

Petition for the Formation of the Alexander Valley Water District

The undersigned landowners hereby petition the Sonoma Local Agency Formation Commission (LAFCO) to form the Alexander Valley Water District (AVWD) and establish a new Sphere of Influence (SOI) for the AVWD.

Petitioners are self-supplied domestic, industrial, and irrigation water users in the Alexander Valley who possess their own water rights and operate their own water facilities to divert water from the Russian River and groundwater basins interconnected with the Russian River. This common water supply has become unreliable and is at risk due to frequent droughts and a drastic reduction in the historical importation of Eel River water to the East Fork Russian River from the Potter Valley Project hydropower facilities. A new water district is needed to help Alexander Valley landowners reliably manage and ensure the sustainability and conservation of existing water supplies, implementing programs such as the Water Sharing Program and expanding groundwater management.

1. **Statutory Conformance.** This application is made pursuant to Part 3, Division 3, Title 5 of the California Government Code commencing with section 56000 of the Cortese-Knox-Hertzberg Local Government Reorganization Act (LAFCO Act); and the California Water District Law, as amended, in Division 13, sections 34000-38501 of the California Water Code (the Principal Act.) The items below address the statutory requirements for petitions to form a new water district and are followed by a statutory reference, where applicable.
2. **Nature and Name of the Proposed District/Change of Organization:** The formation of a California Water District, establishment of its Sphere of Influence, and provision of limited extraterritorial service is proposed. (Wat. Code § 34165; Gov. Code §§ 56021(b); 56076, 56133, 56425, 56700(a)(2).) No other local government change of organization is proposed. The proposed name of the new district is the “Alexander Valley Water District.” (Wat. Code § 34165(a).)
3. **Boundary:** The proposed boundary of the AVWD is shown on **Exhibit A** and is further described on **Exhibit B.** (Gov. Code §§ 56652(c), 56700(a)(3); Wat. Code § 34165(b).) 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.
4. **Acres:** The proposed AVWD boundary includes an estimated 28,800 acres. (Wat. Code § 34165(d).)

5. **Petitioners and Sources of Water for the Uses of the District:** Petitioners own the majority of land within the proposed AVWD boundary, an area that is served from numerous wells that extract a common source of Russian River surface water and interconnected groundwater. (Wat. Code §§ 34153, 34165(f).)
6. **Inhabited Area:** The area of the proposed AVWD is inhabited by the unincorporated town of Geyserville with a population of approximately 1,600 people, several smaller rural subdivision residential communities, and scattered rural residential developments. (Gov. Code § 56046.)
7. **Proposed Sphere of Influence:** The AVWD sphere of influence is proposed to be coterminous with the proposed AVWD Boundary (Gov. Code §§ 56076, 56425), provided that the AVWD shall be empowered to provide extraterritorial service as follows: (a) management and enforcement of the Russian River water sharing program within the Russian River watershed within Sonoma County; and (b) to contract for and arrange for the importation, distribution and sale of Eel River water to willing buyers within the Russian River watershed within Sonoma County (Gov. Code § 56133). The proposed AVWD Boundary and coterminous sphere of influence are consistent with and do not encroach upon the adopted sphere of influence of any affected city or affected district. (Gov. Code § 56700(a)(9).)
8. **Affected County and other Affected Government Agencies (Wat. Code § 34165(c); Gov. Code §§ 56011-56014.):**
 - a. County of Sonoma (unincorporated territory), which provides municipal and regional services including well permitting;
 - b. City of Healdsburg, which provides municipal services including water supply;
 - c. City of Cloverdale, which provides municipal services including water supply;
 - d. Sonoma County Water Agency (Sonoma Water), which provides regional flood control and wholesale water supply services;
 - e. Sonoma Resource Conservation District (covers most of Sonoma County);
 - f. Dry Creek Band of Pomo Indians (River Rock Casino and surrounding tribal lands in agricultural use);
 - g. U.S. Army Corps of Engineers;
 - h. Rains Creek Water District, which provides municipal water to a population of 208 south of Cloverdale;
 - i. Sonoma County CSA 41-Fitch Mountain, which provides municipal water service to a community of 339 service connections and future water service to 13 service connections on Else Way, Cloverdale (West Water Company);
 - j. Lytton Rancheria (Lytton Springs Water System); and
 - k. Sixty-five mutual and private water companies that also draw upon local water supplies.
9. **Reason for the Proposed AVWD:** Pursuant to Government Code section 56700(a)(5), the reason for the proposed AVWD is to enable local management of water resources through a California Water District with all the powers and duties of such an agency. (Wat. Code §§ 34000 to 38501.) The AVWD will cooperate with other agencies and landowners in the conjunctive management of surface water and groundwater resources through data management, optimization of groundwater recharge, conservation, and funding infrastructure consistent with water district powers (Wat. Code §§ 35400-

35509) and the goals and requirements of the Sustainable Groundwater Management Act of 2014 (SGMA) (Wat. Code §§ 10720-10738, specifically §§ 10725-10726.9). The AVWD will participate in creating a Groundwater Sustainability Agency (GSA), when and if it is mandated in cooperation with other agencies with water management responsibilities within the Alexander Valley and Cloverdale Area subbasins, including the Sonoma County Water Agency, City of Healdsburg, the City of Cloverdale, and private and mutual water companies.

10. Plan for Providing Services (Gov. Code § 56653): The Russian River runs through the Alexander Valley, which also overlies the largest continuous aquifer in the County. The interconnected surface water and groundwater in the Valley are the sole source of water for the cities of Healdsburg and Cloverdale, three Native American tribes, over 60 private and mutual water companies, thousands of homes served by individual domestic wells, 43 wineries and about 20% percent of the County's vineyard acreage. Alexander Valley is facing a water supply crisis with the loss of Eel River imports. No entity other than AVWD can improve the reliability and availability of the groundwater and surface water available to lands within the district. AVWD will provide four core services:

- Establish and Manage Russian River Voluntary Water Sharing Program. The loss of Eel River imports will cause Russian River surface water shortages in most years. A Water Sharing Program, that builds upon the 2022 trial program, is needed to allow willing water right holders to share water with those at greatest risk of loss. The Program will require the preparation and filing of a group water right change petition to the State Water Resources Control Board (State Water Board), a California Environmental Quality Act (CEQA) analysis, and a rigorous water accounting system. The Program requires a governmental entity responsible for complying with CEQA, implementing a water diversion and use methodology, tracking and accounting water transfers, and verifying and enforcing compliance with the Program's terms. AVWD would partner with water agencies in Mendocino County who lack authority to manage water in Sonoma County. This program will include participants within the Russian River watershed within Sonoma County who are outside the district boundary, which will require LAFCO to approve extraterritorial service.
- Groundwater Investigation and Management. More efficient management of existing water supplies, such as reliance on surface water in wetter periods and reliance on groundwater in dryer periods, may obviate the need to import water from the Eel River. AVWD will study the complex interactions of surface water and groundwater in the Alexander Valley region and develop management programs to conserve and utilize these resources more efficiently. To better understand the relative demands on the Russian River, tributary surface waters and groundwater basins, AVWD will also develop a water diversion and use measurement methodology. This service will utilize Principal Act and SGMA powers. AVWD would represent Alexander Valley Water users, currently not enfranchised, to participate in a GSA joint powers authority that would include other water using agencies tapping Alexander Valley groundwater, including the Cities of Cloverdale and Healdsburg.
- Groundwater Recharge Program. The Dry Creek Rancheria Band of Pomo Indians has obtained grant funding for an on-farm groundwater recharge program on up to 7,000 acres of agricultural land within the proposed boundary of AVWD. This program will require an entity to construct and operate new water diversion and conveyance facilities, file water right applications and obtain other regulatory approvals, and monitor and report performance of the program. Participating landowners in the program, who are also petitioners for formation

of AVWD, propose that AVWD fund needed infrastructure and water management services on a fee-for-service basis.

- Participate in New Eel River-Russian River Diversion. PG&E has determined that operation of the Potter Valley Project (PVP) is not financially viable and has initiated the process of surrendering the license and decommissioning the PVP. A regional partnership of the Mendocino County Inland Water and Power Commission (MCIWPC), Sonoma County Water Agency (Sonoma Water), and the Round Valley Indian Tribes (RVIT) announced an August 3, 2023 proposal to create a Regional Entity that has the legal and financial capacity to own, construct and operate a new water diversion facility. Petitioners propose that AVWD will represent their interests in that effort, potentially becoming a member of the Regional Entity. If a new diversion facility is constructed AVWD would contract, manage and bill for this water supply on behalf of lands within the district.

11. **Funding of AVWD services (Gov. Code § 56653):** The AVWD will have the funding authority as specified in the Principal Act, subject to Constitutional and statutory requirements, including special benefit assessments, regulatory fees, and charges for services rendered. The AVWD will also compete for grants available from regional, State, and federal agencies and draw upon interagency funding as it may become available.

Subject to applicable constitutional and statutory requirements (Cal. Const. Articles XIII A, XIII C, and XIII D; Wat. Code §§ 35470-35472, 10730-10731; Gov. Code § 53753), the parties signing this Petition, being owners of a majority of the land area (acreage) and majority of assessed land value within the proposed AVWD, do consent to the District levying an initial special assessment on all qualifying District lands and consent to authorize the County of Sonoma to collect such assessments along with other County taxes and assessments as follows:

- a. For irrigated lands that rely on groundwater or surface water, an initial assessment for costs associated with establishing the services of the proposed AVWD, the Sustainable Groundwater Management Act (“SGMA”) (Wat. Code § 10720 et seq.), and GSA-related expenses which shall not exceed \$20 per acre per year; and
- b. For non-irrigated lands that do not rely on groundwater, or any surface water supplies other than that needed for watering of livestock, and which lands remain in grazing or other open space uses, an initial assessment associated with establishing the services of the AVWD and compliance with SGMA and GSA-related expenses which shall not exceed \$1 per acre per year; and
- c. For commercial and industrial lands that rely on groundwater or surface water for process-related purposes, an initial assessment of costs associated with establishing the services of the AVWD, SGMA, and GSA-related expenses which shall not exceed \$100 per acre per year; and
- d. For occupied residential parcels, an initial assessment for costs associated with establishing the services of the AVWD and with compliance with SGMA and GSA-related expenses, which shall not exceed \$50 per occupied residential dwelling per year.
- e. Parcels with multiple uses and parcels supplying water outside the district will pay a tiered assessment based upon the forgoing use-based assessment rate limits.

Any additional special assessments in excess of the foregoing limitations shall only be levied upon the AVWD landowners following the applicable procedures prescribed by Articles XIII A, XIII C, and XIII D of the California Constitution, the California Water Code, and the California Government Code.

12. **Requested terms and conditions of District formation:** Pursuant to Government Code section 56700(a)(4), the undersigned landowners set forth the following proposed terms and conditions:
- a. The first Board of Directors of the AVWD shall consist of five landowner-voters elected at-large. At the formation of the AVWD, two Board members will be elected for an initial two-year term, and three Board members will be elected for an initial four-year term. Thereafter, the term of office of each Board member shall be four years or until a successor qualifies and takes office. (Wat. Code §§ 34700-34705.). Petitioners encourage the initial Board of Directors to adopt bylaws and take other appropriate action, pursuant to the provisions of the Principal Act, to ensure that the AVWD Board represents a diversity of interests. Petitioners encourage the Board to increase the number of Board members (Wat. Code § 34708), establish geographic divisions for Board director elections (Wat. Code §§ 35025-35031), and establish director qualification criteria (e.g., size or type of landownership, occupation, or interest group affiliation).
 - b. Full authority pursuant to the California Water District Law (Wat. Code §§ 34000-38501) to engage in activities authorized for water districts, unless limited by Sonoma LAFCO as a term or condition of district formation.
 - c. Full authority to comply with and exercise all provisions of SGMA, including the ability to elect to become and exercise the powers of a GSA and to cooperate with other public agencies through exercise of joint powers. (Wat. Code §§ 10720-10738, specifically §§ 10723-10726.9 [establishment of groundwater sustainability agencies and GSA powers].)
 - d. Authority to impose assessments, rates, and charges with majority landowner-voter approval and subject to Articles XIII A, XIII C, and XIII D of the California Constitution, the California Water Code, and the California Government Code to recover costs of formation of the District, costs of District operation, funding improvements and repairs, providing for depreciation of District facilities, and paying principal and interest on landowner-approved debt.
 - e. Before filing the Certificate of Completion, a final ‘metes and bounds’ legal description and boundary map(s) will be submitted to reflect the service area and sphere of influence boundaries of the AVWD as adopted by the LAFCO Commissioners. (Gov. Code §§ 56020.5, 57200 et seq.)
 - f. Certain properties within the Proposed Boundary shall be excluded from the AVWD including parcels held by public agencies and tribal trust lands that are identified in **Attachment B**.
 - g. Authority to provide extraterritorial service associated with the Russian River water sharing program and Eel River water importation, distribution and sale within the Russian River watershed within Sonoma County. (Gov. Code § 56133.)
 - h. The effective date of formation for the AVWD will be determined by the timing of the certification of the election results by the Board of Supervisors (if such election is required) and the filing of the Certificate of Completion by the LAFCO Executive Officer with the County Clerk-Recorder’s office. (Gov. Code §§ 57176-57204.)
 - i. That the appropriations limit (Gann) be established during the formation process and consistent with Government Code section 56811 and Article XIII B of the California Constitution.
 - j. That the Sphere of Influence of the AVWD will be co-terminus with the AVWD’s service area boundary. (Gov. Code § 56426.)

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- i. That the appropriations limit (Gann) be established during the formation process and consistent with Government Code section 56811 and Article XIII B of the California Constitution.
- j. That the Sphere of Influence of the AVWD will be co-terminus with the AVWD's service area boundary. (Gov. Code § 56426.)
- k. Delegation to the LAFCO Executive Officer authority to conduct all future organizational proceedings subsequent to the formation of the AVWD as required.

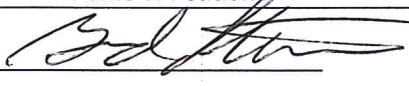
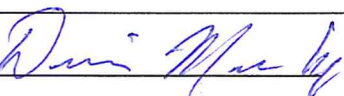
13. **Notices:** Pursuant to Government Code section 56652(f), the following persons are to be furnished with copies of the report of the Executive Officer, notice(s) of hearing(s), and any other notice under the LAFCO Act.

Name:	Name:	Name:
Address:	Address:	Address:
Phone:	Phone:	Phone:
Email:	Email:	Email:

14. **Undertaking and Fees:** An undertaking in the amount of \$10,000 is included with this Petition or has been previously remitted (Wat. Code § 34167.) Payment for applicable Sonoma LAFCO and County of Sonoma fees are also included with this Petition, per Sonoma LAFCO policies, procedures, and guidelines.

15. **Names and Business Addresses of Chief Petitioners:** [minimum of three] (Gov. Code § 56700(a)(6), (7), (8); Wat. Code § 34165(g).), and (Wat. Code § 34165.)

Pursuant to the LAFCO Act and the Principal Act, the undersigned, being owners of land within the proposed district, are the designated chief petitioners and hereby petition, request, and apply to the Sonoma LAFCO for proceedings to be taken on the proposal for the formation of the AVWD and creation of a coterminous SOI. The district to be created, a California Water District, is a Landowner-Voter District that requires that owners of a majority of the land area located in the proposed boundary initiate proceedings to form the AVWD.

Name of Petitioner	Mailing Address	Date Signed
Sign:  Print: <u>Brad Petersen</u>	30588 Gilmore Road Cloverdale, CA 95425	3-12-25
Sign:  Print: <u>Dennis Murphy</u>	Post Office Box 159 Geyserville, CA 95441	3-12-25

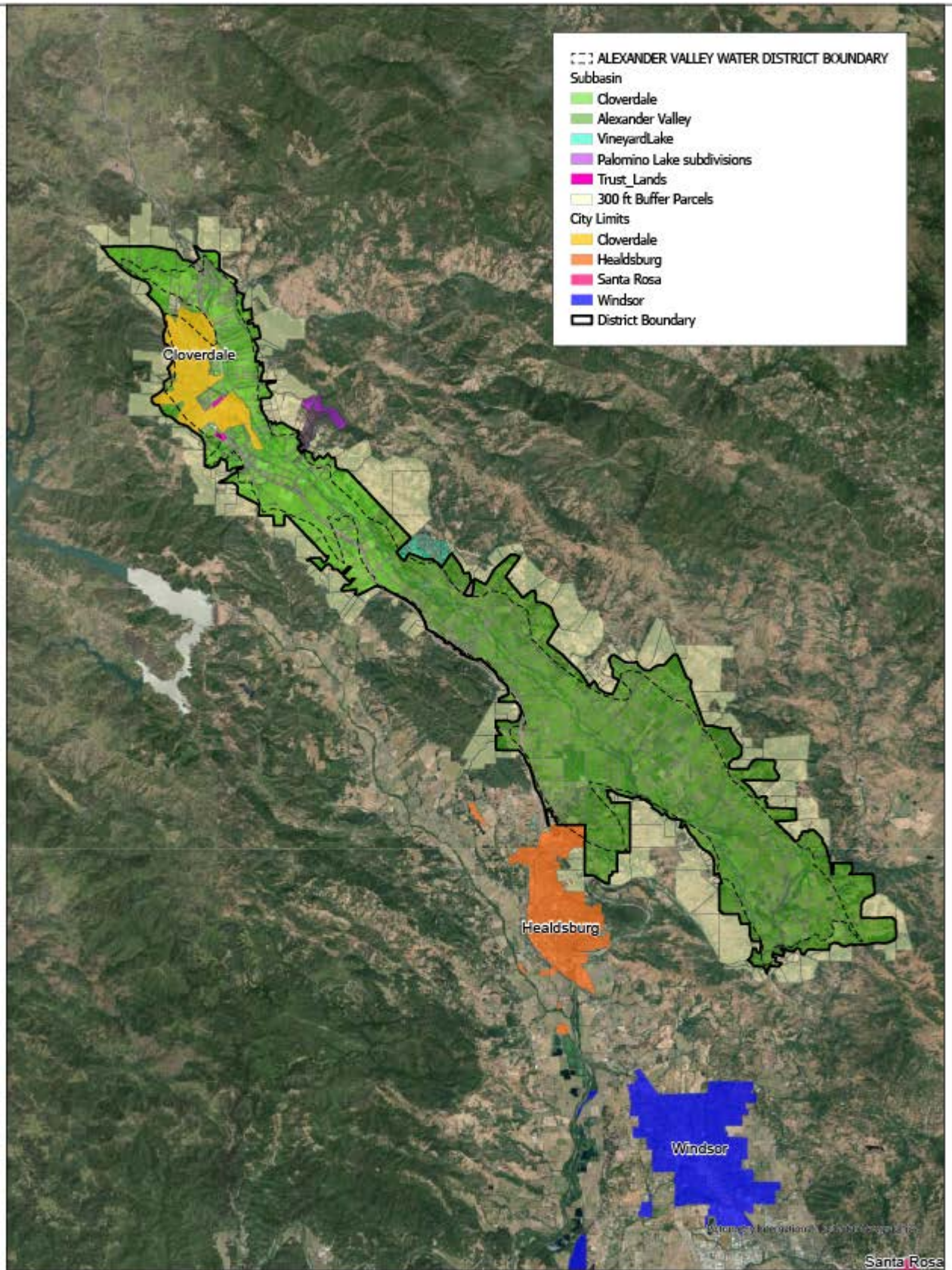
Sign: <u>Jim Young</u> Print: <u>Jim Young</u>	5465 Red Winery Road Geyserville, CA 95441	3-12-2025
Sign: _____ Print: _____		

NOTICE TO THE PUBLIC

THIS PETITION MAY BE CIRCULATED BY A PAID SIGNATURE GATHERER OR A VOLUNTEER. YOU HAVE THE RIGHT TO ASK.

Each signatory states:

- 1) I personally signed this petition; and
- 2) I am the owner or authorized representative of real property within the proposed boundary as listed by Assessor's Parcel Number below; and
- 3) I have reviewed and understand the contents of this AVWD formation petition.



**Proposed Alexander Valley Water District Boundary:
Unincorporated Parcels within the Alexander Valley SGMA Basins
Excluding Tribe Trust Lands and Uplands South of Franz Creek**

Coordinate System: NAD 83
 Projection: UTM
 Spheroid: GRS 1980
 Datum: NAD 83
 Units: Meter
 Authority: EPSG:31433



DRAFT



SIGNATURE PAGE

I am the legal owner, or authorized representative* of an owner, of real property with the legal name of [insert listed landowner/entity] _____, located within the boundary of the proposed district, as listed by the Assessor's Parcel Number(s) as listed below and agree to holding an election in accordance with the California Water District Law, as amended, in Division 13, sections 34000-38501 of the California Water Code, the Cortese-Knox-Hertzberg Local Government Reorganization Act, and the California Elections Code requirements.

Signed:

Print Name:

Dated:

** For landowners other than persons (e.g., partnerships, corporations, trusts,) please complete the following checklist:*

I hereby certify under penalty of perjury that I am entitled to sign this Petition for the landowner and parcel number(s) listed above because (please check the one that applies):

I am the legal representative of the corporate or public entity landowner.

I am the guardian, conservator, executor, or administrator of the landowner. (Please attach documentation of your authority).

I am the trustor or trustee for this land, which is currently held in trust. (Please attach documentation of your authority).

I am a general partner in the partnership that holds title to this land.

List of Parcels Owned

APN #	Address of Parcel	Legal Owner	Acres

		Total Acres owned	

DECLARATION OF CIRCULATOR

(to be completed after above signatures have been obtained)

I, [circulator name] _____, am 18 years of age or older. My residence address is:

I circulated this section of the petition and witnessed each of the appended signatures being written. Each signature on this petition is, to the best of my information and belief, the genuine signature of the person whose name it purports to be. All signatures on this document were obtained between the dates of _____ and _____. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on: _____, at _____.

This petition is in support of the formation of the Alexander Valley Water District pursuant to Government Code section 56700 et seq. and Water Code section 34150 et seq.