; jointly file water right petitions to the State Water Resources Control Board; verify compliance with water sharing terms and conditions; and report Program compliance to State Water Board. The Program may not be feasible if the Commission limited the District's authority to water users within the District boundary because no other entity has asserted the legal or administrative capacity to provide this service in Sonoma County.

~~4. The District may administer a Water Demand Management Program for Russian River Frost Protection Regulation solely within the boundaries of the District.~~

The Frost Regulation service has been voluntarily removed.

~~5.~~3. ~~The District is authorized to assist in funding future diversion infrastructure, and assist in funding the operation of that infrastructure, should~~ If the Eel-Russian Project Authority or other water supply agency ~~pursue such a project/program~~ constructs a new Eel-River Diversion Facility, the District is authorized pursuant to section 56133 to acquire, administer, and distribute Eel River water to users within the District.

Petitioners do not request the authority to sell or manage Eel River water outside of the District, but it seeks the extraterritorial service authority to acquire and convey this water supply that originates outside the district.

~~6.~~4. The District is authorized to seek water storage opportunities to serve ~~property owners~~ properties within the District and is authorized pursuant to section 56133 to serve properties up to 1000 feet outside the District that are served by existing pipelines, reservoirs and wells within the District.

Petitioners identified numerous parcels in the uplands outside of the boundary that use water from the valley floor. The District seeks the authority to enhance existing and develop new water supplies for all properties within and outside the District that rely on this common water supply. Limitation of this extraterritorial service to properties within 1000 feet of the boundary that are served by existing pipelines, reservoirs and wells within the District recognizes that the Petitioners and Commission have not identified the specific parcels served by these existing facilities. Extraterritorial service authority will allow the District to cooperate with the Dry Creek Rancheria and Lytton Rancheria of California on the existing on-farm recharge program and future programs.