

**AGENDA  
BOARD OF SUPERVISORS  
SONOMA COUNTY  
575 ADMINISTRATION DRIVE, ROOM 102A  
SANTA ROSA, CA 95403**

**TUESDAY**

**MARCH 7, 2017**

**8:30 A.M.**

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**(The regular afternoon session commences at 1:30 p.m.)**

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Susan Gorin	First District	Sheryl Bratton	County Administrator
David Rabbitt	Second District	Bruce Goldstein	County Counsel
Shirlee Zane	Third District		
James Gore	Fourth District		
Lynda Hopkins	Fifth District		

This is a simultaneous meeting of the Board of Supervisors of Sonoma County, the Board of Directors of the Sonoma County Water Agency, the Board of Commissioners of the Community Development Commission, the Board of Directors of the Sonoma County Agricultural Preservation and Open Space District, the Board of Directors of the Northern Sonoma County Air Pollution Control District, the Sonoma County Public Finance Authority, and as the governing board of all special districts having business on the agenda to be heard this date. Each of the foregoing entities is a separate and distinct legal entity.

The Board welcomes you to attend its meetings which are regularly scheduled each Tuesday at 8:30 a.m. Your interest is encouraged and appreciated.

**AGENDAS AND MATERIALS:** Agendas and most supporting materials are available on the Board's website at <http://www.sonoma-county.org/board/>. Due to legal, copyright, privacy or policy considerations, not all materials are posted online. Materials that are not posted are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at 575 Administration Drive, Room 100A, Santa Rosa, CA.

**SUPPLEMENTAL MATERIALS:** Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the Board of Supervisors office at 575 Administration Drive, Room 100A, Santa Rosa, CA, during normal business hours.

**DISABLED ACCOMMODATION:** If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Clerk of the Board at (707) 565-2241 or [bos@sonoma-county.org](mailto:bos@sonoma-county.org) as soon as possible to ensure arrangements for accommodation.

**Public Transit Access to the County Administration Center:**

Sonoma County Transit: Rt. 20, 30, 44, 48, 60, 62

Santa Rosa CityBus: Rt. 14

Golden Gate Transit: Rt. 80

For transit information call (707) 576-RIDE or 1-800-345-RIDE or visit or <http://www.sctransit.com/>

***APPROVAL OF THE CONSENT CALENDAR***

The Consent Calendar includes routine financial and administrative actions that are usually approved by a single majority vote. There will be no discussion on these items prior to voting on the motion unless Board Members or the public request specific items be discussed and/or removed from the Consent Calendar.

***PUBLIC COMMENT***

Any member of the public desiring to address the Board on a matter on the agenda: Please walk to the podium and after receiving recognition from the Chair, please state your name and make your comments. In order that all interested parties have an opportunity to speak, please be brief and limit your comments to the subject under discussion. Each person is usually granted time at the discretion of the Chair. While members of the public are welcome to address the Board, under the Brown Act, Board members may not deliberate or take action on items not on the agenda.

**8:30 A.M. CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**I. APPROVAL OF THE AGENDA**

(Items may be added or withdrawn from the agenda consistent with State law)

**II. CONSENT CALENDAR**

**SONOMA COUNTY WATER AGENCY**

(Directors: Gorin, Rabbitt, Zane, Gore, Hopkins)

1. Adopt a Resolution for drought response grant funding to authorize the General Manager of the Sonoma County Water Agency, or his designee, to:
  - (A) File a grant application with the US Department of the Interior, Bureau of Reclamation's WaterSMART Drought Response Program;
  - (B) Certify that the Water Agency will provide the amount of match funding and/or in-kind contributions specified in grant applications;
  - (C) Execute a Grant Agreement with the US Department of Interior, Bureau of Reclamation; and
  - (D) Take all necessary actions to carry out the project and implement the grant agreement.  
(First and Second District)
  
2. Russian River Watershed Modeling to Improve Water Management.
  - (A) Authorize Water Agency's General Manager to execute a joint funding agreement with United States Geological Survey, United States Department of the Interior, for Russian River watershed hydrological analysis and groundwater flow modeling for the term October 1, 2016, through October 31, 2020, in the amount of \$816,809 (Water Agency share \$489,500, USGS share \$127,309, local participants' share \$200,000).
  - (B) Authorize the General Manager to amend this agreement in ways that do not increase amount paid or significantly change the scope of work or length of the agreement.
  - (C) Authorize Water Agency's General Manager to execute a cooperative funding agreement with City of Ukiah, County of Mendocino, Mendocino County Russian River Flood Control and Water Conservation Improvement District, and Redwood Valley County Water District to contribute \$200,000 for watershed hydrological analysis and groundwater flow modeling for the term October 1, 2016, through October 31, 2020, in the amount of \$689,500.

**COUNTY COUNSEL**

3. Adopt a resolution approving a Conflict of Interest Code amendment for the Rains Creek Water District, a public water district serving customers near the City of Cloverdale. (Fourth District)

**ECONOMIC DEVELOPMENT BOARD**

4. Santa Rosa Junior College Memorandum of Understanding for Economic Development Planning Support.  
Authorize the Director to execute a Memorandum of Understanding with the Santa Rosa Junior College to provide \$100,000 to the Economic Development Board to develop an Action Plan for the Comprehensive Economic Development Strategy.

**GENERAL SERVICES**

5. License Amendment to provide 10th District, State Assemblyman Marc Levine a district office for his constituents, which is centrally located in a County-owned building at 11 English Street, Petaluma.
- (A) Authorize the General Services Director to execute a Sixth Amendment to License Agreement with the Assembly Committee on Rules of the California State Assembly for 150 sq. ft. of office space utilized by Assemblyman Marc Levine, located at 11 English Street, Petaluma to reduce the rent from \$285 (\$1.90 per sq. ft.) per month to \$100 (\$0.67 per sq. ft.) per month effective February 1, 2017 through December 31, 2018, and to provide the tenant an option to extend term through June 30, 2019;
- (B) Make findings pursuant to Government Code Section 25526.6 that the subject property located at 11 English Street, Petaluma, is not needed by the County, that the Agreement serves a public purpose, and that use by Assemblyman Marc Levine will not interfere with the use of the premises by County. The office leased by Assemblyman Marc Levine is centrally located in Petaluma, which is equally accessible to constituents throughout the 10th Assembly District, comprised of various communities in Marin and Sonoma Counties. (Second District)

**HUMAN SERVICES**

6. Contract Amendments to Support Local Workforce Development.  
Authorize the Director of the Human Services Department to:
- (A) Execute the first amendment to increase the contract with Conservation Corps North Bay by \$53,533 for a new contract amount not to exceed \$334,945 to add an additional youth work crew and to update the agreement to reflect revised compliance and reporting requirements in compliance with the Workforce Innovation and Opportunity Act. The term of the agreement will not change.
- (B) Execute the first amendment to increase the contract with Legal Aid of Sonoma County by \$2,500 for a new contract amount not to exceed \$128,000, to provide legal services for Sonoma WORKS clients, with no change to the term of the agreement of July 1, 2016 to June 30, 2017.

7. Workforce Innovation and Opportunity Act Regional and Local Plans and Request to be an America's Job Center of California Operator.
  - (A) Approve the 2017-2020 Regional Workforce Innovation and Opportunity Act Plan for Sonoma, Lake, Marin, Mendocino, Napa and Solano Counties. This plan focuses on how to improve services for job seekers and businesses through regional collaboration.
  - (B) Approve the 2017-2020 Local Workforce Innovation and Opportunity Act Plan for Sonoma County and authorize the Director of the Human Services Department to sign the Local Workforce Innovation and Opportunity Act Plan. This plan focuses on how to improve services for job seekers and businesses through local collaboration that will contribute to the county's economic wellness and its residents' self-sufficiency.
  - (C) Authorize the Director of the Human Services Department and the Workforce Investment Board Chair to execute the Workforce Innovation and Opportunity Act Application to be an America's Job Center of California Operator.

### **PERMIT AND RESOURCE MANAGEMENT DEPARTMENT**

8. Lot Line Adjustment.  
Adopt a resolution approving a lot line adjustment between two parcels owned by Bendan, LLC subject to Land Conservation Act Contracts, for property located at 33344 and 34333 Pine Mountain Road, Cloverdale; APN's 117-240-045 and 117-240-048. (Fourth District)

### **PROBATION**

9. Foster Care Reform.
  - (A) Adopt a resolution adjusting the Fiscal Year 2016-2017 budget, increasing appropriations and reimbursement in the Probation Department Juvenile Supervision budget by \$192,067 for the purpose of Foster Parent Recruitment, Retention and Support.
  - (B) Adopt a resolution amending the position allocation list effective March 7, 2017 adding one Probation Officer III, Salary Range \$5,539.56 to \$6,732.70 per month, to provide support and improve outcomes for justice-involved youth and families in the foster care system.

### **REGIONAL PARKS**

10. Every Sonoma County 4<sup>th</sup> Grader in a Regional Park.  
Resolution waiving parking fees (\$7 per vehicle) for all Sonoma County fourth-graders with their families from Thursday, June 1, 2017 through Friday, June 30, 2017.

### **TRANSPORTATION AND PUBLIC WORKS**

11. Traffic Signal Maintenance and Emergency Repair Services.  
Approve and authorize Chair to execute the First Amendment to the agreement with DC Electric Group, Inc. for traffic signal maintenance and emergency repair services extending the term of the agreement by three years until June 30, 2020.

12. Provision of County Staff Services to the Sonoma County Waste Management Agency. Approve the First Amendment to extend the term of the Agreement for Provision of Staff Services (Executive Director) by the County of Sonoma to the Sonoma County Waste Management Agency effective February 12, 2017 until the expiration or dissolution of the Agency.
13. Charles M. Schulz – Sonoma County Airport Lease and Hangar Construction Authorization.
  - (A) Adopt a resolution approving the adoption of a Mitigated Negative Declaration for hangar construction at the Airport;
  - (B) Authorize the Chair to execute a real property lease between the County and TruAir, LLC, facilitating the construction of said hangar; and
  - (C) Authorize the Director of Transportation & Public Works to execute any documents required to effect the lease transaction. (Fourth District) (4/5ths vote)

### **APPOINTMENTS/REAPPOINTMENTS**

14. Reappoint Paul Kelley to the North Coast Railroad Authority Board for a two-year term through April 11, 2018.
15. Appoint Carmen Cervantes to the Commission on Human Rights to serve a two year term beginning March 7, 2017, and ending March 7, 2019. (Fourth District)
16. Appoint Wayne Downey to the Public Authority Advisory Committee for a four-year term beginning on March 7, 2017, and ending on March 7, 2021.
17. Appoint Amy Crabb and Ken Fischang to the Workforce Investment Board for a one-year term beginning March 7, 2017, and ending March 7, 2018.

### **PRESENTATIONS/GOLD RESOLUTIONS**

#### **PRESENTATIONS AT THE BOARD MEETING**

18. **1:30 P.M.** - Adopt a Gold Resolution declaring the Month of March 2017 as National Professional Social Worker Month in Sonoma County.

#### **PRESENTATIONS AT A DIFFERENT DATE**

19. Adopt a Gold Resolution recognizing Jackson Family Wines, recipients of the Environmental Protection Agency's 2016 Green Power Leadership Award for their leadership and commitment to sustainable energy use. (Fourth District)
20. Adopt a Gold Resolution Celebrating 2016 Exchange Club Sonoma County Law Enforcement Officer of the Year. (Third District)
21. Adopt a Gold Resolution congratulating Ted and Patricia Eliot on the Honor of being selected as the 2017 Sonoma Alcalde & Alcaldessa. (First District)

**III. REGULAR CALENDAR**

**HEALTH SERVICES/ HUMAN SERVICES**

22. Adopt a Resolution reiterating support for, and opposing repeal of, the Affordable Care Act.

**GENERAL SERVICES**

**AND**

**AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR**

23. **10:00 A.M.** - Sonoma County Fuel Cell Lease Refinancing.
- (A) Adopt a Resolution of the Board of Directors of the County of Sonoma Public Financing Corporation authorizing and directing the execution of a site and facility lease, a lease agreement, an assignment agreement and an escrow deposit and trust agreement in order to refinance the 2009 Comprehensive Energy Project Financing in an amount not to exceed \$18,000,000 and providing for other matters properly relating thereto, in an effort to provide the public benefit of reducing the anticipated annual fuel cell debt service by approximately \$100,000 each fiscal year.
- (B) Adopt a resolution of the Board of Supervisors of the County of Sonoma authorizing and directing the execution and delivery of a lease agreement in order to refinance the 2009 Comprehensive Energy Project Financing in an amount not to exceed \$18,000,000, authorizing and directing execution of a site and facility lease, a lease agreement, and escrow deposit and trust agreement and a supplemental agreement, authorizing the private placement thereof with the Bank of the West, and providing for other matters properly relating thereto.
- (C) Approve a contract amendment with KNN Public Finance, for Financial Advisory services in the amount of \$55,000 plus up to \$1,000 in expenses to be paid from the cost of issuance fund. (4/5ths Vote)

**AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT**

(Directors: Gorin, Rabbitt, Zane, Gore, Hopkins)

24. **10:00 A.M.** - Initiate District Comprehensive Plan community outreach and input process, integrate community input into the District Comprehensive Plan, per the District's Board approved 2014 Management Review.

**HUMAN SERVICES**

**AND**

**IN HOME SUPPORT SERVICES PUBLIC AUTHORITY**

25. In Home Support Services Public Authority Employment Contract.  
Authorize the Chair of the Sonoma County In Home Support Services Public Authority Board of Directors to sign a renewal employment contract with Michael Humphrey as Public Authority Manager for a three-year term beginning on March 14, 2017.

**PERMIT AND RESOURCE MANAGEMENT DEPARTMENT**  
**AND**  
**COUNTY COUNSEL**

26. Enhance the County's Code Enforcement Program by making the following resource and policy adjustments:
- (A) Approve a manager position for the code enforcement program in Permit and Resource Management Department (Permit Sonoma) to oversee and coordinate violation remediation efforts to both increase cost recovery and reduce case backlog; (Majority)
  - (B) Increase General Fund net cost for the County Counsel's Office by \$50,000 in FY 16-17 and \$250,000 in future fiscal years with an offsetting expenditure reduction in the Non-Departmental legal services budget to fund the continued prosecution of the most serious current code enforcement violations that pose an immediate risk to public health or safety; (4/5 Vote) and,
  - (C) Delegate authority to Permit Sonoma Director and County Counsel to bypass the code enforcement administrative process and directly file litigation, for high risk violations, subject to Board ratification and receive an update on the administrative citation program, which will improve responsiveness to complaints and increase efficiency (Majority).

**BOARD OF SUPERVISORS**

27. Approve a fee waiver of Mayacamas Volunteer Fire Department permitting fee apparatus bay door modification to accommodate new engine in the amount of \$1359.39. (First District)
28. Approve fee waiver in the amount of \$5273.00 for permit and health fees for the Forestville Youth Park's annual parade and fundraiser. (Fifth District)
29. Approve a sponsorship for the Russian River Confluence which is scheduled for Friday, March 24, 2017, 8 a.m. to 6 p.m. at Shone Farm. (Fourth District)

30. **PUBLIC COMMENT ON CLOSED SESSION ITEMS**

**IV. CLOSED SESSION CALENDAR**

31. The Board of Supervisors will consider the following in closed session: Conference with Legal Counsel – Existing Litigation: Billy Cordell vs. County of Sonoma Workers' Compensation Appeals Board No. ADJ9668901. (Gov. Code Sec. 54956.9(d)(1).)
32. The Board of Supervisors will consider the following in closed session: Conference with Legal Counsel – Existing Litigation: County of Sonoma v. Nancy Carleton Davis. Sonoma County Superior Court Case No. SCV-251814. (Gov. Code Sec. 54956.9(d)(1).)
33. The Board of Supervisors will consider the following in closed session: Conference with Legal Counsel – Existing Litigation: Sonoma County Association of Retired Employees (SCARE) v. Sonoma County, US District Court Case Number CV-09-4432 CW. (Gov. Code Sec. 54956.9(d)(1).)

34. The Board of Directors, Sonoma County Agricultural Preservation and Open Space District will consider the following in Closed Session: Conference with Legal Counsel - Existing Litigation - Alfred Bordessa and Joseph Bordessa, as Successor- Trustees of the Bruno Bordessa and Dorothy Bordessa Revocable Intervivos Trust (Created by Declaration of Trust Dated June 12, 2000) v. The Sonoma County Agricultural Preservation and Open Space District; and, Does 1 through 20, inclusive. Sonoma County Superior Court Case No. SCV 25694. (Government Code §54956.9 (d)(1)).
35. The Board of Supervisors will consider the following in closed session: Conference with Legal Counsel – Anticipated Litigation pursuant to Government Code 54956.9(d)(2). Significant exposure to litigation: 1 case. (Government Code section 54956.9(d)(2)).
36. The Board of Supervisors will consider the following in closed session: Initiation of litigation. (Government Code Section 54956.9(d)(4)).
37. The Board of Supervisors will consider the following in closed session: Conference with Real Property Negotiator - Property: 3725 Laughlin Road, Windsor, CA; APN 059-200-002. Negotiating parties: For County: Jon Stout, Airport Manager; For Seller: Gary and Deborah Mumm; Under Negotiation: Terms and conditions of the proposed acquisition. (Government Code §54956.8).
38. The Board of Supervisors will consider the following in closed session: Conference with Real Property Negotiator - Property: For lease of space at Charles M. Schulz- Sonoma County Airport Terminal, 2200 Airport Blvd, Santa Rosa, CA; APN 059-026-010. Negotiating parties: For County: Jon Stout, Airport Manager; For Lessee: Greg Kozak, United Airlines; Under Negotiation: Terms and conditions of the proposed lease. (Government Code §54956.8).

## **V. REGULAR AFTERNOON CALENDAR**

39. **RECONVENE FROM CLOSED SESSION**

40. **REPORT ON CLOSED SESSION**

## **VI. BOARD MEMBER REPORTS ON ASSIGNED BOARDS, COUNCILS, COMMISSIONS OR OTHER ATTENDED MEETINGS**

## **VII. 1:30 P.M. - PRESENTATIONS/GOLD RESOLUTIONS**

41. **2:00 P.M. - PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE BOARD AND ON BOARD MEMBER REPORTS**

(Comments are restricted to matters within the Board’s jurisdiction. The Board will hear public comments at this time for up to thirty minutes. Each person is usually granted time at the discretion of the Chair. Any additional public comments will be heard at the conclusion of the meeting. While members of the public are welcome to address the Board, under the Brown Act, Board members may not deliberate or take action on items not on the agenda.)

**COUNTY ADMINISTRATOR**

42. **2:20 P.M.** - Fiscal Year 2016-17 Mid-Year Update:  
(A) Receive Fiscal Year 2016-17 Mid-Year Budget Estimates and General Fund year-end balance projection.  
(B) Adopt a Concurrent Budget Resolution adjusting departmental budgets by \$12.6 million.  
(C) Adopt Resolution adjusting the Sonoma Valley Sanitation District Construction Fund Fiscal Year 2016-17 Budget by \$1,105,000 to record a loan payoff to the Water Agency for the photovoltaic project.
43. **2:20 P.M.** - 2017 Budget Policy Workshop:  
(A) Review Countywide Budget and Historical General Fund Allocations.  
(B) Discuss Sonoma County Impacts Associated with State and Federal Proposed Budgets.  
(C) Ratify Financial Policies, Approve Revisions, and Consider Future Policies.  
(D) Accept General Fund Updated Fiscal Outlook.  
(E) Provide Policy Guidance on Anticipated Funding Challenges.  
(F) Accept the County Administrator's FY 2017-18 Budget Development Framework and Timeline.
44. Permit and Resource Management Department: Review and possible action on the following:  
Acts and Determinations of Planning Commission/Board of Zoning Adjustments  
Acts and Determinations of Project Review and Advisory Committee  
Acts and Determinations of Design Review Committee  
Acts and Determinations of Landmarks Commission  
Administrative Determinations of the Director of Permit and Resource Management  
(All materials related to these actions and determinations can be reviewed at:  
<http://www.sonoma-county.org/prmd/b-c/index.htm>)
45. **ADJOURNMENT**

**NOTE: The next Board Meeting will be a Special Closed Session Meeting held on March 17, 2017 at 11:00 a.m.**

**Upcoming Hearings** (All dates are tentative until each agenda is finalized)



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 1**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Directors, Sonoma County Water Agency

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Sonoma County Water Agency

**Staff Name and Phone Number:**

Brad Sherwood, 547-1927

**Supervisorial District(s):**

First and Second

**Title:** Resolution Authorizing Grant Application

### **Recommended Actions:**

Adopt a Resolution for drought response grant funding to authorize the General Manager of the Sonoma County Water Agency, or his designee, to:

- (A) File a grant application with the US Department of the Interior, Bureau of Reclamation's WaterSMART Drought Response Program;
- (B) Certify that the Water Agency will provide the amount of match funding and/or in-kind contributions specified in grant applications;
- (C) Execute a Grant Agreement with the US Department of Interior, Bureau of Reclamation; and
- (D) Take all necessary actions to carry out the project and implement the grant agreement.

### **Executive Summary:**

The North Bay Water Reuse Authority (Authority) is a regional water recycling and management initiative covering 315 square-miles in the portions of Marin, Sonoma, and Napa counties that surround the northern rim of the San Francisco Bay. The Authority is a coordinated effort of 10 municipal, water and sanitation agencies working together to address water supply shortages from a watershed perspective by investing in diverse projects that offset potable demand throughout the region. The Sonoma County Water Agency (Water Agency) is the lead agency and fiscal agent for the Authority.

The Water Agency is applying for a federal grant on behalf of the Authority to prepare a regional Drought Contingency Plan (Plan). The Plan will build long-term resiliency to drought and climate change to the area under the Authority. The rules of the grant program require a resolution from the applicant's governing board authorizing the filing of the application and other actions.

### **Discussion:**

The United States Department of the Interior's (Interior) WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program establishes a framework to provide Federal leadership and assistance for using water efficiently, integrating water and energy policies to support the sustainable use of all natural resources, and coordinating the water conservation activities of various Interior bureaus and

offices. Through the program, the Interior is working to achieve a sustainable water strategy to meet the Nation's water needs.

The Bureau of Reclamation's (Reclamation) Drought Response Program is an important part of WaterSMART. Many areas in the Western U.S. are currently experiencing unprecedented drought conditions. While droughts in the Western U.S. are common, there is growing evidence that climate change is causing longer and more frequent droughts in some areas. Through the Drought Response Program, the Reclamation provides assistance to states, tribes, and local governments to prepare for and address drought in advance of a crisis.

The Reclamation recently announced a funding opportunity in support of the development and update of drought contingency plans that will build long-term resiliency to drought and climate change. Both the Water Agency and the Authority believe it is in the best interest of the communities served by the Authority to apply for grant funds to develop a Drought Contingency Plan for future of the region's water supply. A Drought Contingency Plan will help local water managers prioritize projects and actions that will yield the greatest benefit to the region's diverse water users therefore maximizing the value of both the investment in recycled water infrastructure and the water resource itself.

Prior Funding from the Bureau of Reclamation to the North Bay Water Reuse Authority:

On November 6, 2001, the Water Agency's Board of Directors authorized and directed the General Manager to pursue state and federal funding for water reuse projects that would put recycled water to beneficial use within Sonoma, Marin, and Napa counties. In 2002, the Water Agency entered into a cooperative agreement with the Reclamation under the authority of Public Law 102-575, Title XVI, to prepare a feasibility study to assess regional water recycling opportunities for restoration and agricultural irrigation. The cooperative agreement with the Reclamation for \$1,577,414 provided a 50/50 cost share towards the North San Pablo Bay Restoration and Reuse Project Phase I Feasibility Study (Phase I Study).

In 2004, the Water Agency approached the wastewater treatment entities in Sonoma, Marin, and Napa counties to gauge their willingness to participate in the Phase I Study. In 2005, the Water Agency, Sonoma Valley County Sanitation District, Napa Sanitation District, Novato Sanitary District, and Las Gallinas Valley Sanitary District signed a Memorandum of Understanding to explore the feasibility of coordinating interagency efforts to expand the beneficial use of recycled water in the North Bay Region. The Memorandum of Understanding designates the Water Agency as the administrative agency for purposes of carrying out the administrative tasks of the Authority. When complete, the Phase 1 Study will provide approximately 3,800 acre-feet per year of tertiary treated recycled water for landscape and agricultural irrigation demands in the North San Pablo Bay. In addition, up to 1,700 AFY of tertiary treated recycled water will be available to the Napa Salt Marsh Ponds 7 and 7A for habitat restoration.

The Reclamation deemed the Phase I Study feasible in May 2009. The Authority was subsequently authorized for \$25,000,000 in construction funding under public law 111-11 Section 9110. To date, the Authority has been awarded \$18,364,625 and expects to receive the remaining \$6,635,375 on or before September 30th, 2018.

Current Authority Members:

The following agencies are currently members of the Authority:

Sonoma County Water Agency  
 County of Marin  
 Las Gallinas Valley Sanitary District  
 North Marin Water District  
 Novato Sanitary District  
 Marin Municipal Water District  
 Napa County  
 Napa Sanitation District  
 City of American Canyon  
 Sonoma Valley County Sanitation District  
 City of Petaluma

If the grant application is successful, the Drought Contingency Plan must meet the requirements of the Reclamation’s Drought Response Program Framework. These requirements include addressing the six elements of a Drought Contingency Plan: Drought Monitoring, Vulnerability Assessment, Mitigation Actions, Response Actions, Operational and Administrative Framework, and Plan Update Process; and several required procedural steps, including establishing a Drought Planning Task Force, developing a detailed work plan, and developing a robust communications and outreach plan.

The Water Agency estimates that the cost to prepare the Plan will be approximately \$400,000. The grant application will ask for \$200,000 in grant funds and the Authority members will share the balance of the costs. The Water Agency’s share of these costs is about 10.9% or approximately \$21,800.

**Prior Board Actions:**

3/17/2015: Resolution authorizing the General Manager of the Water Agency, or his designee, to: a) file a grant application on behalf of the Authority to the Reclamation’s Title XVI Water Reclamation and Reuse Program; b) execute a cooperative agreement with the Reclamation; and c) take all actions necessary to implement the grant agreement.

**Strategic Plan Alignment**      Goal 3: Invest in the Future

County Goal 3: Invest in the Future  
 The Authority’s projects align with the County’s goal of investing in the Future. The Drought Contingency Plan will protect an important alternative source of water for agricultural irrigation in Sonoma County.

Water Agency Water Supply Goals and Strategies, Goal 2: Protect the Water Agency's existing water rights and our clean, high-quality water supply, and improve system resiliency by continuing to develop and protect alternative supplies.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
If the grant application is successful, the Authority's Drought Contingency Plan is anticipated to cost \$400,000, of which the Water Agency's share is approximately 10.9% or \$21,800. The Water Agency's share will come from the recycled water fund.			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
Resolution			
<b>Related Items "On File" with the Clerk of the Board:</b>			

nw\\S:\Agenda\misc\03-07-2017 WA Resolution Authorizing Grant Application\_summ.docm CF/0-0-1 General Manager and Chief Engineer Authorization Resolutions (ID 32)  
CF/47-0-20 US Bureau of Reclamation (Grant Agree for Drought Contingency Plan) FP-00176 (ID 6676)

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Date: March 7, 2017

Item Number: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_

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4/5 Vote Required

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**Resolution Of The Board Of Directors of the Sonoma County Water Agency, State of California, authorizing the General Manager of the Sonoma County Water Agency, or his designee, to: 1) Sign and file a grant application with the US Department of Interior, Bureau of Reclamation, for Funding of the North Bay Water Reuse Authority Drought Contingency Plan; 2) Certify that the Sonoma County Water Agency will provide the amount of match funding and/or in-kind contributions specified in Funding Opportunity Announcement BOR-DO-17-F009; 3) Execute a Grant Agreement with the US Department of Interior, Bureau of Reclamation; and 4) Take all necessary actions to carry out the project and implement the grant agreement.**

**Whereas**, the Sonoma County Water Agency (Water Agency) wishes to promote and expand the beneficial use of recycled water in the North San Pablo Bay Region thereby promoting the conservation of limited surface and groundwater resources; and

**Whereas**, the Water Agency, Sonoma Valley County Sanitation District, Napa Sanitation District, Novato Sanitary District, Napa County, North Marin Water District, County of Napa, County of Marin, Marin Municipal Water District, and Las Gallinas Valley Sanitary District, collectively known as the North Bay Water Reuse Authority (Authority), signed a Memorandum of Understanding to assess and implement regional water recycling opportunities for restoration and agricultural irrigation; and

**Whereas**, the Memorandum of Understanding designates the Water Agency as the administrative agency for purposes of carrying out the administrative tasks of the Authority; and

**Whereas**, US Department of Interior, Bureau of Reclamation (Reclamation) has issued Funding Opportunity Announcement No. BOR-DO-17-F009 – WaterSMART Drought Response Program: Drought Contingency Planning Grants for Fiscal Year 2017 to assist states, tribes, and local governments to prepare for and address drought in advance of a crisis; and

**Whereas**, the Reclamation has established procedures and criteria necessary to administer the program; and

**Whereas**, said procedures and criteria established by the Reclamation require a resolution certifying the approval of application by the Applicant's governing body before submission of said application to the Reclamation; and

**Whereas**, the Water Agency intends to apply for a grant to prepare a Drought Contingency Plan for the Authority; and

**Whereas**, the Water Agency, if selected, will enter into an agreement with the Reclamation on behalf of the Authority to prepare the Drought Contingency Plan; and

**Whereas**, the Authority's Board Chairman has directed the Water Agency to submit an application on behalf of the Authority.

**Now, Therefore, Be It Resolved** that the Water Agency's Board of Directors hereby finds, determines, certifies, and declares as follows:

1. The General Manager of the Water Agency, or his designee, is hereby authorized to sign and file a grant application with the Reclamation, for Funding of the Authority Drought Contingency Plan under the Reclamation's WaterSMART Drought Response Program: Drought Contingency Planning Grants 2017.
2. The Water Agency, on behalf of the Authority, will provide the amount of match funding and/or in-kind contributions specified in Funding Opportunity Announcement BOR-DO-17-F009.
3. The General Manager of the Water Agency, or his designee, is hereby authorized to execute a Grant Agreement with the Reclamation.
4. The General Manager of the Water Agency, or his designee, is hereby authorized to take all necessary actions to carry out the project and implement the grant agreement.

**Directors:**

Gorin:                      Rabbitt:                      Gore:                      Hopkins:                      Zane:

Ayes:                      Noes:                      Absent:                      Abstain:

**So Ordered.**



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 2**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Directors, Sonoma County Water Agency

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Sonoma County Water Agency

**Staff Name and Phone Number:**

Marcus Trotta 547-1978

**Supervisorial District(s):**

**Title:** Russian River Watershed Modeling to Improve Water Management.

### Recommended Actions:

- (A) Authorize Water Agency's General Manager to execute a joint funding agreement with United States Geological Survey, United States Department of the Interior, for Russian River watershed hydrological analysis and groundwater flow modeling for the term October 1, 2016, through October 31, 2020, in the amount of \$816,809 (Water Agency share \$489,500, USGS share \$127,309, local participants' share \$200,000).
- (B) Authorize the General Manager to amend this agreement in ways that do not increase amount paid or significantly change the scope of work or length of the agreement.
- (C) Authorize Water Agency's General Manager to execute a cooperative funding agreement with City of Ukiah, County of Mendocino, Mendocino County Russian River Flood Control and Water Conservation Improvement District, and Redwood Valley County Water District to contribute \$200,000 for watershed hydrological analysis and groundwater flow modeling for the term October 1, 2016, through October 31, 2020, in the amount of \$689,500.

### Executive Summary:

This item requests authority for the Sonoma County Water Agency's (Water Agency) General Manager to execute two funding agreements for hydrological analysis and groundwater flow modeling: first, with the United States Geological Survey, United States Department of the Interior (USGS); and second, with the City of Ukiah, County of Mendocino, Mendocino County Russian River Flood Control and Water Conservation Improvement District, and Redwood Valley County Water District (Participants). Total cost of \$816,809 funded in aggregate through the two agreements is allocated as follows: Water Agency \$489,500, USGS \$127,309, and local Participants \$200,000.

The objective of the modeling and study is to develop an updated assessment of the Russian River Watershed and develop a coupled watershed and groundwater-flow model to facilitate improved management of the region's water resources. This will provide information and tools to assist the Water

Agency and other local stakeholders in evaluating, planning and promoting actions and future projects to sustain surface water and groundwater resources in the watershed. There are numerous benefits to the community, including creating more resilient water supplies, supporting habitats dependent on surface water and groundwater in the watershed, and facilitating compliance with regulatory requirements.

**Discussion:**

Most water users in the Russian River watershed currently rely on a combination of Russian River water and groundwater to meet demand. The primary uses of water in the Russian River watershed include agricultural irrigation, municipal supplies, rural domestic uses that are outside of municipal system (private wells and municipal water companies) and commercial uses (wineries). Current and future challenges to managing Russian River watershed water resources include available flows for fisheries, extreme events due to climate change, flood impacts, increasing water-supply demands, decreasing water availability, and streamflow and groundwater storage depletion.

The recently enacted Sustainable Groundwater Management Act requires the formation of Groundwater Sustainability Agencies and development of Groundwater Sustainability Plans within two groundwater basins located in the Russian River Watershed: the Santa Rosa Plain Groundwater Subbasin and the Ukiah Valley Groundwater Basin. The Sustainable Groundwater Management Act also requires an improved understanding of water resource conditions through the development of modeling tools capable of simulating surface water and groundwater interaction. The Water Agency and Participants wish to develop an updated assessment of surface water and groundwater conditions and a modeling platform to facilitate the integrated management of water resources and assist in complying with these new requirements.

The Water Agency is participating because the objective of the study is to develop an updated assessment of the hydrogeology, geochemistry, and geology of the Russian River Watershed, based on an analysis of new and available field data, and develop a coupled watershed and groundwater-flow model that will facilitate improved management of the region's water resources.

**SERVICES TO BE PERFORMED**

The USGS, in cooperation with the Water Agency, local Participants, and the State Water Board, will analyze an array of data such as well driller's description of subsurface materials, published reports, and satellite observations of vegetation. Existing data will be supplemented by collecting new data that will improve understanding of water quality conditions and groundwater flow patterns. Together, the data analysis and synthesis will result in a vastly improved understanding of Russian River watershed hydrology and geology, and will be used to develop the flow model. The flow model is a mathematical representation of the Russian River watershed that quantitatively depicts how water travels through the watershed. The model will provide insight into how the Russian River and its tributaries interact with the groundwater system and what the sources and sinks of water are within the watershed.

The cost of the larger study is estimated to be approximately \$1,633,700 over four years. USGS is contributing a total of \$254,700 in federal matching funds for the study. The State Water Board has agreed to contribute \$689,500 towards the study under a separate agreement between the State Water Board and USGS. The balance of \$689,500 will be paid through the Water Agency's share of \$489,500 and local Participants' share of \$200,000.

The study will provide a robust set of tools and refined understanding for the Water Agency and others to better manage and understand the hydrologic system of Russian River watershed. As existing data on the connection between surface water and groundwater resources is limited in the watershed, the study will fill a number of data gaps that are known to exist. Additionally, the proposed flow model will be the first such model developed for the watershed that integrates both surface water and groundwater resources. Given the critical importance of the Russian River watershed as the primary water source and delivery mechanism for a system that provides water to more than 600,000 people in Sonoma and Marin counties, and the ecological value and economic productivity of Russian River watershed, this study will be beneficial to a large number of stakeholders and users. The study will provide information and tools to assist the Water Agency and other local stakeholders in evaluating, planning and promoting actions and future projects to sustain surface water and groundwater resources in the watershed. Improving the management and sustainability of water resources within the watershed provides numerous benefits to the community, including creating more resilient water supplies, supporting habitats dependent on surface water and groundwater in the watershed, and facilitating compliance with regulatory requirements.

#### **Water Agency – USGS Joint Funding Agreement**

Under the proposed USGS agreement, USGS will:

1. Refine understanding of the Russian River watershed hydrologic system based on an analysis of new and available field data.
2. Develop a coupled watershed and groundwater-flow model for the Russian River watershed that will facilitate improved management of the region's water resources.

The total agreement amount is \$816,809. The Water Agency share of cost of will not exceed \$489,500. Funds will be budgeted as follows: \$160,250 in fiscal year 2016/2017, \$164,800 in fiscal year 2017/2018, \$98,100 in fiscal year 2018/2019, and \$66,350 in fiscal year 2019/2020. This agreement covers services rendered from October 1, 2016 to October 31, 2020.

#### **Water Agency – Cooperative Funding Participant Agreement**

Under the proposed Participant agreement, Participants will:

1. Provide \$200,000 in local funding to support the USGS study.
2. Participants will also establish working relationships among their technical staffs, together with tools and protocols that will be necessary for the success of the USGS study, as well as any future surface water and groundwater management strategies.

The total agreement amount is \$689,500. The Water Agency share of cost will not exceed \$489,500. Funds will be budgeted as follows: \$160,250 in fiscal year 2016/2017, \$164,800 in fiscal year 2017/2018, \$98,100 in fiscal year 2018/2019, and \$66,350 in fiscal year 2019/2020. This agreement covers services rendered from October 1, 2016 to October 31, 2020.

#### **REQUEST FOR WATER AGENCY GENERAL MANAGER TERMINATION AUTHORITY**

USGS Joint Funding Agreement:

The Water Agency's standard template used for professional services agreements includes the following language, "Water Agency's right to terminate may be exercised by Sonoma County Water Agency's

General Manager.” Since the USGS Joint Funding Agreement was prepared by USGS using its form, this language is not included. Therefore, staff requests that the Water Agency's General Manager be authorized to terminate that agreement, if appropriate, in keeping with standard protocol.

**RECOMMENDATIONS**

Water Agency staff recommends that the Water Agency’s Board of Directors (Board) authorize Water Agency's General Manager to:

- a) Execute a joint funding agreement with USGS for Russian River watershed hydrological analysis and groundwater flow modeling study through October 31, 2020, in the amount of \$816,809 (Water Agency share \$489,500, USGS share \$127,309, local Participants share \$200,000).
- b) Execute a local participant cooperative funding agreement with local Participants to receive \$200,000, in addition to the Water Agency’s contribution of \$489,500, in funding and support for the USGS study above for the term of October 1, 2016, through October 31, 2020, in the total aggregate amount of \$689,500.

The Water Agency, USGS, State Water Board, and Participants wish to develop an updated assessment of Russian River Watershed surface water and groundwater conditions and a modeling platform to facilitate regionally integrated management of water resources and assist in complying with the Sustainable Groundwater Management Act.

**Prior Board Actions:**

- 10/25/2016 Sustainable Groundwater Management Act Implementation update.
- 10/13/2015 Sustainable Groundwater Management Act update, including authorization for Water Agency staff to express continuing interest in participating in Groundwater Sustainability Agency discussion for the Ukiah Valley Basin.
- 03/17/2015: Sustainable Groundwater Management Act Briefing.

**Strategic Plan Alignment**      Goal 3: Invest in the Future

County Goal 3: Invest in the Future:  
Proposed study invests in research needed to sustainably manage water resources.

Water Agency Water Supply Goals and Strategies, Goal 2:  
Protect the Water Agency's existing water rights and our clean, high-quality water supply, and improve system resiliency by continuing to develop alternative supplies.  
Complying with and successfully implementing the Sustainable Groundwater Management Act will allow for the continued local control and sustainable management of groundwater resources, which plays an important role as a supplemental drinking water supply for the Water Agency and many of its contractors.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses	\$150,000	\$164,800	\$98,100
Additional Appropriation Requested	\$10,500		
<b>Total Expenditures</b>	<b>\$160,500</b>	<b>\$164,800</b>	<b>\$98,100</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies	\$10,500		
<b>Total Sources</b>	<b>\$160,500</b>	<b>\$164,800</b>	<b>\$98,100</b>
<b>Narrative Explanation of Fiscal Impacts:</b>			
<p>Budgeted amount of \$150,000 is available from FY 2016/2017 appropriations for the Russian River Projects fund. Additional appropriations are required to process this expense. With Board approval, appropriation of \$10,250 will be made in the next quarterly consolidated budget adjustments.</p> <p>Future fiscal year appropriations will be budgeted as follows: \$164,800 from FY 2017/2018, \$98,100 from FY 2018/2019, and \$66,350 from FY 2019/2020.</p>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
N/A			
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
N/A			
<b>Attachments:</b>			
USGS Joint Funding Agreement Draft Cooperative Agreement			
<b>Related Items "On File" with the Clerk of the Board:</b>			
None			

rw S:\Agenda\agrees\03-07-2017 WA Russian River Watershed Survey  
Modeling & Study\_summ.docm

CF/47-11-21 US Department of the Interior - USGS (Joint Funding Agree for  
Water Resources Investigations - Hydrologic Characterization, Coupled  
Watershed and Groundwater Flow Model of the RR) 16/17-024 (ID 5791)  
CF/47-11-21 Coop Agree to Provide Funding and Support for Hydrologic  
Characterization, Coupled Watershed and Groundwater Flow Model of the  
RR) TW 16/17-072 (ID 6657)

Form 9-1366  
(April 2015)

**U.S. DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY**

Customer #: 6000000828  
 Agreement #: 17WSCA600082810  
 Project #:  
 TIN #: 94-60000539  
 Fixed Cost  
 Agreement YES

**JOINT FUNDING AGREEMENT**

FOR

WATER RESOURCES INVESTIGATIONS

**THIS AGREEMENT is entered into as of the, 13 day of September, 2016 by the U.S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the SONOMA COUNTY WATER AGENCY, party of the second part.**

1. The parties hereto agree that subject to availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation between the Sonoma County Water Agency and the USGS to study the Hydrologic Characterization and a Coupled Watershed and Groundwater-Flow Model of the Russian River Watershed (see attached Statement of Work) herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50; and 43 USC 50b.
2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) includes In-Kind Services in the amount of \$0.00 .

(a) by the party of the first part during the period

Amount	Date	to	Date
\$127,309.00	10/01/2016		10/31/2020

(b) by the party of the second part during the period

Amount	Date	to	Date
\$689,500.00	10/01/2016		10/31/2020

USGS DUNS is 1761-38857. The amounts in both 2(a) and 2(b) above are for the Federal Fiscal Year 2017 (FFY17) only. Total USGS funding for this agreement is \$127,309. Total SCWA funding for this agreement is \$689,500.00. Total cost of this agreement is \$816,809.00

- (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of: \$0.00

Description of the USGS regional/national program:

No additional contributions

- (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.
3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.
4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.
5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.
6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

**9-1366 (Continuation)**

Customer #:

600000828

Agreement #:

17WSCA600082810

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.
8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at costs, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties.
9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered quarterly. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983).

<p><b>U.S. Geological Survey</b>  <b>United States</b>  <b>Department of the Interior</b>  <u><b>USGS Point of Contact</b></u></p>	<p><b>SONOMA COUNTY WATER AGENCY</b>   <u><b>Customer Point of Contact</b></u></p>
<p>Name: Irene A. Rios, Budget Analyst                  Address: 4165 Spruance Rd, Ste. 200                  San Diego, CA 92101                   Telephone: (619) 225-6156                  Email: iaros@usgs.gov</p>	<p>Name: Donald Seymour                  Address: 404 Aviation Boulevard                  Santa Rosa, CA 95403                   Telephone: (707) 547-1930                  Email:</p>

**Signatures and Date**

Signature: _____	Date: _____	Signature: _____
<p>Name: Eric G. Reichard                  Title: Director, USGS California Water Science Center</p>	<p>Name: Grant Davis                  Title: Water Agency General Manager</p>	<p>Date: _____</p>

Reviewed as to funds:

By: \_\_\_\_\_  
 Water Agency Division Manager-  
 Administrative Services

Approved as to form:

By: \_\_\_\_\_  
 Deputy County Counsel

## SUMMARY

**Title:** Hydrologic Characterization and a Coupled Watershed and Groundwater-Flow Model of the Russian River Watershed, California

**Cooperating agency:** Sonoma County Water Agency (SCWA) and California State Water Resources Control Board (State Board)

**Period of project:** 2016-2019

**Geographic Scope:** Potter Valley, Ukiah Valley, Sanel Valley, Alexander and Cloverdale areas of Alexander Valley, Healdsburg area of Santa Rosa Valley, Santa Rosa Valley, and Lower Russian River Valley as defined by California Department of Water Resources in Bulletin 118.

**Problem** Most basins in the Russian River watershed (RRW) currently rely on a combination of Russian River water and groundwater to meet demand. The primary uses of water in the RRW include agricultural irrigation, municipal supplies, rural domestic uses that are outside of municipal system (i.e., private wells and municipal water companies) and commercial uses (e.g., wineries). Current and future challenges to managing RRW water resources include: available flows for fisheries, extreme events due to climate change, flood impacts, increasing water-supply demands, decreasing water availability, and streamflow and groundwater storage depletion.

**Objectives:** The primary objectives of this project are to: 1) refine the understanding of the RRW hydrologic system based on an analysis of new and available field data; and 2) develop a coupled watershed/groundwater-flow model for the RRW that will facilitate improved management of the region's water resources.

**Relevance and Benefits:** This study will assist SCWA, the State Board, and other stakeholders to better understand the potential impacts of increasing groundwater demand on water levels and in developing strategies for efficient surface-water/groundwater management. The USGS will address significant issues of stream-aquifer interaction and develop new, transferable tools for analyzing multi-basin water management. The study addresses the priority water-resource issue "A Water Census of the United States: Quantifying, Forecasting, and Securing Freshwater for America's Future" identified in "Facing tomorrow's challenges—U.S. Geological Survey science in the decade 2007–2017."

**Approach:** Specific tasks will be: 1) interpret available data, collect new data, and characterize the geohydrology of RRW — including refining hydrologic budgets and conceptual models of the hydrologic system; 2) development and application of a coupled watershed and groundwater-flow model; and 3) describe the results of the study in a USGS report.

**Anticipated products:** A USGS Scientific Investigations Report will describe the updated geohydrologic characterization of the RRW and the development, calibration, and application of the coupled surface-water/groundwater-flow model.

## **Hydrologic Characterization and a Coupled Watershed and Groundwater-Flow Model of the Russian River Watershed, California**

### **PROBLEM**

The Russian River Watershed (RRW; fig. 1) is a diverse region of 1,500 square miles of urban, agricultural and forested lands in northern Sonoma County and southern Mendocino County, California. The Russian River is prone to droughts and floods (highest recurrent flood damages in California). This flashiness is due in large part to the prevalence of atmospheric rivers for the region, which comprise, on average, nearly 50 percent of precipitation. This highly variable hydrology presents significant challenges for flood, water supply and environmental water managers.

The recently enacted California Sustainable Groundwater Management Act (SGMA) identifies two of the basins (Santa Rosa Plain and Ukiah Valley) within the RRW as medium-priority basins; therefore, groundwater-sustainability agencies will need to be formed in each basin by June 30, 2017 and groundwater sustainability plans will need to be developed by January 2022. In addition, other basins within the RRW could be reprioritized into high/medium priority once the California State Department of Water Resources conducts basin reprioritization in winter 2017. This work will help support those management efforts.

Most basins in the RRW currently rely on a combination of Russian River water and groundwater to meet demand. The primary uses of water in the RRW include agricultural irrigation, municipal supplies, rural domestic uses that are outside of municipal systems (i.e., private wells and mutual water companies) and commercial uses (e.g., wineries and

recreation). Current and future challenges to managing RRW water resources include: available flows for fisheries, extreme events due to climate change, flood impacts, increasing water-supply demands, decreasing water availability, and streamflow and groundwater-storage depletion.

### **SCOPE**

This proposal describes a cooperative project that will study and report on the water resources in the RRW (fig. 1). The Sonoma County Water Agency (SCWA) and California State Water-Resources Control Board (Water Board), in cooperation with the U.S. Geological Survey (USGS), will be responsible for different portions of this study.

### **OBJECTIVES**

The primary objectives of this project are to: 1) refine the understanding of the RRW hydrologic system based on an analysis of new and available field data; and 2) develop a coupled watershed/groundwater-flow model for the RRW that will facilitate improved management of the region's water resources.

Specific elements in objective 1 are to: quantify present-day hydrologic conditions, including a hydrologic budget and distributed recharge estimates; quantify changes in groundwater levels and streamflow that have occurred during the past few decades and relate these changes to water-resources development, changes in land use, and environmentally-based management [e.g., the Biological Opinion (National Marine Fisheries Service, 2008) and the Federal Energy Regulatory Commission license for the Potter Valley Project (Federal Energy Regulatory Commission, 2004)]; quantify groundwater and surface-water interchange; characterize the geochemistry of the RRW;

improve the definition of the hydrostratigraphy and the groundwater-flow system; and evaluate the potential changes to streamflow in the Russian River and its tributaries associated with future projections of groundwater pumping and climate change.

Specific elements in objective 2 are to develop a numerical model that: 1) simulates past and present surface-water and groundwater conditions, including reservoir releases and stream diversions (addressed by including consideration of: A) water rights into the reservoir and river operations model, MODSIM, and B) riparian evapotranspiration into GSFLOW); 2) quantifies spatially and temporally distributed groundwater and surface-water exchanges; 3) can be efficiently coupled to output from global circulation models (GCMs) to assess the impacts of potential climate change on future hydrologic conditions (Huntington and Niswonger, 2012); and 4) can be readily applied to evaluate potential impacts from land- and water-use changes on future hydrology.

Development of the coupled watershed/groundwater-flow model for RRW will be documented in a USGS report and the model will be available to SCWA, the Water Board, other interested parties and the public to test and analyze various potential future water-management scenarios.

### **RELEVANCE AND BENEFITS**

Groundwater is a critical resource, which is closely connected with surface-water resources in the RRW and is expected to be an important component of water supply in the future. Municipal, commercial, rural-residential and agricultural users consumptively use both surface water and groundwater in the RRW. Studies in this cooperative project

will provide much of the hydrologic information needed by SCWA, the Water Board, and other RRW stakeholders to better understand the potential impacts of climate variability and change, and associated changes in groundwater use on groundwater levels, stream discharge, stream-aquifer interaction, and water quality. The project also will provide the information and models needed by SCWA, the Water Board, and others for improved decision making regarding the RRW's surface- and groundwater resources. Development of an integrated hydrologic and reservoir/river operations model for the RRW will allow for better management of all water resources in the watershed.

The proposed study addresses the USGS science strategy direction "A Water Census of the United States: Quantifying, Forecasting, and Securing Freshwater for America's Future" (U.S. Geological Survey, 2007). Specifically, the study addresses freshwater availability, documents water-storage capabilities of the aquifer system, and refines and develops surface-water/groundwater models to help better understand the aquifer system.

## **GENERAL HYDROLOGIC DESCRIPTION OF THE RUSSIAN RIVER WATERSHED**

The drainage area of the Russian River is in the northern part of the California Coast Ranges section of the Pacific Border province (Fenneman, 1931). The northern Coast Ranges trend northwestward, parallel to the major structural features of the region. The mountain range that lies west of the Russian River valley and extends to the coast is commonly called the Mendocino Range, or the Mendocino Highlands. The highland area east of the lower and middle Russian River valley areas is known as the Mayacmas

Mountains (fig. 1). The altitude of the highlands ranges from about 2,000 to 6,000 ft. The highest point in the Coast Ranges, at an altitude of 6,381 ft, is on Mount Sanhedrin, about 15 mi northeast of Willits. The altitude of the divide on the west side of the Russian River ranges from 1,400 to 3,000 ft; and on the east side, from 3,000 to 4,000 ft. The altitude of the mountains bordering the Russian River increases slightly from south to north.

The proposed study area is drained by the Russian River (fig. 1), a principal river in the northern coastal area of California between San Francisco and Eureka. The Russian River begins about 16 mi north of Ukiah and flows southward for about 90 mi through alluvium-filled valleys and mountain gorges to Rio Dell. There the river turns abruptly westward, crosses the Coast Ranges, and flows to the Pacific Ocean at Jenner, California. The entire river is about 110 mi long, but the drainage basin through which it flows is about 85 mi long. The valley of the Russian River ranges in width from 12 to 32 mi and the watershed has an area of about 1,485 square mi. There are 12 USGS-operated stream gages on the Russian River. Lake Sonoma and Lake Mendocino (which receive water from the Potter Valley Project) are reservoirs that supply water to the Russian River. The supplied reservoir water is important for Chinook salmon and steelhead trout fisheries and for water supply. Lake Sonoma supplies water during the fall and winter to sustain Chinook salmon and steelhead trout habitat. Lake Mendocino is an important source of water for cities and agriculture within the upper Russian River basin above the confluence of Dry Creek. Both reservoirs are important for municipal, industrial, rural, and recreational uses.

A comprehensive hydrologic characterization or modeling study of the RRW has not been reported. Cardwell (1965) described the geohydrology of selected subbasins within the RRW (Potter Valley, Ukiah Valley, Sanel Valley, Alexander and Cloverdale areas of Alexander Valley, Healdsburg area of Santa Rosa Valley, and Lower Russian River Valley). In addition to the aforementioned subbasins, Cardwell (1958) and Nishikawa (2013) described a seventh subbasin, the Santa Rosa Valley. Metzger and others (2006) updated the description of the geohydrology and geochemistry of the Alexander Valley. The California Department of Water Resources (2003) has also described the seven RRW groundwater subbasins.

As described by Cardwell (1965), the rocks in the Russian River valley may be divided into three general groups on the basis of age and water-bearing properties. These groups are, from oldest to youngest, 1) consolidated rocks of Jurassic and Cretaceous age, 2) deformed poorly consolidated or unconsolidated continental, volcanic, and marine rocks of Cenozoic (Pliocene and Pleistocene) age, and 3) under-formed and unconsolidated alluvial deposits of Quaternary age, comprising the terrace deposits of Pleistocene age, dissected alluvium of Pleistocene and Recent age, and alluvium of Recent age.

The oldest rocks in the area are those of the Franciscan and Knoxville Formations of Jurassic and Cretaceous age. These formations constitute the bedrock in most of the northern Coast Ranges. The Franciscan and Knoxville Formations in the vicinity of Healdsburg and Alexander Valley are overlain by a thick unnamed conglomerate of Late Cretaceous (?) age. Wells tapping the conglomerate in the upland area between the

northwestern parts of Dry Creek and Alexander Valleys supply adequate water for domestic use.

In the middle Russian River valley area (Healdsburg area and Alexander Valley), the Sonoma Volcanics of Pliocene age, the marine Wilson Grove (formally called the Merced) Formation of Pliocene and Pleistocene (?) age, and the continental Glen Ellen Formation of Pliocene (?) and Pleistocene age crop out discontinuously. Although these formations are of limited areal extent, they are important sources of groundwater locally.

In the upper Russian River valley (Potter Valley, Ukiah Valley, and Sanel Valley), continental deposits considered to be equivalent to the Glen Ellen Formation crop out along the margins of the present alluvial valleys. These deposits are an important source of water for domestic and stock supplies.

Alluvium includes most of the unconsolidated deposits of Recent age that underlie and form the present alluvial plains in the Russian River valley. The alluvium is the principal source of groundwater in all the valley areas. The stream-channel deposits are differentiated from the alluvium in areas where these deposits are spatially extensive.

## **APPROACH**

In order to better understand surface-water and groundwater issues in RRW, the USGS is proposing to characterize the integrated hydrologic system of the RRW. This study will include the effects of variability in climate, geology, biota, and human activities (including regulatory effects) on water availability and surface-water flow in the RRW.

The characterization of the RRW will require the development of a Geographic Information System (GIS) database, data compilation, data collection, and the development of a coupled hydrologic and reservoir/river operations model. Specifically, the USGS-developed integrated Groundwater Surface-water Flow model (GSFLOW; Markstrom and others, 2008) and the reservoir and river operations model MODSIM (Labadie and others, 2000) will be used.

GSFLOW allows for an improved numerical representation of dynamic surface-water/groundwater interactions (Markstrom and others, 2008). This model has been successfully applied in the Santa Rosa Plain groundwater study (Woolfenden and Nishikawa, 2014) and several other watersheds across the world (e.g., see list provided at: <http://water.usgs.gov/ogw/gsflo/>). In addition, a recent study reviewed available surface-water/groundwater models for application to modeling the Alexander Valley and found that GSFLOW was one of two preferred models (Kennedy/Jenks Consultants, 2015). During these recent studies, tools have been developed that allow much faster and more streamlined development of GSFLOW models and the analyses of their results. This proposed study will take advantage of these tools.

Development of a useful tool to understand and analyze the integrated hydrologic system (GSFLOW model) is aided by broad information about climate, hydrogeology, vegetation, land use, water management, and other system variables that affect the flow and storage of water within the RRW. For this project, there are both data collection and modeling tasks needed to characterize and analyze the system. The data

collection/analysis and modeling activities will be conducted in parallel such that each can inform the other.

### **Task 1: Stakeholder Outreach**

An important component of this project is outreach to the various stakeholders in the RRW, including local agencies, communities, water managers, and agricultural entities. In order to help solicit information and data that will benefit the project, it is important that this stakeholder input be received early in the process. This outreach will be conducted to receive broad stakeholder input regarding the identification of important water-resources issues in the RRW. It will also be used to help gather data and insights into the hydrologic system and how it is utilized and managed. Although groundwater is managed locally on an informal basis, there are two agencies that manage the Russian River: the SCWA (water supply) and the Army Corps of Engineers (flood protection). Local stakeholders will provide important insight to improve understanding the Russian River system in addition to the challenges in using and managing water resources in the watershed. Stakeholder meetings and information dissemination will occur throughout the life of the project so that all parties are kept up to date on study findings.

Of primary importance for this task is gathering stakeholder input as early in the project as possible. This will facilitate the process of data compilation that will eventually benefit the development of the model. In addition, a positive start to stakeholder outreach may result in broader “buy-in” from RRW water users regarding making data available to the study or allowing the USGS to collect data from their properties.

The Russian River Independent Science Review Panel (RRISRP) was established by a group of local water suppliers, and agricultural and watershed organizations in an effort to “establish a sound scientific basis for future water supply and watershed management decision making in the Russian River.” The possibility of the RRISRP acting as the project’s independent technical review committee will be explored. In addition, the RRISRP is scheduled to publish a conceptual model report by May 2016. The geographic scope of this report is the upper river above Dry Creek and will focus on tributaries, specifically surface-water/groundwater interactions and possible impacts to riparian ecosystems. This study will consider the RRISRP conceptual model when developing the GSFLOW model. The committee may also provide guidance regarding model development (e.g., assumptions, model construction, etc.) and defining future water-use, water-availability and management scenarios for simulation by the model.

### **Task 2: Data Collection and Analysis**

In order to better understand the integrated hydrologic system and improve the model’s ability to simulate key hydrologic processes, a number of data collection activities, syntheses, and analyses will be undertaken. Specifically this task will involve three parts:

- a. Data compilation and development of an integrated GIS database
- b. Data collection
- c. Data interpretation and geohydrologic characterization

These steps are important for accurate evaluation of surface-water/groundwater interaction, reliability of the surface-water/groundwater system given present-day and future water-use forecasts, and future climate-change impacts.

### **Task 2a: Data compilation and development of an integrated GIS database**

The first part of task 2 will involve data compilation and development of information necessary for model input files—a GIS will be the primary means of organizing data for archiving, searching, interrelating, and displaying hydrologic and related information. Data compilation will include compiling maps of climate, surficial geology, vegetation, land use, well locations, stream networks and reservoir information, and digitizing of drillers' logs. Drillers' logs and geophysical data will be used to define and map alluvial thickness, regionally extensive aquifers (coarse-grained material) and aquitards (fine-grained material), depth to bedrock, and other general hydrogeologic features. Although data may be sparse, groundwater-level data, aquifer-test data, and streamflow records will be compiled to help develop an understanding of the hydrogeology and the flow system, and for use as observations/prior-information for model calibration.

Data used to estimate annual groundwater discharge will also be compiled. These data include: pumping, land-use, vegetation type, and vegetation density. For example, data from previous studies analyzing vineyards and riparian evapotranspiration will be compiled and used. Pumping data will be evaluated to determine the areal distribution and quantity of pumpage for each of the developed aquifers. The only known pumping data is from municipal sources. Agricultural pumpage will be estimated based on

stakeholder input, land-use data, irrigation-system efficiency, reference evapotranspiration, and crop-coefficients to determine the consumptive use of water. The vegetation data will be used to estimate evapotranspiration associated with riparian vegetation along the Russian River and its tributaries.

The USGS will work collaboratively with SCWA, the Water Board, and other local stakeholders to develop the GIS database of the RRW. The USGS will work with SCWA to convert an existing HEC-ResSim operations model (Klipsch and Hurst, 2007) developed by SCWA into MODSIM for simulating reservoir and river operations, which will be coupled to GSFLOW. SCWA staff will review the MODSIM model and provide quality control to confirm that the MODSIM results agree with the existing databases that have been developed for the RRW by SCWA, other local stakeholders, and the USGS. Additional sources of data include the California Department of Water Resources (DWR), California Department of Public Health, Mendocino County, the California Nevada River Forecast Center, and the Sonoma County Department of Health Services. The GIS will form the basis for all tasks, including the identification of data gaps and the determination of needs for new data collection. All GIS metadata will be documented according to USGS guidelines (<http://gio.usgs.gov/egis/metadata/>).

### **Task 2b: Data collection**

This task involves collection and analysis of new data, with a focus on water-quality sampling of the RRW. These efforts will be designed on the basis of the preliminary model results and error evaluations. Data-collection campaigns for the RRW characterization will be designed according to the need to further refine understanding of

the hydrologic conceptualization of the system. Where possible and practical, preliminary model simulations will help guide the collection and characterization. Specific tasks will include refining hydrologic budgets and updating conceptual models of the groundwater-flow system based on the new data and the results of ongoing USGS geologic studies in the basin.

Water-quality samples will be collected from selected wells, springs, and streams. These activities will require significant landowner and stakeholder participation. Initially, existing wells will be used and selected based on compiled data in the GIS and in consultation with SCWA and stakeholder technical staff. Sampling will focus on delineating the source and age of groundwater in the main water-bearing zones (aquifers) and characterizing the current water quality. The sampling will build on recent water-quality data collected as part of the USGS Groundwater Ambient Monitoring and Assessment (GAMA) program (Kulongoski and others, 2006; 2010; Mathany and others, 2011). For this study, water-quality analysis will include basic inorganic constituents and nutrients. The stable isotopes of oxygen and hydrogen will be used to provide information on sources of recharge, and tritium/helium and/or carbon-14 analyses will be used to provide information on groundwater age and travel time. Specific analyses of constituents of particular concern, such as arsenic, iron, manganese, and nitrate also will be conducted.

Specifically, 5-10 wells per groundwater subbasin will be sampled per year for the first two years of the project. All wells will be analyzed at the USGS National Water Quality

Laboratory (NWQL) for major and minor ions; basic nutrients; and trace metals. The stable isotopes of oxygen and hydrogen will be analyzed at the Reston Stable Isotope Laboratory. Selected wells will be analyzed for tritium/helium and/or carbon-14 age-dating analyses. Sampling locations will be chosen based on a review of existing water-quality data.

All water-level and water-quality data will be entered into the USGS NWIS (National Water Information System) database. Approximately 10 percent of the number of environmental samples collected will be added as quality-control samples. These samples will include field blanks and sequential replicates, and will be targeted for selected groups of constituents as needed. All data collection and documentation of metadata will be done according to USGS guidelines with the aid of the California Water Science Center Data Program.

### **Task 2c: Data Interpretation and Geohydrologic Characterization**

The geohydrologic characterizations of the RRW, based on previous USGS and DWR studies, will be analyzed and updated based on new interpretations and data collected for this study. This will involve reassessing the hydrostratigraphy and geometry of the water-bearing units, quantifying the distribution and quantity of recharge and discharge (including pumpage), and evaluation of geochemical characteristics of the basin. The main goals are to develop an updated representation of the hydrostratigraphy and geologic structures of the basin; obtain improved estimates of the hydraulic properties of the water-bearing deposits; quantify the groundwater budget; evaluate the dynamics of

surface-water/groundwater interaction; characterize the general geochemical characteristics and the sources and ages of groundwater; and identify geochemical and hydrogeologic data gaps.

As part of this study, USGS geologists in Denver, CO, working closely with project personnel from this study, will develop a geologic framework model of the major water-bearing units in the RRW. The overall goal of the framework modeling is to define the three-dimensional geology; this will be accomplished through areal geologic mapping, geophysical surveys, and various topical studies (including geochronology, sediment transport patterns, and fault histories). Researchers will use these data along with newly collected geochemical data to reassess the hydrostratigraphy, structures, and geometry of the major water-bearing units of the groundwater basin. Digital geometries of major water-bearing units (aquifers) will be created as part of this task. This framework model will provide the starting point for our reassessment of the geohydrology of the area and will be the foundation used to develop the GSFLOW model.

Parameterization of the GSFLOW model will incorporate all available information regarding land use and vegetation, topography, geologic and soils maps, groundwater-level records, stable isotopes, and synoptic and continuous flow measurements made at various locations along the river. GSFLOW will be used to simulate evapotranspiration within riparian areas on the basis of soil moisture, water-table altitude, vegetation types and densities, and satellite data such as Normalized Difference Vegetation Index (NDVI). MODSIM will be used to estimate surface-water diversion amounts on the basis of

priority, supply, and demand. For parcels that receive surface water and use groundwater, it will be assumed that surface water will be used first, and any residual water demand will be met by groundwater. Wells that have been geographically located and wells with locations inferred on the basis of known water use will be activated within the model automatically to supplement surface-water shortfalls. Surface-water and groundwater demands will be estimated on a seasonal basis using land-use maps, industrial and municipal requirements, and crop water requirements for agricultural areas.

In addition, SCWA is currently working with the USGS to enhance and develop climate scenarios based on the BCM (Flint and Flint, 2007a; Flint and Flint, 2007b; Flint and Flint, 2011; Flint and others, 2011; Flint and Flint, 2012; Flint and others, 2012; Flint and others, in prep). As much as possible, this study will build on, utilize, and/or do comparisons with this work. In particular, an examination of the differences in, and uncertainty of, the BCM-derived estimates and those developed as part of this study will be undertaken.

There will be a particular focus on collecting information on the changing dynamics of stream/aquifer interaction along the Russian River as groundwater pumpage has increased since groundwater was first extracted in the RRW. Gaging-station records will be analyzed to determine: 1) seasonal periods with flow consisting primarily of groundwater discharge, and 2) seasonal depletion of streamflow caused by groundwater pumping and evapotranspiration of riparian vegetation along the Russian River. Stream gage records, synoptic seepage runs, and previous analyses by SCWA, will provide

historic and current information to define gaining and losing reaches of the stream. Specific plans for seepage runs will be made after historic data are reviewed and field reconnaissance completed. However, in general, two seepage runs are planned: one in the fall and the second in the spring.

In addition to data gaps indicated by the preliminary GSFLOW model, gaps in the geochemical and hydrogeologic data also will be identified using the available data compiled in Task 2b and the new data collected in this task. These gaps may include identifying wells where depth-dependent water-quality data are needed or locations where multiple-piezometer monitoring sites are needed. If available, these additional data will help refine the three-dimensional characterization of the RRW.

### **Task 3: Development of a GSFLOW model**

The goal of this task is to develop a GSFLOW model of the RRW (fig. 1). This will be accomplished in two steps: step 1 will be to develop an preliminary, transient GSFLOW model that is capable of doing scoping runs and to identify data gaps, and step 2 will be to develop a final, refined and fully calibrated transient model capable of investigating the complex surface-water/groundwater interactions in the RRW. Woolfenden and Nishikawa (2014) describe the results of a GSFLOW model of the Santa Rosa Plain watershed (called the Santa Rosa Plain Hydrologic Model or SRPHM). Due to its regional nature, it is anticipated that the horizontal and vertical discretization of the RRW model will be much coarser than the SRPHM (1,000 ft by 1,000 ft). The Santa Rosa Plain watershed will not be simulated explicitly; where the SRPHM borders the Healdsburg

area of Santa Rosa Valley will be treated as a boundary condition in the preliminary and final RRW models. GSFLOW model boundaries will follow the RRW topographic divides throughout the basin and will be treated as no-flow boundaries, with the exception of the Santa Rosa Plain watershed, where the boundary will follow a buffered area adjacent to the river.

The preliminary, transient model will be coarse in its representation of geology, land use, and water use and will rely on easily accessible data. The simulation horizon will be the period of record of the most complete pumpage dataset. The model will be calibrated and evaluated according to sub-watershed budgets, average groundwater levels from available data, and correspondence between climate variability and streamflow variability. Model errors will be evaluated to identify sensitive parameters affecting the solution and regions in the model that require further refinement in parameterization and(or) data to constrain the solution. In this manner, the model will be used to focus data mining and data collection and in-depth characterization of the hydrologic system in areas where the model unsatisfactorily simulates historical hydrologic conditions.

Utilizing the integrated GIS database from Task 2a, all the required input files for the GSFLOW model will be developed. The automated calibration software PEST (Doherty, 2010) will then be used to refine initial hydraulic parameters and to explore heterogeneities in hydraulic properties within hydrogeologic units required to improve simulations results relative to observation data. Calibration with PEST will include using pilot points and regularization. Pilot points are arbitrary points in space that facilitate

estimation of spatially-distributed hydraulic properties of an aquifer; for example, hydraulic conductivity. Because cell-by-cell estimation of aquifer properties is not possible, pilot points offer a compromise between strict piecewise-constant zonal (i.e., ‘zonation’) approaches and under-determined cell-by-cell estimation of spatially-distributed aquifer properties. Regularization helps not only to stabilize the numerical aspects of the inverse problem, also it allows the modeler to impart expert knowledge (commonly referred to as “soft” knowledge) in to the parameter estimation problem. Calibration will combine the geohydrologic characterization from task 2C and within-geologic unit characterization through the pilot point and regularization methods provided by PEST.

The GSFLOW model will be developed in three phases. The first phase will consist of the development, calibration, and application of the Precipitation Runoff Modeling System (PRMS) component of the model. The PRMS model will be calibrated to measured stream-discharge data. This work will be closely integrated with existing BCM modeling work in the watershed and the GIS database developed for task 2A.

The second phase will consist of the development, calibration, and application of the groundwater-flow model (MODFLOW) component of the GSFLOW model. Specifically, steady-state and transient versions of the MODFLOW model will be developed. The models will be calibrated to measured groundwater-level, stream-discharge, and geochemistry data (e.g., age-dating or stable-isotope data). It should be noted that groundwater flow through fracture apertures (fracture-flow) in the Franciscan Formation,

which dominates much of the watershed area, will not be simulated explicitly, but rather approximated as flow through an equivalent porous media. The use of the equivalent-porous-media approach is suitable at the scale of this model; however, it may not be appropriate at local scales where fracture flow is predominant. The focus of the model will be to accurately simulate the interactions of surface water and groundwater that predominantly occur in the alluvial portion of the system.

The third phase consists of combining the MODFLOW and PRMS models into the coupled GSFLOW model. This phase will include additional calibration of the integrated model using combined transient surface-water and groundwater targets. Typically, when MODFLOW and PRMS models are calibrated separately, and are then combined for GSFLOW simulations, modest additional calibration is required to account for changes in surface and groundwater exchanges in the integrated model.

#### **Task 4: Coupling GSFLOW with MODSIM**

A reservoir management and river operations model will be developed using the MODSIM software on the basis of the existing HEC ResSim model developed by SCWA. To the extent possible, historical measurements of reservoir releases and river diversions will be specified in the GSFLOW model. However, historical measurements of water use are not completely available. For this case, MODSIM will be used to simulate historical river diversions that are unknown and can be estimated on the basis of water-right priorities, simulated water supply, and water demand. For example, MODSIM is effective for estimating reservoir releases and river diversions during water-

supply shortfalls, when the distribution of available water is complicated by priority and shortfalls are supplemented by groundwater wells. MODSIM can calculate water allocation constrained by management objectives, such as minimum instream flows for fish passage. Additionally, MODSIM will be used for simulating water distribution for future hydrologic conditions and for basin management scenarios. The combined GSFLOW-MODSIM model provides comprehensive simulation of hydrologic processes to estimate water supply that is coupled with operations/planning impacts for representing water use and distribution by humans. The tool provides detailed transient analysis of water-use forecasts, climate-change impacts, and other water-management issues of interest to the broader stakeholder community.

Following completion of final transient integrated GSFLOW-MODSIM model, future hydrologic and water-use conditions will be simulated for the next century relying on CMIP5 projections of future climate change conditions (Stocker and others, 2013). SCWA, in cooperation with the USGS, has developed multiple downscaled climate futures (240 m spatial resolution, 1 day time steps) for the next century using the CMIP5 projections. These climate data sets will be used to simulate hydrologic and water-supply forecasts in the RRW using six different climate projections for the next century. In addition to incorporating climate forecasts that represent climate change scenarios, changes in land use and water demand will be incorporated into the future hydrologic simulations using the integrated GSFLOW-MODSIM model.

**Deliverables**

The USGS will provide quarterly updates to the Water Board, SCWA, and local stakeholders via telephone or WebEx. In addition, USGS personnel will meet in person with the Water Board, SCWA, and local stakeholders on at least an annual basis.

A USGS Scientific Investigations Report characterizing the hydrology of the RRW and summarizing results of the GSFLOW model of the RRW will be completed for colleague review by the first quarter of FFY19, and it should be approved for publication by the end of the fourth quarter of FFY19. The characterization of the RRW will be based on the hydrogeologic and geochemical analyses. The GSFLOW model will be documented by describing the conceptual model, model development, model calibration (including any relevant tables and figures), model results (including any relevant groundwater and surface-water hydrographs and hydrologic budget information), and water-use scenarios. The report will include an integrated assessment of the response of surface- and groundwater resources to changes in water demands and climatic influences. The model will be developed to help water managers and interested stakeholder better manage their watershed system demands by providing water-use scenarios and estimating the effects of water-use decisions both numerically and graphically. Uncertainty analyses generally will be incorporated into these model runs, particularly with regard to the impact of pumping, given the sparseness of available data. An agreed-upon set of scenarios will be developed based on input solicited from participating water managers and interested stakeholders. One of these scenarios will evaluate the impact of climate change on water supply

reliability. All pre- and post processors will be made available to SCWA, state, and stakeholders.

All models developed for this study will be archived according to the new Policy and Guidelines for Archival of Surface-Water, Groundwater, and Water-Quality Model Applications

<http://water.usgs.gov/admin/memo/GW/gw2015.02.pdf><http://water.usgs.gov/admin/memo/GW/gw2015.02.pdf>):

**OFFICE OF GROUNDWATER TECHNICAL MEMORANDUM 2015.02**  
**OFFICE OF SURFACE WATER TECHNICAL MEMORANDUM 2015.01**  
**OFFICE OF WATER QUALITY TECHNICAL MEMORANDUM 2015.01.**

In addition to the formal reports, progress reports, and frequent meetings, a website will be developed to facilitate communication and coordination with SCWA and other relevant stakeholders. The USGS will provide technical assistance to the State Board and SCWA with the model during the life of the project; however, formal training in the use of the model is beyond the scope of this study. It is expected that this assistance will increase during the final six months of the project when the model is completed and the report is going through the review process.

## **SCHEDULE**

A project timeline is shown in Table 1. More details on some of the tasks are below:

1) By the end of the second quarter of Federal Fiscal Year 2017 (FFY17), the preliminary, transient GSFLOW model of the RRW will be completed. This initial,

transient model will provide water-resource managers with an overview of the integrated hydrologic system. As this model is developed, it will help guide the data-collection efforts. In addition, stakeholder and RRICRP input will guide the data-collection and model-building efforts.

2) By the end of the second quarter of FFY18, the final, transient GSFLOW model of the RRW will be completed. The transient model will incorporate climate variability and other dynamic changes in the system. In addition, it will be compared with newly collected geologic, geophysical, and geochemical data and updated accordingly.

3) By the end of FFY18, The MODSIM model will be completed and coupled to GSFLOW to incorporate transient reservoir outflow to the Russian River. This model will allow the cooperators to review the components and parts of the model and determine what additional stresses or forecasting runs will be necessary.

4) All data compilation and collection tasks will be completed by the end of FFY17.

5) All geochemical and geohydrologic analyses will be completed by the end of FFY18.

6) During the life of the project, the USGS will provide technical assistance to the State Board and SCWA on the use of the model.

7) At the end of the project (end of 4 years), the site characterization and model report will be published along with the archive and release of the model. The report, model, and all documentation will all be publicly available and online.

	FFY16				FFY17				FFY18				FFY19			
	Q1	Q2	Q3	Q4												
<b>Task 1. Stakeholder Outreach</b>	x	x	x	x	x	x	x	x	x	x	x	X	x	x	x	x
<b>Task 2a: Data compilation/GIS</b>	x	x	x	x	x	x										
<b>Task 2b: Data collection</b>	x	x	x	x	x	x	x	x								
<b>Task 2c: Geohydrologic Characterization</b>		x	x	x	x	x	x	x	x							
<b>Modeling Tasks. Task 3: GSFLOW model</b>																
Initial, transient GSFLOW Model	x	x	x	x	x	x										
Final, transient GSFLOW Model	x	x					x	x	x	x						
<b>Task 4: Coupling GSFLOW with MODSIM</b>																
Couple GSFLOW w/ MODSIM Model Scenarios and Forecasting							x	x	x	x	x	X				
Transient Model complete for review									x	x		x				x

<b>Deliverables</b>																
Quarterly Updates	x	x	x	x	x	x	x	x	x	x	x	X				
Website	x	x	x	x	x	x	x	x	x	x	x	X	x	x	x	
Technical Assistance	x	x	x	x	x	x	x	x	x	x	x	X	x	x	x	
<b>Report</b>																
Manuscript Review										x	x	X	x			
Editorial review													x			
Final Review															x	
Publish Report																x

Table 1. Work plan by federal fiscal year, quarter, and task.

**BUDGET**

SCWA, the Water Board, and USGS will share the costs of the project. The availability of federal matching funds (FMFs) for this project is uncertain at this point. Depending on availability, the FMFs from earlier FFYs may need to be adjusted and/or postponed into later FFYs. Possible USGS and SCWA/Water Board funding by FFY is presented below.

	FFY16	FFY17	FFY18	FFY19	Total
USGS	\$57,500	\$76,300	\$72,800	\$48,100	\$254,700
Cooperators	\$420,500	\$479,600	\$296,200	\$182,700	\$1,379,000
<b>TOTAL</b>	<b>\$478,000</b>	<b>\$555,900</b>	<b>\$369,000</b>	<b>\$230,800</b>	<b>\$1,633,700</b>

Table 2. Possible cooperator and USGS federal matching funds by federal fiscal year.

**Personnel**

The project will employ a GS-13 hydrologist, a GS-12 hydrologist, a GS-11 geochemist/geologist, a GS-9 physical scientist, a GS-9 information specialist, 3 GS-9 hydrologic technicians, and a GS-7 GIS specialist. The years and percentages of full time for each employee are presented in table 3.

Federal fiscal year (October 1 – September 30)	FFY16	FFY17	FFY18	FFY19
GS-13 hydrologist	10%	10%	10%	10%
GS-12 hydrologist	25%	25%	63%	29%
GS-11 geochemist/geologist	23%	38%	25%	17%
GS-9 physical scientist	16%	16%		
GS-9 information spec.	8%	8%	8%	8%
GS-9 hydro techs (total)		11%		
GS-7 GIS specialist	21%	21%	14%	14%

Table 3. Personnel used by federal fiscal year with percentages of full time for each employee.

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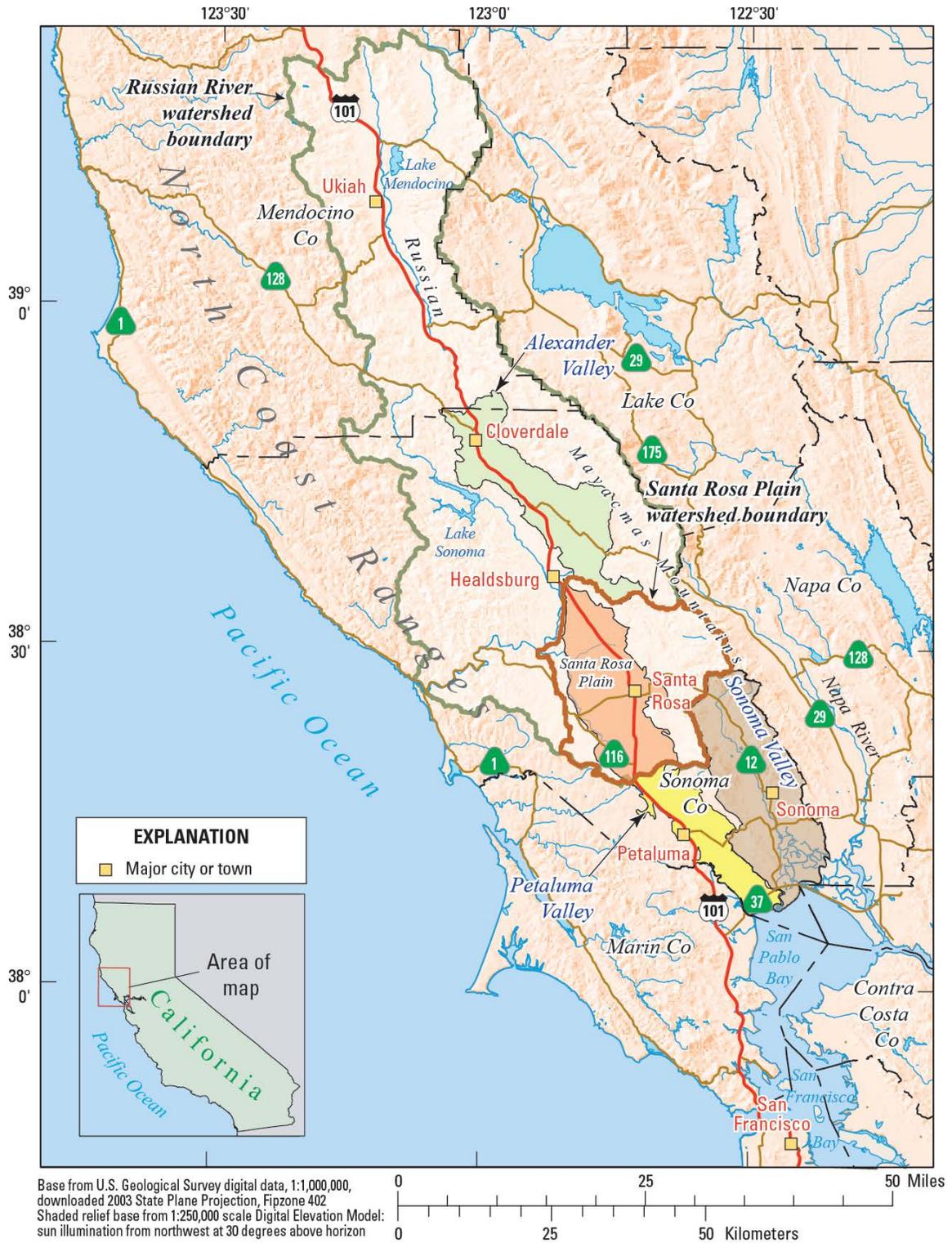


Figure 1. Boundaries of the Russian River watershed, Santa Rosa Plain watershed, Alexander Valley, Sonoma Valley, and Petaluma Valley, Sonoma County, CA.

### **Job Hazard Analysis For New Projects**

- Check the numbered box(s) for all significant safety concerns this project should address. Significant safety concerns are commonly those that require training, purchase of safety equipment, or specialized preparation to address potentially hazardous conditions.
- Identify any unlisted safety concerns at bottom of the page.
- Provide details on the back of this page.

Proposal Number: 2016-02

Project Title (Short) Russian River Evaluation

Project Chief or Proposal Author Tracy Nishikawa

√	<b>Safety Concerns</b>
1. √	Wading, bridge, boat, or cableway measurements or sampling
2.	Working on ice covered rivers or lakes
3.	Measuring or sampling during floods
4.	Well drilling; borehole logging
5. √	Electrical hazards in the work area
6.	Construction
7. √	Working in remote areas, communication, office call in procedures
8. √	Ergonomics, carpal tunnel syndrome
9. √	Field Vehicles appropriate for task?- Safety screens, equipment restraints.
10.	All terrain vehicles, snowmobiles
11.	Helicopter or fixed wing aircraft usage
12.	Site access
13. √	Hypothermia or heat stroke
14. √	Hantavirus, Lyme Disease, Histoplasmosis, Pfiesteria, Others?
15. √	Contaminated water with sanitary, biological, or chemical concerns
16. √	Immunizations
17. √	Laboratory or mobile laboratory. Chemical hygiene plan.
18.	Hazardous waste disposal
19.	Hazardous waste site operations
20. √	Confined space
21.	Radioactivity
22. √	Respiratory protection
23.	Scuba Diving
24.	Electrofishing
25.	

26.

Box no.	For each numbered box checked on the previous page, briefly: A. Describe the safety concern as it relates to this project. B. Describe how this safety concern will be addressed. Include training, safety equipment and other actions that will be required. C. Estimate costs.
1	<p>1. Wading, bridge, boat, or cableway measurements or sampling:</p> <p><b>PFDs:</b> Personal Floatation Devices (PFDs) will be provided to field personnel and must be worn when working in, over, or near a water body. Any exceptions, which are extremely rare, must be approved by the employee’s supervisor, the CAWSC Safety Coordinator, and the CAWSC Director. Inflatable PFDs will be orally inflated at least twice per year to ensure these devices remain inflated for at least 24 hours. PFDs that fail this check will be immediately removed from service, quarantined, and destroyed. Hydrostatic inflatable PFDs will be auto-inflated and re-armed every four years or as indicated by the inflation device’s expiration date. Wafer inflatable PFDs will be auto-inflated and re-armed annually or as indicated by the inflation device’s expiration date. Results of all checks will be sent to the CAWSC Safety Coordinator.</p>
5	<p>5. Electrical hazards in the work area: All personnel will be informed of the DOI Learn course titled, “Safety: Electrical Safety Design” and encouraged to complete this course if they are not familiar with electrical hazards. No additional costs are expected.</p>
7	<p>7. Working in remote areas, communication, office call in procedures: Some parts of the study area may be remote. Center call-in procedures apply. Site-specific call in procedures for CAWSC facilities are located <a href="#">HERE</a></p>
8	<p>8. Ergonomics, carpal tunnel syndrome: Ergonomic assessments of employee workstations are available upon request to the safety coordinator. The CAWSC has developed an <a href="#">SOP</a> for procuring approved ergonomic equipment. Employees should contact Stephen Schmitt, safety coordinator, for additional information.</p>
9	<p>9. Field vehicles appropriate for task? – safety screens, equipment restraints: The California Water Science Center uses vehicles for data collection activities, supply runs, and travel to and from meetings and conferences.</p> <p><b>Vehicle Safety Maintenance and Inspection:</b> Vehicle maintenance resides with the person primarily responsible for upkeep of that vehicle. This person is to complete the USGS Vehicle Safety Inspection Checklist annually and file locally (i.e. in the location where the vehicle is stored). The checklist form can be accessed from the Center’s <a href="#">Safety webpage</a>.</p> <p><b>Cargo Barriers:</b> Vehicles shall contain appropriate safety barriers to protect occupants from potential cargo projectiles. This pertains to vehicles in which the passenger and</p>

	<p>cargo compartments are not separate. Note: any modification to GSA vehicles (G-vehicles) must first be approved by GSA Fleet Service. Contact the CAWSC Vehicle Coordinator for information.</p> <p><b>Training:</b>  All employees who use any vehicles, including personal vehicles, while working for the USGS will complete an approved driver safety training course every three years. This requirement can be satisfied by successfully completing the 4-hour DOI Learn training compliance module titled “NSC Defensive Driving II”. Alternatively employees can take the following free online course, <a href="http://www.dgs.ca.gov/orim/Programs/DDTOnlineTraining.aspx">http://www.dgs.ca.gov/orim/Programs/DDTOnlineTraining.aspx</a>. The Certificate of Completion should be filed at the employee’s duty station and a copy should be sent to the CAWSC Safety Coordinator. Supplemental driver safety training is available to employees who may be driving utility trucks.</p>
13	<p>13. Hypothermia or heat stroke:  Heat stress, from exertion or hot environments, places workers at risk for illnesses such as heat stroke, heat exhaustion, or heat cramps. Symptoms include rapid pulse, heavy sweating, fatigue, dizziness, nausea, irritability, and muscle cramps. First Aid includes stopping work activities, moving to cool, shaded area, removing excess clothes, applying cool water to body, increasing fluid intake (water or Sports drink), seeking medical attention (if symptoms are severe or do not improve). Prevention includes monitoring the physical condition of yourself and coworkers, wearing light-colored, loose-fitting, breathable clothing (like cotton, not synthetics), scheduling heavy work for coolest parts of day, frequent breaks in shaded areas, and frequent water intake. Field personnel will be provided with First Aid training, adequate water, Sports drinks, shade, sunscreen (for body and lips), and shade (umbrella or canopy cover).</p>
14	<p>14. Hantavirus, Lyme Disease, Histoplasmosis, Pfiesteria, Others?:  Hantavirus infection is a rare but serious illness. Typical symptoms are flu-like and include fever, headache, nausea, vomiting, muscle aches, diarrhea, abdominal pain and shortness of breath. These symptoms can occur any time between three days to six weeks (usually occurring around 14 days) after exposure. The usual host of this virus is the deer mouse, although other rodent species have been shown to be infected. The virus spreads by inhalation of air contaminated with rodent saliva, urine, and feces or if this matter is introduced to the body via eye rubbing or through broken skin. NEVER REMOVE DROPPINGS BY SWEEPING OR VACUUMING. Instead, wear respirator mask rated N-100 (see Safety Coordinator for CAWSC Respirator SOPs) and wear plastic or rubber gloves, ventilate area for at least 30 minutes, dampen carcass and droppings with bleach disinfectant (100 mL bleach to 900 mL water), damp mop contaminated area, thoroughly wash hands, face, and clothes after cleaning.</p>
15	<p>15. Contaminated water with sanitary, biological, or chemical concerns:  Surface water in some areas may have low to moderate levels of contamination from sewage or agricultural runoff. Although concentrations are likely to be not</p>



Collateral Duty Safety Officer

Yes\_  \_\_\_ No \_\_\_

and/or copy of JHA given to  
Collateral Duty Safety Officer

Yes \_\_\_ No \_\_\_

District Chief \_\_\_\_\_ Date \_\_\_\_\_  
Regional Program Officer \_\_\_\_\_ Date \_\_\_\_\_

## **DRAFT Cooperative Agreement to Provide Funding and Support for Hydrologic Characterization, and a Coupled Watershed and Groundwater Flow Model of the Russian River Watershed**

This agreement (“Agreement”) is by and between **Sonoma County Water Agency**, a body corporate and politic of the State of California (“Water Agency”) and **City of Ukiah, County of Mendocino, Mendocino County Russian River Flood Control and Water Conservation Improvement District, and Redwood Valley County Water District**, (collectively referred to as “Participants”). The Effective Date of this Agreement is the date the Agreement is last signed by the parties to the Agreement, unless otherwise specified in Article 9.1 (Term of Agreement).

### **RECITALS**

- A. The Water Agency operates two reservoirs in the Russian River Watershed, Lake Mendocino and Lake Sonoma, by collecting and releasing water stored in these reservoirs to supplement the Russian River’s natural flows. These releases are necessary to maintain the minimum instream flow requirements in the Water Agency’s water right permits, meet the demands for diversions into the Water Agency’s water transmission system, and meet the needs of other Russian River water users in Mendocino and Sonoma counties.
- B. The Water Agency’s transmission system provides water to several municipal water suppliers in Sonoma and Marin counties, which deliver water to their customers for residential, governmental, commercial, and industrial purposes.
- C. Residents, farmers, businesses, water districts, tribes, and municipalities in Mendocino County rely on surface water and groundwater resources within the Russian River Watershed as the primary source of water supply for drinking water, agricultural irrigation, and industrial and commercial uses.
- D. The recently enacted Sustainable Groundwater Management Act (SGMA) requires the formation of Groundwater Sustainability Agencies and development of Groundwater Sustainability Plans within two groundwater basins located in the Russian River Watershed: the Santa Rosa Plain Groundwater Subbasin and the Ukiah Valley Groundwater Basin. Additional groundwater basins or subbasins within the Russian River Watershed could also be subject to SGMA requirements when the California Department of Water Resources re-prioritizes basins in 2017.
- E. SGMA also requires an improved understanding of water resource conditions through the development of modeling tools capable of simulating surface water and groundwater interaction.
- F. The Water Agency and Participants wish to develop an updated assessment of surface water and groundwater conditions and a modeling platform to facilitate the integrated management of water resources and assist in complying with SGMA requirements.

- G. The Water Agency, the United States Geological Survey (USGS), and the California State Water Resources Control Board (State Water Board) have proposed a study to evaluate the groundwater resources of the Russian River Watershed. The objective of the study is to develop an updated assessment of the hydrogeology, geochemistry, and geology of the Russian River Watershed based on an analysis of new and available field data and develop a coupled watershed/groundwater-flow model that will facilitate improved management of the region's water resources.
- H. The base cost of the overall study is estimated to be approximately \$1,633,700 over four years. USGS is contributing a total of \$254,700 in federal matching funds for the study over the four-year study period. The State Water Board has agreed to contribute \$689,500 towards the study under a separate agreement between the State Water Board and USGS. The balance of \$689,500 would be paid through the Water Agency's share of \$489,500 and Participants' share of \$200,000. Total costs are shown in Exhibit A.
- I. This Cooperative Agreement between the Water Agency and Participants provides for the Participants share of \$200,000 to be allocated to "Total Local Funds" as shown in Exhibit A. It also establishes a working relationship among the Participants' technical staffs, together with tools and protocols that will be necessary for the success of the study, as well as any future surface water and groundwater management strategies.
- J. Water Agency and USGS contributions are provided for in a related agreement between USGS and Water Agency.

In consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

## **AGREEMENT**

### **1. RECITALS**

- 1.1. The above recitals are true and correct.

### **2. LIST OF EXHIBITS**

- 2.1. The following exhibits are attached hereto and incorporated herein:
  - a. Exhibit A: Cost Allocation
  - b. Exhibit B: Study Description
  - c. Exhibit C: Draft Joint Funding Agreement with USGS
- 2.2. In case of any conflict between the terms of the Agreement and the exhibits, the terms of these documents control and prevail in the following order: 1) Agreement, 2) Exhibit A, 3) Exhibit B, and 4) Exhibit C.

### **3. COMMUNICATION/DESIGNATED REPRESENTATIVES**

- 3.1. The persons designated below shall, upon execution of this Agreement, have authority to grant discretionary approvals identified in this Agreement. Except

as otherwise specifically provided in this Agreement, any notice, submittal, or communication required or permitted to be served on a party, may be served by personal delivery to the person or the office of the person identified below. Service may also be made by mail, by placing first-class postage, and addressed as indicated below, and depositing in the United States mail to:

<b>Water Agency</b>	
Project Manager: Marcus Trotta 404 Aviation Boulevard Santa Rosa, CA 95403-9019 Phone: 707-547-1978 Email: <a href="mailto:Marcus.Trotta@scwa.ca.gov">Marcus.Trotta@scwa.ca.gov</a>	
<b>City of Ukiah</b>	<b>County of Mendocino</b>
Contact: Sean White _____ _____ Phone: _____ Email: <a href="mailto:swhite@cityofukiah.com">swhite@cityofukiah.com</a>	Contact: Sarah Dukett _____ _____ Phone: _____ Email: <a href="mailto:duketts@co.mendocino.ca.us">duketts@co.mendocino.ca.us</a>
<b>Mendocino County Russian River Flood Control and Water Conservation Improvement District</b>	<b>Redwood Valley County Water District</b>
Contact: Tamara Alaniz _____ _____ Phone: _____ Email: <a href="mailto:rrfc@pacific.net">rrfc@pacific.net</a>	Contact: Bill Koehler _____ _____ Phone: _____ Email: <a href="mailto:gmrvcwd@pacific.net">gmrvcwd@pacific.net</a>

**4. COST SHARING**

The estimated total cost to complete the four-year groundwater study as outlined in this Agreement is \$1,633,700. Participants and Water Agency shall share in the \$689,500 Total Local Funds of the study as listed in Exhibit A.

**5. WATER AGENCY’S RESPONSIBILITIES**

5.1. Prepare and negotiate a proposed agreement with USGS to provide funding to support the groundwater study in generally the form attached as Exhibit C. Water Agency will keep Participants reasonably informed during the negotiations and consult prior to committing to any terms of agreements or amendments thereto potentially affecting the Participants.

- 5.2. Act as liaison with USGS, compile existing data sources, and provide technical review, project management, and project coordination. This responsibility includes coordinating any necessary technical review meetings and providing status updates to Participants at such meetings and as needed.
- 5.3. Coordinate with Participants and assist with data acquisition.
- 5.4. Distribute draft copies of reports received from USGS to Participants, notifying Participants of any USGS requirement regarding confidentiality, and distribute final copies of reports received from USGS to Participants, including electronic data files related to GIS and hydrologic modeling.
- 5.5. Distribute final reports to the public during the term of the study.
- 5.6. If requested, assist Participants' staffs in making any presentations to Participants' governing boards or other public forums regarding the study.
- 5.7. Maintain complete and accurate records of all transactions in compliance with generally accepted accounting principles for enterprise accounting as promulgated by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board. Maintain complete project files with all correspondence, including letters and meeting notes. Such records shall be available to all parties at all reasonable times for inspection and analysis.
- 5.8. Invoice Participants for Participants' share of the study cost as described in Paragraph 6.1, below, and in Exhibit A of this Agreement as follows:
  - a. FY 16/17: Upon execution of the agreement with USGS.
  - b. FY 17/18: Approximately July 1, 2017.
  - c. FY 18/19: Approximately July 1, 2018.
  - d. FY 19/20: Approximately July 1, 2019.

## **6. PARTICIPANTS' RESPONSIBILITIES**

- 6.1. Within 60 calendar days of receipt of each Water Agency invoice as described in Paragraph 5.8 above, Participants shall deposit with Water Agency their shares of the study cost as described in Exhibit A of this Agreement.
- 6.2. Participants shall provide technical review and comment on draft work products and study results during the course of the study and shall attend technical review meetings to the extent practicable. Participants shall maintain the confidentiality of any draft USGS reports to the extent Water Agency notifies them that such confidentiality is requested by the USGS, subject to Participants' obligations under the California Public Records Act. Participants shall make available to Water Agency and USGS all technical data in its possession relevant to the study.

- 6.3. Participants shall have the right to review and approve any changes in scope or funding for the study that could potentially affect the Participants including an increased financial commitment.
- 6.4. Participants shall cooperate with Water Agency efforts to obtain additional funding for related studies.

## **7. TERMINATION**

- 7.1. Any party may terminate its participation in this Agreement by giving 180 calendar days advance written notice to the other parties of its intent to terminate its participation in this Agreement. Termination shall not relieve the terminating party of its obligation to pay costs and expenses related to the agreement between Water Agency and USGS or otherwise allocated prior to the effective date of the termination. Water Agency's right to terminate may be exercised by Water Agency's General Manager.

## **8. INDEMNIFICATION**

- 8.1. Except as provided in Paragraph 8.2 below, each party shall indemnify, defend, protect, hold harmless, and release the other, their officers, agents, and employees, from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any negligent act or omission or willful misconduct of such indemnifying party or its agents, employees, contractors, subcontractors, or invitees. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party or its agents, employees, contractors, subcontractors, or invitees under workers' compensation acts, disability benefit acts, or other employee benefit acts.
- 8.2. In addition, the parties acknowledge that pursuant to Article 5 of this Agreement, Water Agency will enter into and administer an agreement with USGS on behalf of the parties to this Agreement. The parties agree to coordinate on defense of any claims against the Water Agency that arise out of Water Agency's performance under said Article 5. If any such claim is made against Water Agency, the parties shall meet and discuss that defense and appropriate assignment of the costs thereof and of any settlement or judgment taking into account and consistent with the mutual indemnification provision in Paragraph 8.1.

## **9. ADDITIONAL REQUIREMENTS**

- 9.1. Term of Agreement: The term of this Agreement shall be from October 1, 2016 ("Effective Date") to October 31, 2020, unless terminated earlier in accordance with the provisions of Article 7 (Termination).

- 9.2. Authority to Amend Agreement: Changes to the Agreement may be authorized only by written amendment, signed by all parties to this Agreement. Changes to lengthen time schedules or make minor modifications to the scope of work, which do not increase the amount paid under the Agreement, may be executed by the Water Agency's General Manager in a form approved by County Counsel and by Participants Designated Representatives.
- 9.3. No Waiver of Breach: The waiver by Water Agency of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or promise or any subsequent breach of the same or any other term or promise contained in this Agreement.
- 9.4. Making of Agreement: Participants and Water Agency acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the Agreement's interpretation; the language of the Agreement will not be construed against one party in favor of another. Participants and Water Agency acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.
- 9.5. Construction: To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.
- Participants and Water Agency acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Participants and Water Agency acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.
- 9.6. No Third-Party Beneficiaries: Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.
- 9.7. Applicable Law and Forum: This Agreement shall be construed and interpreted according to the substantive law of California excluding the law of conflicts. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in the County of Sonoma.
- 9.8. Captions: The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

- 9.9. Merger: This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure section 1856. . Each Party acknowledges that, in entering into this Agreement, it has not relied on any representation or undertaking, whether oral or in writing, other than those which are expressly set forth in this Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.
- 9.10. Survival of Terms: All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- 9.11. Time of Essence: Time is and shall be of the essence of this Agreement and every provision hereof.
- 9.12. Entire Agreement: This Agreement is the entire Agreement between the parties.

**10. COUNTERPART SIGNATURES**

- 10.1. This Agreement may be executed in counterpart and each of these executed counterparts shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date last signed by the parties to the Agreement.

**Sonoma County Water Agency**  
TW 16/17-072

By: \_\_\_\_\_  
Grant Davis  
Water Agency General Manager  
Authorized per Water Agency's Board  
of Directors Action on  
\_\_\_\_\_

By: \_\_\_\_\_  
Water Agency Division Manager -  
Administrative Services

Approved as to form:

By: \_\_\_\_\_  
Cory O'Donnell, Deputy County Counsel

**City of Ukiah**

By: \_\_\_\_\_

**County of Mendocino**

By: \_\_\_\_\_

**Mendocino County Russian River Flood Control and Water Conservation Improvement District**

By: \_\_\_\_\_

**Redwood Valley County Water District**

By: \_\_\_\_\_

## Exhibit A

### Russian River Watershed Study Cost Allocation Required Cost Allocation for Years 1 through 4

Study Year	Water Agency	City of Ukiah	County of Mendocino	Mendocino County Russian River Flood Control and Water Conservation Improvement District	Redwood Valley County Water District	Total Local Funds (Water Agency + Participants)	State Water Board	USGS	TOTALS
FY 16/17	\$160,250	\$8,500	\$25,000	\$8,250	\$8,250	\$360,250	\$210,250	\$57,500	\$628,000
FY 17/18	\$164,800	\$8,500	\$25,000	\$8,250	\$8,250	\$164,800	\$239,800	\$76,300	\$480,900
FY 18/19	\$98,100	\$8,500	\$25,000	\$8,250	\$8,250	\$98,100	\$148,100	\$72,800	\$319,000
FY 19/20	\$66,350	\$8,500	\$25,000	\$8,250	\$8,250	\$66,350	\$91,350	\$48,100	\$205,800
<b>Total Cash Funding</b>	\$489,500	\$34,000	\$100,000	\$33,000	\$33,000	\$689,500	\$689,500	\$254,700	\$1,633,700

# **Exhibit B**

## **Study Description**

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## SUMMARY

**Title:** Hydrologic Characterization and a Coupled Watershed and Groundwater-Flow Model of the Russian River Watershed, California

**Cooperating agency:** Sonoma County Water Agency (SCWA) and California State Water Resources Control Board (State Board)

**Period of project:** 2016-2019

**Geographic Scope:** Potter Valley, Ukiah Valley, Sanel Valley, Alexander and Cloverdale areas of Alexander Valley, Healdsburg area of Santa Rosa Valley, Santa Rosa Valley, and Lower Russian River Valley as defined by California Department of Water Resources in Bulletin 118.

**Problem** Most basins in the Russian River watershed (RRW) currently rely on a combination of Russian River water and groundwater to meet demand. The primary uses of water in the RRW include agricultural irrigation, municipal supplies, rural domestic uses that are outside of municipal system (i.e., private wells and municipal water companies) and commercial uses (e.g., wineries). Current and future challenges to managing RRW water resources include: available flows for fisheries, extreme events due to climate change, flood impacts, increasing water-supply demands, decreasing water availability, and streamflow and groundwater storage depletion.

**Objectives:** The primary objectives of this project are to: 1) refine the understanding of the RRW hydrologic system based on an analysis of new and available field data; and 2) develop a coupled watershed/groundwater-flow model for the RRW that will facilitate improved management of the region's water resources.

**Relevance and Benefits:** This study will assist SCWA, the State Board, and other stakeholders to better understand the potential impacts of increasing groundwater demand on water levels and in developing strategies for efficient surface-water/groundwater management. The USGS will address significant issues of stream-aquifer interaction and develop new, transferable tools for analyzing multi-basin water management. The study addresses the priority water-resource issue "A Water Census of the United States: Quantifying, Forecasting, and Securing Freshwater for America's Future" identified in "Facing tomorrow's challenges—U.S. Geological Survey science in the decade 2007–2017."

**Approach:** Specific tasks will be: 1) interpret available data, collect new data, and characterize the geohydrology of RRW — including refining hydrologic budgets and conceptual models of the hydrologic system; 2) development and application of a coupled watershed and groundwater-flow model; and 3) describe the results of the study in a USGS report.

**Anticipated products:** A USGS Scientific Investigations Report will describe the updated geohydrologic characterization of the RRW and the development, calibration, and application of the coupled surface-water/groundwater-flow model.

**Hydrologic Characterization and a Coupled Watershed and Groundwater-Flow  
Model of the Russian River Watershed, California**

**PROBLEM**

The Russian River Watershed (RRW; fig. 1) is a diverse region of 1,500 square miles of urban, agricultural and forested lands in northern Sonoma County and southern Mendocino County, California. The Russian River is prone to droughts and floods (highest recurrent flood damages in California). This flashiness is due in large part to the prevalence of atmospheric rivers for the region, which comprise, on average, nearly 50 percent of precipitation. This highly variable hydrology presents significant challenges for flood, water supply and environmental water managers.

The recently enacted California Sustainable Groundwater Management Act (SGMA) identifies two of the basins (Santa Rosa Plain and Ukiah Valley) within the RRW as medium-priority basins; therefore, groundwater-sustainability agencies will need to be formed in each basin by June 30, 2017 and groundwater sustainability plans will need to be developed by January 2022. In addition, other basins within the RRW could be reprioritized into high/medium priority once the California State Department of Water Resources conducts basin reprioritization in winter 2017. This work will help support those management efforts.

Most basins in the RRW currently rely on a combination of Russian River water and groundwater to meet demand. The primary uses of water in the RRW include agricultural irrigation, municipal supplies, rural domestic uses that are outside of municipal systems (i.e., private wells and mutual water companies) and commercial uses (e.g., wineries and

recreation). Current and future challenges to managing RRW water resources include: available flows for fisheries, extreme events due to climate change, flood impacts, increasing water-supply demands, decreasing water availability, and streamflow and groundwater-storage depletion.

#### **SCOPE**

This proposal describes a cooperative project that will study and report on the water resources in the RRW (fig. 1). The Sonoma County Water Agency (SCWA) and California State Water-Resources Control Board (Water Board), in cooperation with the U.S. Geological Survey (USGS), will be responsible for different portions of this study.

#### **OBJECTIVES**

The primary objectives of this project are to: 1) refine the understanding of the RRW hydrologic system based on an analysis of new and available field data; and 2) develop a coupled watershed/groundwater-flow model for the RRW that will facilitate improved management of the region's water resources.

Specific elements in objective 1 are to: quantify present-day hydrologic conditions, including a hydrologic budget and distributed recharge estimates; quantify changes in groundwater levels and streamflow that have occurred during the past few decades and relate these changes to water-resources development, changes in land use, and environmentally-based management [e.g., the Biological Opinion (National Marine Fisheries Service, 2008) and the Federal Energy Regulatory Commission license for the Potter Valley Project (Federal Energy Regulatory Commission, 2004)]; quantify groundwater and surface-water interchange; characterize the geochemistry of the RRW;

improve the definition of the hydrostratigraphy and the groundwater-flow system; and evaluate the potential changes to streamflow in the Russian River and its tributaries associated with future projections of groundwater pumping and climate change.

Specific elements in objective 2 are to develop a numerical model that: 1) simulates past and present surface-water and groundwater conditions, including reservoir releases and stream diversions (addressed by including consideration of: A) water rights into the reservoir and river operations model, MODSIM, and B) riparian evapotranspiration into GSFLOW); 2) quantifies spatially and temporally distributed groundwater and surface-water exchanges; 3) can be efficiently coupled to output from global circulation models (GCMs) to assess the impacts of potential climate change on future hydrologic conditions (Huntington and Niswonger, 2012); and 4) can be readily applied to evaluate potential impacts from land- and water-use changes on future hydrology.

Development of the coupled watershed/groundwater-flow model for RRW will be documented in a USGS report and the model will be available to SCWA, the Water Board, other interested parties and the public to test and analyze various potential future water-management scenarios.

#### **RELEVANCE AND BENEFITS**

Groundwater is a critical resource, which is closely connected with surface-water resources in the RRW and is expected to be an important component of water supply in the future. Municipal, commercial, rural-residential and agricultural users consumptively use both surface water and groundwater in the RRW. Studies in this cooperative project

will provide much of the hydrologic information needed by SCWA, the Water Board, and other RRW stakeholders to better understand the potential impacts of climate variability and change, and associated changes in groundwater use on groundwater levels, stream discharge, stream-aquifer interaction, and water quality. The project also will provide the information and models needed by SCWA, the Water Board, and others for improved decision making regarding the RRW's surface- and groundwater resources. Development of an integrated hydrologic and reservoir/river operations model for the RRW will allow for better management of all water resources in the watershed.

The proposed study addresses the USGS science strategy direction "A Water Census of the United States: Quantifying, Forecasting, and Securing Freshwater for America's Future" (U.S. Geological Survey, 2007). Specifically, the study addresses freshwater availability, documents water-storage capabilities of the aquifer system, and refines and develops surface-water/groundwater models to help better understand the aquifer system.

#### **GENERAL HYDROLOGIC DESCRIPTION OF THE RUSSIAN RIVER WATERSHED**

The drainage area of the Russian River is in the northern part of the California Coast Ranges section of the Pacific Border province (Fenneman, 1931). The northern Coast Ranges trend northwestward, parallel to the major structural features of the region. The mountain range that lies west of the Russian River valley and extends to the coast is commonly called the Mendocino Range, or the Mendocino Highlands. The highland area east of the lower and middle Russian River valley areas is known as the Mayacmas

Mountains (fig. 1). The altitude of the highlands ranges from about 2,000 to 6,000 ft. The highest point in the Coast Ranges, at an altitude of 6,381 ft, is on Mount Sanhedrin, about 15 mi northeast of Willits. The altitude of the divide on the west side of the Russian River ranges from 1,400 to 3,000 ft; and on the east side, from 3,000 to 4,000 ft. The altitude of the mountains bordering the Russian River increases slightly from south to north.

The proposed study area is drained by the Russian River (fig. 1), a principal river in the northern coastal area of California between San Francisco and Eureka. The Russian River begins about 16 mi north of Ukiah and flows southward for about 90 mi through alluvium-filled valleys and mountain gorges to Rio Dell. There the river turns abruptly westward, crosses the Coast Ranges, and flows to the Pacific Ocean at Jenner, California. The entire river is about 110 mi long, but the drainage basin through which it flows is about 85 mi long. The valley of the Russian River ranges in width from 12 to 32 mi and the watershed has an area of about 1,485 square mi. There are 12 USGS-operated stream gages on the Russian River. Lake Sonoma and Lake Mendocino (which receive water from the Potter Valley Project) are reservoirs that supply water to the Russian River. The supplied reservoir water is important for Chinook salmon and steelhead trout fisheries and for water supply. Lake Sonoma supplies water during the fall and winter to sustain Chinook salmon and steelhead trout habitat. Lake Mendocino is an important source of water for cities and agriculture within the upper Russian River basin above the confluence of Dry Creek. Both reservoirs are important for municipal, industrial, rural, and recreational uses.

A comprehensive hydrologic characterization or modeling study of the RRW has not been reported. Cardwell (1965) described the geohydrology of selected subbasins within the RRW (Potter Valley, Ukiah Valley, Sanel Valley, Alexander and Cloverdale areas of Alexander Valley, Healdsburg area of Santa Rosa Valley, and Lower Russian River Valley). In addition to the aforementioned subbasins, Cardwell (1958) and Nishikawa (2013) described a seventh subbasin, the Santa Rosa Valley. Metzger and others (2006) updated the description of the geohydrology and geochemistry of the Alexander Valley. The California Department of Water Resources (2003) has also described the seven RRW groundwater subbasins.

As described by Cardwell (1965), the rocks in the Russian River valley may be divided into three general groups on the basis of age and water-bearing properties. These groups are, from oldest to youngest, 1) consolidated rocks of Jurassic and Cretaceous age, 2) deformed poorly consolidated or unconsolidated continental, volcanic, and marine rocks of Cenozoic (Pliocene and Pleistocene) age, and 3) under-formed and unconsolidated alluvial deposits of Quaternary age, comprising the terrace deposits of Pleistocene age, dissected alluvium of Pleistocene and Recent age, and alluvium of Recent age.

The oldest rocks in the area are those of the Franciscan and Knoxville Formations of Jurassic and Cretaceous age. These formations constitute the bedrock in most of the northern Coast Ranges. The Franciscan and Knoxville Formations in the vicinity of Healdsburg and Alexander Valley are overlain by a thick unnamed conglomerate of Late Cretaceous (?) age. Wells tapping the conglomerate in the upland area between the

northwestern parts of Dry Creek and Alexander Valleys supply adequate water for domestic use.

In the middle Russian River valley area (Healdsburg area and Alexander Valley), the Sonoma Volcanics of Pliocene age, the marine Wilson Grove (formally called the Merced) Formation of Pliocene and Pleistocene (?) age, and the continental Glen Ellen Formation of Pliocene (?) and Pleistocene age crop out discontinuously. Although these formations are of limited areal extent, they are important sources of groundwater locally.

In the upper Russian River valley (Potter Valley, Ukiah Valley, and Sanel Valley), continental deposits considered to be equivalent to the Glen Ellen Formation crop out along the margins of the present alluvial valleys. These deposits are an important source of water for domestic and stock supplies.

Alluvium includes most of the unconsolidated deposits of Recent age that underlie and form the present alluvial plains in the Russian River valley. The alluvium is the principal source of groundwater in all the valley areas. The stream-channel deposits are differentiated from the alluvium in areas where these deposits are spatially extensive.

#### **APPROACH**

In order to better understand surface-water and groundwater issues in RRW, the USGS is proposing to characterize the integrated hydrologic system of the RRW. This study will include the effects of variability in climate, geology, biota, and human activities (including regulatory effects) on water availability and surface-water flow in the RRW.

The characterization of the RRW will require the development of a Geographic Information System (GIS) database, data compilation, data collection, and the development of a coupled hydrologic and reservoir/river operations model. Specifically, the USGS-developed integrated Groundwater Surface-water Flow model (GSFLOW; Markstrom and others, 2008) and the reservoir and river operations model MODSIM (Labadie and others, 2000) will be used.

GSFLOW allows for an improved numerical representation of dynamic surface-water/groundwater interactions (Markstrom and others, 2008). This model has been successfully applied in the Santa Rosa Plain groundwater study (Woolfenden and Nishikawa, 2014) and several other watersheds across the world (e.g., see list provided at: <http://water.usgs.gov/ogw/gsfLOW/>). In addition, a recent study reviewed available surface-water/groundwater models for application to modeling the Alexander Valley and found that GSFLOW was one of two preferred models (Kennedy/Jenks Consultants, 2015). During these recent studies, tools have been developed that allow much faster and more streamlined development of GSFLOW models and the analyses of their results. This proposed study will take advantage of these tools.

Development of a useful tool to understand and analyze the integrated hydrologic system (GSFLOW model) is aided by broad information about climate, hydrogeology, vegetation, land use, water management, and other system variables that affect the flow and storage of water within the RRW. For this project, there are both data collection and modeling tasks needed to characterize and analyze the system. The data

collection/analysis and modeling activities will be conducted in parallel such that each can inform the other.

### **Task 1: Stakeholder Outreach**

An important component of this project is outreach to the various stakeholders in the RRW, including local agencies, communities, water managers, and agricultural entities. In order to help solicit information and data that will benefit the project, it is important that this stakeholder input be received early in the process. This outreach will be conducted to receive broad stakeholder input regarding the identification of important water-resources issues in the RRW. It will also be used to help gather data and insights into the hydrologic system and how it is utilized and managed. Although groundwater is managed locally on an informal basis, there are two agencies that manage the Russian River: the SCWA (water supply) and the Army Corps of Engineers (flood protection). Local stakeholders will provide important insight to improve understanding the Russian River system in addition to the challenges in using and managing water resources in the watershed. Stakeholder meetings and information dissemination will occur throughout the life of the project so that all parties are kept up to date on study findings.

Of primary importance for this task is gathering stakeholder input as early in the project as possible. This will facilitate the process of data compilation that will eventually benefit the development of the model. In addition, a positive start to stakeholder outreach may result in broader “buy-in” from RRW water users regarding making data available to the study or allowing the USGS to collect data from their properties.

The Russian River Independent Science Review Panel (RRISRP) was established by a group of local water suppliers, and agricultural and watershed organizations in an effort to “establish a sound scientific basis for future water supply and watershed management decision making in the Russian River.” The possibility of the RRISRP acting as the project’s independent technical review committee will be explored. In addition, the RRISRP is scheduled to publish a conceptual model report by May 2016. The geographic scope of this report is the upper river above Dry Creek and will focus on tributaries, specifically surface-water/groundwater interactions and possible impacts to riparian ecosystems. This study will consider the RRISRP conceptual model when developing the GSFLOW model. The committee may also provide guidance regarding model development (e.g., assumptions, model construction, etc.) and defining future water-use, water-availability and management scenarios for simulation by the model.

#### **Task 2: Data Collection and Analysis**

In order to better understand the integrated hydrologic system and improve the model’s ability to simulate key hydrologic processes, a number of data collection activities, syntheses, and analyses will be undertaken. Specifically this task will involve three parts:

- a. Data compilation and development of an integrated GIS database
- b. Data collection
- c. Data interpretation and geohydrologic characterization

These steps are important for accurate evaluation of surface-water/groundwater interaction, reliability of the surface-water/groundwater system given present-day and future water-use forecasts, and future climate-change impacts.

**Task 2a: Data compilation and development of an integrated GIS database**

The first part of task 2 will involve data compilation and development of information necessary for model input files—a GIS will be the primary means of organizing data for archiving, searching, interrelating, and displaying hydrologic and related information. Data compilation will include compiling maps of climate, surficial geology, vegetation, land use, well locations, stream networks and reservoir information, and digitizing of drillers' logs. Drillers' logs and geophysical data will be used to define and map alluvial thickness, regionally extensive aquifers (coarse-grained material) and aquitards (fine-grained material), depth to bedrock, and other general hydrogeologic features. Although data may be sparse, groundwater-level data, aquifer-test data, and streamflow records will be compiled to help develop an understanding of the hydrogeology and the flow system, and for use as observations/prior-information for model calibration.

Data used to estimate annual groundwater discharge will also be compiled. These data include: pumping, land-use, vegetation type, and vegetation density. For example, data from previous studies analyzing vineyards and riparian evapotranspiration will be compiled and used. Pumping data will be evaluated to determine the areal distribution and quantity of pumpage for each of the developed aquifers. The only known pumping data is from municipal sources. Agricultural pumpage will be estimated based on

stakeholder input, land-use data, irrigation-system efficiency, reference evapotranspiration, and crop-coefficients to determine the consumptive use of water. The vegetation data will be used to estimate evapotranspiration associated with riparian vegetation along the Russian River and its tributaries.

The USGS will work collaboratively with SCWA, the Water Board, and other local stakeholders to develop the GIS database of the RRW. The USGS will work with SCWA to convert an existing HEC-ResSim operations model (Klipsch and Hurst, 2007) developed by SCWA into MODSIM for simulating reservoir and river operations, which will be coupled to GSFLOW. SCWA staff will review the MODSIM model and provide quality control to confirm that the MODSIM results agree with the existing databases that have been developed for the RRW by SCWA, other local stakeholders, and the USGS. Additional sources of data include the California Department of Water Resources (DWR), California Department of Public Health, Mendocino County, the California Nevada River Forecast Center, and the Sonoma County Department of Health Services. The GIS will form the basis for all tasks, including the identification of data gaps and the determination of needs for new data collection. All GIS metadata will be documented according to USGS guidelines (<http://gio.usgs.gov/cgis/metadata/>).

**Task 2b: Data collection**

This task involves collection and analysis of new data, with a focus on water-quality sampling of the RRW. These efforts will be designed on the basis of the preliminary model results and error evaluations. Data-collection campaigns for the RRW characterization will be designed according to the need to further refine understanding of

the hydrologic conceptualization of the system. Where possible and practical, preliminary model simulations will help guide the collection and characterization. Specific tasks will include refining hydrologic budgets and updating conceptual models of the groundwater-flow system based on the new data and the results of ongoing USGS geologic studies in the basin.

Water-quality samples will be collected from selected wells, springs, and streams. These activities will require significant landowner and stakeholder participation. Initially, existing wells will be used and selected based on compiled data in the GIS and in consultation with SCWA and stakeholder technical staff. Sampling will focus on delineating the source and age of groundwater in the main water-bearing zones (aquifers) and characterizing the current water quality. The sampling will build on recent water-quality data collected as part of the USGS Groundwater Ambient Monitoring and Assessment (GAMA) program (Kulongoski and others, 2006; 2010; Mathany and others, 2011). For this study, water-quality analysis will include basic inorganic constituents and nutrients. The stable isotopes of oxygen and hydrogen will be used to provide information on sources of recharge, and tritium/helium and/or carbon-14 analyses will be used to provide information on groundwater age and travel time. Specific analyses of constituents of particular concern, such as arsenic, iron, manganese, and nitrate also will be conducted.

Specifically, 5-10 wells per groundwater subbasin will be sampled per year for the first two years of the project. All wells will be analyzed at the USGS National Water Quality

Laboratory (NWQL) for major and minor ions; basic nutrients; and trace metals. The stable isotopes of oxygen and hydrogen will be analyzed at the Reston Stable Isotope Laboratory. Selected wells will be analyzed for tritium/helium and/or carbon-14 age-dating analyses. Sampling locations will be chosen based on a review of existing water-quality data.

All water-level and water-quality data will be entered into the USGS NWIS (National Water Information System) database. Approximately 10 percent of the number of environmental samples collected will be added as quality-control samples. These samples will include field blanks and sequential replicates, and will be targeted for selected groups of constituents as needed. All data collection and documentation of metadata will be done according to USGS guidelines with the aid of the California Water Science Center Data Program.

**Task 2c: Data Interpretation and Geohydrologic Characterization**

The geohydrologic characterizations of the RRW, based on previous USGS and DWR studies, will be analyzed and updated based on new interpretations and data collected for this study. This will involve reassessing the hydrostratigraphy and geometry of the water-bearing units, quantifying the distribution and quantity of recharge and discharge (including pumpage), and evaluation of geochemical characteristics of the basin. The main goals are to develop an updated representation of the hydrostratigraphy and geologic structures of the basin; obtain improved estimates of the hydraulic properties of the water-bearing deposits; quantify the groundwater budget; evaluate the dynamics of

surface-water/groundwater interaction; characterize the general geochemical characteristics and the sources and ages of groundwater; and identify geochemical and hydrogeologic data gaps.

As part of this study, USGS geologists in Denver, CO, working closely with project personnel from this study, will develop a geologic framework model of the major water-bearing units in the RRW. The overall goal of the framework modeling is to define the three-dimensional geology; this will be accomplished through areal geologic mapping, geophysical surveys, and various topical studies (including geochronology, sediment transport patterns, and fault histories). Researchers will use these data along with newly collected geochemical data to reassess the hydrostratigraphy, structures, and geometry of the major water-bearing units of the groundwater basin. Digital geometries of major water-bearing units (aquifers) will be created as part of this task. This framework model will provide the starting point for our reassessment of the geohydrology of the area and will be the foundation used to develop the GSFLOW model.

Parameterization of the GSFLOW model will incorporate all available information regarding land use and vegetation, topography, geologic and soils maps, groundwater-level records, stable isotopes, and synoptic and continuous flow measurements made at various locations along the river. GSFLOW will be used to simulate evapotranspiration within riparian areas on the basis of soil moisture, water-table altitude, vegetation types and densities, and satellite data such as Normalized Difference Vegetation Index (NDVI). MODSIM will be used to estimate surface-water diversion amounts on the basis of

priority, supply, and demand. For parcels that receive surface water and use groundwater, it will be assumed that surface water will be used first, and any residual water demand will be met by groundwater. Wells that have been geographically located and wells with locations inferred on the basis of known water use will be activated within the model automatically to supplement surface-water shortfalls. Surface-water and groundwater demands will be estimated on a seasonal basis using land-use maps, industrial and municipal requirements, and crop water requirements for agricultural areas.

In addition, SCWA is currently working with the USGS to enhance and develop climate scenarios based on the BCM (Flint and Flint, 2007a; Flint and Flint, 2007b; Flint and Flint, 2011; Flint and others, 2011; Flint and Flint, 2012; Flint and others, 2012; Flint and others, in prep). As much as possible, this study will build on, utilize, and/or do comparisons with this work. In particular, an examination of the differences in, and uncertainty of, the BCM-derived estimates and those developed as part of this study will be undertaken.

There will be a particular focus on collecting information on the changing dynamics of stream/aquifer interaction along the Russian River as groundwater pumpage has increased since groundwater was first extracted in the RRW. Gaging-station records will be analyzed to determine: 1) seasonal periods with flow consisting primarily of groundwater discharge, and 2) seasonal depletion of streamflow caused by groundwater pumping and evapotranspiration of riparian vegetation along the Russian River. Stream gage records, synoptic seepage runs, and previous analyses by SCWA, will provide

historic and current information to define gaining and losing reaches of the stream. Specific plans for seepage runs will be made after historic data are reviewed and field reconnaissance completed. However, in general, two seepage runs are planned: one in the fall and the second in the spring.

In addition to data gaps indicated by the preliminary GSFLOW model, gaps in the geochemical and hydrogeologic data also will be identified using the available data compiled in Task 2b and the new data collected in this task. These gaps may include identifying wells where depth-dependent water-quality data are needed or locations where multiple-piezometer monitoring sites are needed. If available, these additional data will help refine the three-dimensional characterization of the RRW.

### **Task 3: Development of a GSFLOW model**

The goal of this task is to develop a GSFLOW model of the RRW (fig. 1). This will be accomplished in two steps: step 1 will be to develop an preliminary, transient GSFLOW model that is capable of doing scoping runs and to identify data gaps, and step 2 will be to develop a final, refined and fully calibrated transient model capable of investigating the complex surface-water/groundwater interactions in the RRW. Woolfenden and Nishikawa (2014) describe the results of a GSFLOW model of the Santa Rosa Plain watershed (called the Santa Rosa Plain Hydrologic Model or SRPHM). Due to its regional nature, it is anticipated that the horizontal and vertical discretization of the RRW model will be much coarser than the SRPHM (1,000 ft by 1,000 ft). The Santa Rosa Plain watershed will not be simulated explicitly; where the SRPHM borders the Healdsburg

area of Santa Rosa Valley will be treated as a boundary condition in the preliminary and final RRW models. GSFLOW model boundaries will follow the RRW topographic divides throughout the basin and will be treated as no-flow boundaries, with the exception of the Santa Rosa Plain watershed, where the boundary will follow a buffered area adjacent to the river.

The preliminary, transient model will be coarse in its representation of geology, land use, and water use and will rely on easily accessible data. The simulation horizon will be the period of record of the most complete pumpage dataset. The model will be calibrated and evaluated according to sub-watershed budgets, average groundwater levels from available data, and correspondence between climate variability and streamflow variability. Model errors will be evaluated to identify sensitive parameters affecting the solution and regions in the model that require further refinement in parameterization and(or) data to constrain the solution. In this manner, the model will be used to focus data mining and data collection and in-depth characterization of the hydrologic system in areas where the model unsatisfactorily simulates historical hydrologic conditions.

Utilizing the integrated GIS database from Task 2a, all the required input files for the GSFLOW model will be developed. The automated calibration software PEST (Doherty, 2010) will then be used to refine initial hydraulic parameters and to explore heterogeneities in hydraulic properties within hydrogeologic units required to improve simulations results relative to observation data. Calibration with PEST will include using pilot points and regularization. Pilot points are arbitrary points in space that facilitate

estimation of spatially-distributed hydraulic properties of an aquifer; for example, hydraulic conductivity. Because cell-by-cell estimation of aquifer properties is not possible, pilot points offer a compromise between strict piecewise-constant zonal (i.e., ‘zonation’) approaches and under-determined cell-by-cell estimation of spatially-distributed aquifer properties. Regularization helps not only to stabilize the numerical aspects of the inverse problem, also it allows the modeler to impart expert knowledge (commonly referred to as “soft” knowledge) in to the parameter estimation problem. Calibration will combine the geohydrologic characterization from task 2C and within-geologic unit characterization through the pilot point and regularization methods provided by PEST.

The GSFLOW model will be developed in three phases. The first phase will consist of the development, calibration, and application of the Precipitation Runoff Modeling System (PRMS) component of the model. The PRMS model will be calibrated to measured stream-discharge data. This work will be closely integrated with existing BCM modeling work in the watershed and the GIS database developed for task 2A.

The second phase will consist of the development, calibration, and application of the groundwater-flow model (MODFLOW) component of the GSFLOW model. Specifically, steady-state and transient versions of the MODFLOW model will be developed. The models will be calibrated to measured groundwater-level, stream-discharge, and geochemistry data (e.g., age-dating or stable-isotope data). It should be noted that groundwater flow through fracture apertures (fracture-flow) in the Franciscan Formation,

which dominates much of the watershed area, will not be simulated explicitly, but rather approximated as flow through an equivalent porous media. The use of the equivalent-porous-media approach is suitable at the scale of this model; however, it may not be appropriate at local scales where fracture flow is predominant. The focus of the model will be to accurately simulate the interactions of surface water and groundwater that predominantly occur in the alluvial portion of the system.

The third phase consists of combining the MODFLOW and PRMS models into the coupled GSFLOW model. This phase will include additional calibration of the integrated model using combined transient surface-water and groundwater targets. Typically, when MODFLOW and PRMS models are calibrated separately, and are then combined for GSFLOW simulations, modest additional calibration is required to account for changes in surface and groundwater exchanges in the integrated model.

#### **Task 4: Coupling GSFLOW with MODSIM**

A reservoir management and river operations model will be developed using the MODSIM software on the basis of the existing HEC ResSim model developed by SCWA. To the extent possible, historical measurements of reservoir releases and river diversions will be specified in the GSFLOW model. However, historical measurements of water use are not completely available. For this case, MODSIM will be used to simulate historical river diversions that are unknown and can be estimated on the basis of water-right priorities, simulated water supply, and water demand. For example, MODSIM is effective for estimating reservoir releases and river diversions during water-

supply shortfalls, when the distribution of available water is complicated by priority and shortfalls are supplemented by groundwater wells. MODSIM can calculate water allocation constrained by management objectives, such as minimum instream flows for fish passage. Additionally, MODSIM will be used for simulating water distribution for future hydrologic conditions and for basin management scenarios. The combined GSFLOW-MODSIM model provides comprehensive simulation of hydrologic processes to estimate water supply that is coupled with operations/planning impacts for representing water use and distribution by humans. The tool provides detailed transient analysis of water-use forecasts, climate-change impacts, and other water-management issues of interest to the broader stakeholder community.

Following completion of final transient integrated GSFLOW-MODSIM model, future hydrologic and water-use conditions will be simulated for the next century relying on CMIP5 projections of future climate change conditions (Stocker and others, 2013). SCWA, in cooperation with the USGS, has developed multiple downscaled climate futures (240 m spatial resolution, 1 day time steps) for the next century using the CMIP5 projections. These climate data sets will be used to simulate hydrologic and water-supply forecasts in the RRW using six different climate projections for the next century. In addition to incorporating climate forecasts that represent climate change scenarios, changes in land use and water demand will be incorporated into the future hydrologic simulations using the integrated GSFLOW-MODSIM model.

**Deliverables**

The USGS will provide quarterly updates to the Water Board, SCWA, and local stakeholders via telephone or WebEx. In addition, USGS personnel will meet in person with the Water Board, SCWA, and local stakeholders on at least an annual basis.

A USGS Scientific Investigations Report characterizing the hydrology of the RRW and summarizing results of the GSFLOW model of the RRW will be completed for colleague review by the first quarter of FFY19, and it should be approved for publication by the end of the fourth quarter of FFY19. The characterization of the RRW will be based on the hydrogeologic and geochemical analyses. The GSFLOW model will be documented by describing the conceptual model, model development, model calibration (including any relevant tables and figures), model results (including any relevant groundwater and surface-water hydrographs and hydrologic budget information), and water-use scenarios. The report will include an integrated assessment of the response of surface- and groundwater resources to changes in water demands and climatic influences. The model will be developed to help water managers and interested stakeholder better manage their watershed system demands by providing water-use scenarios and estimating the effects of water-use decisions both numerically and graphically. Uncertainty analyses generally will be incorporated into these model runs, particularly with regard to the impact of pumping, given the sparseness of available data. An agreed-upon set of scenarios will be developed based on input solicited from participating water managers and interested stakeholders. One of these scenarios will evaluate the impact of climate change on water supply

reliability. All pre- and post processors will be made available to SCWA, state, and stakeholders.

All models developed for this study will be archived according to the new Policy and Guidelines for Archival of Surface-Water, Groundwater, and Water–Quality Model Applications

<http://water.usgs.gov/admin/memo/GW/gw2015.02.pdf><http://water.usgs.gov/admin/memo/GW/gw2015.02.pdf>:

**OFFICE OF GROUNDWATER TECHNICAL MEMORANDUM 2015.02**  
**OFFICE OF SURFACE WATER TECHNICAL MEMORANDUM 2015.01**  
**OFFICE OF WATER QUALITY TECHNICAL MEMORANDUM 2015.01.**

In addition to the formal reports, progress reports, and frequent meetings, a website will be developed to facilitate communication and coordination with SCWA and other relevant stakeholders. The USGS will provide technical assistance to the State Board and SCWA with the model during the life of the project; however, formal training in the use of the model is beyond the scope of this study. It is expected that this assistance will increase during the final six months of the project when the model is completed and the report is going through the review process.

#### **SCHEDULE**

A project timeline is shown in Table 1. More details on some of the tasks are below:

1) By the end of the second quarter of Federal Fiscal Year 2017 (FFY17), the preliminary, transient GSFLOW model of the RRW will be completed. This initial,

transient model will provide water-resource managers with an overview of the integrated hydrologic system. As this model is developed, it will help guide the data-collection efforts. In addition, stakeholder and RRICRP input will guide the data-collection and model-building efforts.

2) By the end of the second quarter of FFY18, the final, transient GSFLOW model of the RRW will be completed. The transient model will incorporate climate variability and other dynamic changes in the system. In addition, it will be compared with newly collected geologic, geophysical, and geochemical data and updated accordingly.

3) By the end of FFY18, The MODSIM model will be completed and coupled to GSFLOW to incorporate transient reservoir outflow to the Russian River. This model will allow the cooperators to review the components and parts of the model and determine what additional stresses or forecasting runs will be necessary.

4) All data compilation and collection tasks will be completed by the end of FFY17.

5) All geochemical and geohydrologic analyses will be completed by the end of FFY18.

6) During the life of the project, the USGS will provide technical assistance to the State Board and SCWA on the use of the model.

12/15/2016

7) At the end of the project (end of 4 years), the site characterization and model report will be published along with the archive and release of the model. The report, model, and all documentation will all be publicly available and online.

	FFY16				FFY17				FFY18				FFY19			
	Q1	Q2	Q3	Q4												
<b>Task 1.</b>																
<b>Stakeholder Outreach</b>	x	x	x	x	x	x	x	x	x	x	x	X	x	x	x	x
<b>Task 2a: Data compilation/GIS</b>	x	x	x	x	x	x										
<b>Task 2b: Data collection</b>	x	x	x	x	x	x	x	x								
<b>Task 2c: Geohydrologic Characterization</b>		x	x	x	x	x	x	x	x							
<b>Modeling Tasks.</b>																
<b>Task 3: GSFLOW model</b>																
Initial, transient GSFLOW Model	x	x	x	x	x	x										
Final, transient GSFLOW Model	x	x					x	x	x	x						
<b>Task 4: Coupling GSFLOW with MODSIM</b>																
Couple GSFLOW w/ MODSIM							x	x	x	x	x	X				
Model Scenarios and Forecasting									x	x		x	x			
Transient Model complete for review																x

<b>Deliverables</b>											
Quarterly Updates	x	x	x	x	x	x	x	x	x	X	
Website	x	x	x	x	x	x	x	x	x	X	x x x
Technical Assistance	x	x	x	x	x	x	x	x	x	X	x x x
<b>Report</b>											
Manuscript Review								x	x	X	x
Editorial review											x
Final Review											x
Publish Report											x

Table 1. Work plan by federal fiscal year, quarter, and task.

**BUDGET**

SCWA, the Water Board, and USGS will share the costs of the project. The availability of federal matching funds (FMFs) for this project is uncertain at this point. Depending on availability, the FMFs from earlier FFYs may need to be adjusted and/or postponed into later FFYs. Possible USGS and SCWA/Water Board funding by FFY is presented below.

	FFY16	FFY17	FFY18	FFY19	Total
USGS	\$57,500	\$76,300	\$72,800	\$48,100	\$254,700
Cooperators	\$420,500	\$479,600	\$296,200	\$182,700	\$1,379,000
TOTAL	\$478,000	\$555,900	\$369,000	\$230,800	\$1,633,700

Table 2. Possible cooperator and USGS federal matching funds by federal fiscal year.

**Personnel**

The project will employ a GS-13 hydrologist, a GS-12 hydrologist, a GS-11 geochemist/geologist, a GS-9 physical scientist, a GS-9 information specialist, 3 GS-9 hydrologic technicians, and a GS-7 GIS specialist. The years and percentages of full time for each employee are presented in table 3.

Federal fiscal year (October 1 – September 30)	FFY16	FFY17	FFY18	FFY19
GS-13 hydrologist	10%	10%	10%	10%
GS-12 hydrologist	25%	25%	63%	29%
GS-11 geochemist/geologist	23%	38%	25%	17%
GS-9 physical scientist	16%	16%		
GS-9 information spec.	8%	8%	8%	8%
GS-9 hydro techs (total)		11%		
GS-7 GIS specialist	21%	21%	14%	14%

Table 3. Personnel used by federal fiscal year with percentages of full time for each employee.

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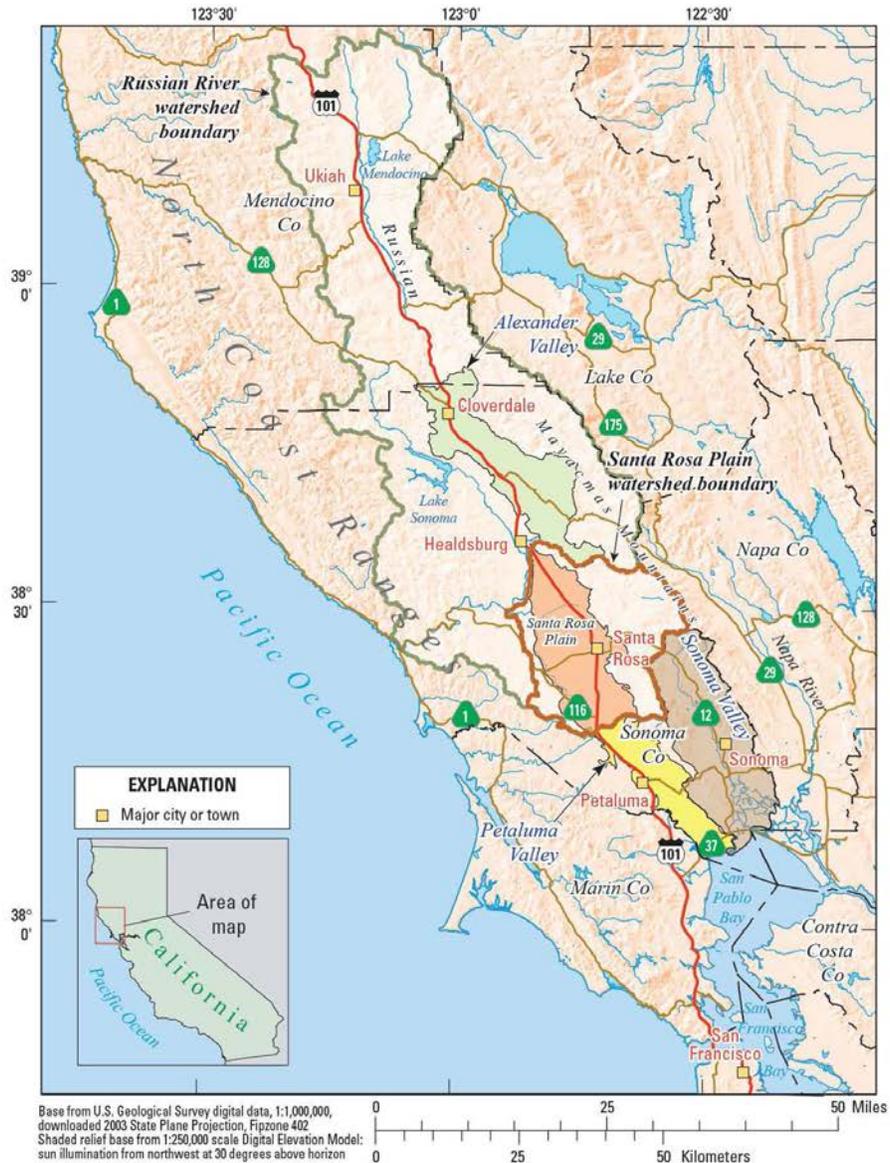


Figure 1. Boundaries of the Russian River watershed, Santa Rosa Plain watershed, Alexander Valley, Sonoma Valley, and Petaluma Valley, Sonoma County, CA.

**Job Hazard Analysis For New Projects**

- Check the numbered box(s) for all significant safety concerns this project should address. Significant safety concerns are commonly those that require training, purchase of safety equipment, or specialized preparation to address potentially hazardous conditions.
- Identify any unlisted safety concerns at bottom of the page.
- Provide details on the back of this page.

Proposal Number: 2016-02  
 Project Title (Short) Russian River Evaluation  
 Project Chief or Proposal Author Tracy Nishikawa

√	Safety Concerns
1. √	Wading, bridge, boat, or cableway measurements or sampling
2.	Working on ice covered rivers or lakes
3.	Measuring or sampling during floods
4.	Well drilling; borehole logging
5. √	Electrical hazards in the work area
6.	Construction
7. √	Working in remote areas, communication, office call in procedures
8. √	Ergonomics, carpal tunnel syndrome
9. √	Field Vehicles appropriate for task?- Safety screens, equipment restraints.
10.	All terrain vehicles, snowmobiles
11.	Helicopter or fixed wing aircraft usage
12.	Site access
13. √	Hypothermia or heat stroke
14. √	Hantavirus, Lyme Disease, Histoplasmosis, Pfiesteria, Others?
15. √	Contaminated water with sanitary, biological, or chemical concerns
16. √	Immunizations
17. √	Laboratory or mobile laboratory. Chemical hygiene plan.
18.	Hazardous waste disposal
19.	Hazardous waste site operations
20. √	Confined space
21.	Radioactivity
22. √	Respiratory protection
23.	Scuba Diving
24.	Electrofishing
25.	

26.	
Box no.	For each numbered box checked on the previous page, briefly: A. Describe the safety concern as it relates to this project. B. Describe how this safety concern will be addressed. Include training, safety equipment and other actions that will be required. C. Estimate costs.
1	1. Wading, bridge, boat, or cableway measurements or sampling:  PFDs: Personal Floatation Devices (PFDs) will be provided to field personnel and must be worn when working in, over, or near a water body. Any exceptions, which are extremely rare, must be approved by the employee’s supervisor, the CAWSC Safety Coordinator, and the CAWSC Director. Inflatable PFDs will be orally inflated at least twice per year to ensure these devices remain inflated for at least 24 hours. PFDs that fail this check will be immediately removed from service, quarantined, and destroyed. Hydrostatic inflatable PFDs will be auto-inflated and re-armed every four years or as indicated by the inflation device’s expiration date. Wafer inflatable PFDs will be auto-inflated and re-armed annually or as indicated by the inflation device’s expiration date. Results of all checks will be sent to the CAWSC Safety Coordinator.
5	5. Electrical hazards in the work area: All personnel will be informed of the DOI Learn course titled, “Safety: Electrical Safety Design” and encouraged to complete this course if they are not familiar with electrical hazards. No additional costs are expected.
7	7. Working in remote areas, communication, office call in procedures: Some parts of the study area may be remote. Center call-in procedures apply. Site-specific call in procedures for CAWSC facilities are located <a href="#">HERE</a>
8	8. Ergonomics, carpal tunnel syndrome: Ergonomic assessments of employee workstations are available upon request to the safety coordinator. The CAWSC has developed an <a href="#">SOP</a> for procuring approved ergonomic equipment. Employees should contact Stephen Schmitt, safety coordinator, for additional information.
9	9. Field vehicles appropriate for task? – safety screens, equipment restraints: The California Water Science Center uses vehicles for data collection activities, supply runs, and travel to and from meetings and conferences.  <b>Vehicle Safety Maintenance and Inspection:</b> Vehicle maintenance resides with the person primarily responsible for upkeep of that vehicle. This person is to complete the USGS Vehicle Safety Inspection Checklist annually and file locally (i.e. in the location where the vehicle is stored). The checklist form can be accessed from the Center’s <a href="#">Safety webpage</a> .  <b>Cargo Barriers:</b> Vehicles shall contain appropriate safety barriers to protect occupants from potential cargo projectiles. This pertains to vehicles in which the passenger and

	<p>cargo compartments are not separate. Note: any modification to GSA vehicles (G-vehicles) must first be approved by GSA Fleet Service. Contact the CAWSC Vehicle Coordinator for information.</p> <p><b>Training:</b>  All employees who use any vehicles, including personal vehicles, while working for the USGS will complete an approved driver safety training course every three years. This requirement can be satisfied by successfully completing the 4-hour DOI Learn training compliance module titled "NSC Defensive Driving II". Alternatively employees can take the following free online course, <a href="http://www.dgs.ca.gov/orim/Programs/DDTOnlineTraining.aspx">http://www.dgs.ca.gov/orim/Programs/DDTOnlineTraining.aspx</a>. The Certificate of Completion should be filed at the employee's duty station and a copy should be sent to the CAWSC Safety Coordinator. Supplemental driver safety training is available to employees who may be driving utility trucks.</p>
13	<p>13. Hypothermia or heat stroke:  Heat stress, from exertion or hot environments, places workers at risk for illnesses such as heat stroke, heat exhaustion, or heat cramps. Symptoms include rapid pulse, heavy sweating, fatigue, dizziness, nausea, irritability, and muscle cramps. First Aid includes stopping work activities, moving to cool, shaded area, removing excess clothes, applying cool water to body, increasing fluid intake (water or Sports drink), seeking medical attention (if symptoms are severe or do not improve). Prevention includes monitoring the physical condition of yourself and coworkers, wearing light-colored, loose-fitting, breathable clothing (like cotton, not synthetics), scheduling heavy work for coolest parts of day, frequent breaks in shaded areas, and frequent water intake. Field personnel will be provided with First Aid training, adequate water, Sports drinks, shade, sunscreen (for body and lips), and shade (umbrella or canopy cover).</p>
14	<p>14. Hantavirus, Lyme Disease, Histoplasmosis, Pfiesteria, Others?:  Hantavirus infection is a rare but serious illness. Typical symptoms are flu-like and include fever, headache, nausea, vomiting, muscle aches, diarrhea, abdominal pain and shortness of breath. These symptoms can occur any time between three days to six weeks (usually occurring around 14 days) after exposure. The usual host of this virus is the deer mouse, although other rodent species have been shown to be infected. The virus spreads by inhalation of air contaminated with rodent saliva, urine, and feces or if this matter is introduced to the body via eye rubbing or through broken skin. NEVER REMOVE DROPPINGS BY SWEEPING OR VACUUMING. Instead, wear respirator mask rated N-100 (see Safety Coordinator for CAWSC Respirator SOPs) and wear plastic or rubber gloves, ventilate area for at least 30 minutes, dampen carcass and droppings with bleach disinfectant (100 mL bleach to 900 mL water), damp mop contaminated area, thoroughly wash hands, face, and clothes after cleaning.</p>
15	<p>15. Contaminated water with sanitary, biological, or chemical concerns:  Surface water in some areas may have low to moderate levels of contamination from sewage or agricultural runoff. Although concentrations are likely to be not</p>



Collateral Duty Safety Officer

Yes  No

and/or copy of JHA given to  
Collateral Duty Safety Officer

Yes  No

District Chief \_\_\_\_\_ Date \_\_\_\_\_

Regional Program Officer \_\_\_\_\_ Date \_\_\_\_\_

# Exhibit C

## Draft Joint Funding Agreement with USGS

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Form 9-1366  
(April 2015)

**U.S. DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY**

Customer #: 600000828  
 Agreement #: 17WSCA600082810  
 Project #:  
 TIN #: 94-60000539  
 Fixed Cost Agreement YES

**JOINT FUNDING AGREEMENT**

FOR  
 WATER RESOURCES INVESTIGATIONS

**THIS AGREEMENT is entered into as of the, 13 day of September, 2016 by the U.S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the SONOMA COUNTY WATER AGENCY, party of the second part.**

1. The parties hereto agree that subject to availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation between the Sonoma County Water Agency and the USGS to study the Hydrologic Characterization and a Coupled Watershed and Groundwater-Flow Model of the Russian River Watershed (see attached Statement of Work) herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50; and 43 USC 50b.
2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) includes In-Kind Services in the amount of \$0.00 .

(a) by the party of the first part during the period				
Amount	Date	to	Date	
\$127,309.00	10/01/2016		10/31/2020	
(b) by the party of the second part during the period				
Amount	Date	to	Date	
\$689,500.00	10/01/2016		10/31/2020	

USGS DUNS is 1761-38857. The amounts in both 2(a) and 2(b) above are for the Federal Fiscal Year 2017 (FFY17) only. Total USGS funding for this agreement is \$127,309. Total SCWA funding for this agreement is \$689,500.00. Total cost of this agreement is \$816,809.00

- (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of: \$0.00

Description of the USGS regional/national program:  
 No additional contributions

- (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.
3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.
4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.
5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.
6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

**9-1366 (Continuation)**      Customer #: 600000828      Agreement #: 17WSCA600082810

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.
8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at costs, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties.
9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered quarterly. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983).

U.S. Geological Survey United States Department of the Interior <u>USGS Point of Contact</u>	SONOMA COUNTY WATER AGENCY  <u>Customer Point of Contact</u>
Name: Irene A. Rios, Budget Analyst Address: 4165 Spruance Rd, Ste. 200 San Diego, CA 92101  Telephone: (619) 225-6156 Email: iaros@usgs.gov	Name: Donald Seymour Address: 404 Aviation Boulevard Santa Rosa, CA 95403  Telephone: (707) 547-1930 Email:

Signatures and Date

Signature: _____	Date: _____	Signature: _____
Name: Eric G. Reichard	Date: _____	Name: Grant Davis
Title: Director, USGS California Water Science Center	Title: Water Agency General Manager	Date: _____

Reviewed as to funds:  
 By: \_\_\_\_\_  
 Water Agency Division Manager-  
 Administrative Services

Approved as to form:  
 By: \_\_\_\_\_  
 Deputy County Counsel



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 3**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Directors and Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** County Counsel

**Staff Name and Phone Number:**

Linda Schiltgen, Deputy County Counsel  
(707) 565-2421

**Supervisorial District(s):**

All

**Title:** Conflict of Interest Code Amendment for Rains Creek Water District

### **Recommended Actions:**

Adopt a resolution approving a Conflict of Interest Code amendment for the Rains Creek Water District, which is a public water district serving customers near the City of Cloverdale.

### **Executive Summary:**

This recommended action is to approve the update to the Rains Creek Water District's Conflict of Interest Code, as already approved by their District Board, to comply with state law.

### **Discussion:**

The Conflict of Interest Code amendments for all of the Non-County entities went before the Board of Supervisors on February 7, 2017. Rains Creek Water District submitted a late request. County Counsel has reviewed the requested changes, and has confirmed that the revised code complies with the requirements of the Political Reform Act. The District has updated its code to comply with state law. Once local jurisdictions approve their updated conflict of interest codes, they submit them to the Board of Supervisors for approval as the "code reviewing body" pursuant to state law.

Rains Creek Water District has been notified that the Board would consider this matter today, and they were notified of their right to be heard on the requested amendment. No one has requested an opportunity to appear.

This water system is a county water district, governed by a board of directors elected by the voters within the district. The service area consists of the former Hiatt Mutual and the private Rains Creek Water Company. The district serves 62 customers near the City of Cloverdale.

<b>Prior Board Actions:</b>			
Biannually, last on February 7, 2017: Approved Conflict of Interest Code amendments for various agencies.			
<b>Strategic Plan Alignment</b> Goal 4: Civic Services and Engagement			
The code is designed to ensure proper conduct and inform the public of such potential conflicts.			
<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
No fiscal impacts.			
<b>Staffing Impacts</b>			
<b>Position Title</b> (Payroll Classification)	<b>Monthly Salary Range</b> (A – I Step)	<b>Additions</b> (Number)	<b>Deletions</b> (Number)
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			

**Attachments:**

Attachment A: Resolution of the Board of Supervisors approving the Conflict of Interest Code for the Rains Creek Water District

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

Amended Conflict of Interest Code Submitted by the Rains Creek Water District for Approval by the Board of Supervisors



County of Sonoma  
State of California

ATTACHMENT A

Date: March 7, 2017

Item Number: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_

4/5 Vote Required

**Resolution of the Board of Supervisors of the County of Sonoma, State of California,  
Approving Amendments to the Conflict of Interest Code for the Rains Creek Water District**

**Whereas**, the Political Reform Act, Government Code section 81000 et seq. requires state and local government agencies to adopt conflict of interest codes; and

**Whereas**, state law requires that every two years agencies review their conflict of interest codes and make such changes as are necessary to keep the codes current; and

**Whereas**, the Board of Supervisors is the code reviewing body for agencies within the geographic jurisdiction of the County, and charged with the responsibility of ensuring that the amended codes comply with law; and

**Whereas**, the Rains Creek Water District has proposed an amendment to update its code to comply with state law; and

**Whereas**, County Counsel has reviewed the amended code and determined that it complies with the Political Reform Act; and

**Now, Therefore, Be It Resolved** that the conflict of interest code of the Rains Creek Water District is approved as amended. The Clerk is directed to send a copy of this resolution to the District and County Counsel.

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 4**  
(This Section for use by Clerk of the Board Only.)

**To:** Sonoma County Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Economic Development Board

**Staff Name and Phone Number:**

Ben Stone (707) 565-7170

**Supervisorial District(s):**

County-wide

**Title:** Santa Rosa Junior College Memorandum of Understanding for Economic Development Planning Support

### **Recommended Actions:**

Authorize the Director to execute a Memorandum of Understanding with the Santa Rosa Junior College to provide \$100,000 to the Economic Development Board to develop an Action Plan for the Comprehensive Economic Development Strategy .

### **Executive Summary:**

The SRJC has proposed investing \$100,000 of its Strong Workforce grant funding in EDB efforts to create an action plan to implement and evaluate the CEDS, which was adopted by the Board of Supervisors on 12/13/16.

### **Discussion:**

In 2016, the Counties of Sonoma and Mendocino formed the Sonoma-Mendocino Economic Development District (SMEDD). Over the course of the year, the partnership created a multi-year economic development planning effort for the region – known as a Comprehensive Economic Development Strategy (CEDS). The CEDS outlines four themes, 1) Economic Diversification, 2) Human Capital, 3) Innovation and Entrepreneurship, and 4) Inclusive Economic Development.

Though the CEDS outlines several strategies for Sonoma and Mendocino Counties related to the above themes, further work remains to prioritize and refine those strategies for execution. The EDB has proposed a partnership with the Workforce Investment Board (WIB) and the SRJC to further investigate CEDS-related actions that are of specific importance to Sonoma County, its economy, workforce, and residents. In support of this work, the SRJC has proposed to contribute \$100,000 to help develop a “CEDS Action Plan” in partnership with the EDB and the Sonoma County Workforce Investment Board. The SRJC funding is sourced from a \$1.5 million grant from the California Strong Workforce initiative, a \$200 million program aimed at maintaining economic competitiveness through collaborative work

among education, workforce and economic development organizations in expanding the availability of Career Technical Education, workforce development, certificates and other programming.

Under the MOU, the EDB will develop a Request for Proposals (RFP) to contract for consulting services to gather stakeholder input, evaluate previously identified “Clusters of Opportunity”, identify relevant industry/interest groups, and develop the CEDS Action Plan. The EDB will also hire an Extra-Help Administrative Aide to conduct tasks related to the development of this plan, communication with partners, and final reporting on grant outcomes to the SRJC.

A contract for consulting services is anticipated to be brought before the Board of Supervisors in May 2017. A draft of the plan will be completed in December 2017 and is expected to be unveiled at the State of the County in January 2018. Implementation is anticipated begin once feedback is incorporated into a final draft and presented to the Board of Supervisors.

**Prior Board Actions:**

12/13/16 – The Board of Supervisors adopted a Resolution accepting the Sonoma Mendocino Comprehensive Economic Development Strategy and endorsing the Sonoma Mendocino Economic Development District to apply to the U.S. Economic Development Administration (EDA) for Economic Development District designation.

12/08/2015 – Board approved agreement with Civic Analytics for consulting services related to CEDS development

11/14/2015 – Board approved JPA with the County of Mendocino to form the Sonoma Mendocino Economic Development District

**Strategic Plan Alignment**      Goal 3: Invest in the Future

The recommended action aligns with Strategic Plan Goal 3, “Invest in the Future”. By prioritizing and further developing local actions included in the two-county strategy, and through partnerships with two major local workforce development organizations, the County will have an opportunity to improve competitiveness, help create jobs and foster economic growth.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses		40,000	
Additional Appropriation Requested	60,000		
<b>Total Expenditures</b>	<b>60,000</b>	<b>40,000</b>	
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	60,000	40,000	
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>60,000</b>	<b>40,000</b>	
<b>Narrative Explanation of Fiscal Impacts:</b>			
<p>Through this MOU, the SRJC will provide the EDB with \$100,000 in revenues for services, which will be used by the EDB to fund the development of a CEDS Action Plan.</p> <p>FY 16-17, \$20,000 will be used to cover staffing costs and \$40,000 will be used to cover consulting costs. FY 17-18, \$40,000 will be allocated to staffing.</p>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
Administrative Aide (Extra-Help)	A	1	
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<p>The Extra-Help Administrative Aide will conduct tasks related to the development of this plan, communication with partners, and final reporting on grant outcomes to the SRJC.</p>			
<b>Attachments:</b>			
Memorandum of Understanding with Santa Rosa Junior College			
<b>Related Items “On File” with the Clerk of the Board:</b>			

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
SANTA ROSA JUNIOR COLLEGE  
AND THE COUNTY OF SONOMA

This Memorandum of Understanding (MOU) is entered into on the seventh day of March 2017 by and between the SANTA ROSA JUNIOR COLLEGE (“SRJC”) and the COUNTY OF SONOMA (“COUNTY”), acting through its ECONOMIC DEVELOPMENT BOARD (“EDB”).

AGREEMENT

The purpose of this Memorandum of Understanding is to provide partial funding for the development of an Economic Development Action Plan (Plan) to be undertaken by EDB with the support of SRJC. To further this purpose, the parties to this MOU agree as follows:

**A. SERVICE AND PAYMENT TERMS**

EDB shall perform the following tasks:

1. Procure Consultant to Develop the Plan

After a comprehensive Request for Proposals (RFP) process, EDB will execute a contract with the selected qualified consultant or firm to produce the following:

- Evaluation and prioritization of strategies set forth in the Sonoma-Mendocino Comprehensive Economic Development Strategy (CEDS);
- Evaluation of previously identified “Clusters of Opportunity”;
- High-level identification of local industry/interest groups to be involved in continued efforts
- An evaluation of needs and potential actions to support and grow local industry clusters; and
- Development of a detailed action plan to address industry, workforce and infrastructure needs; to achieve economic diversity and inclusiveness, develop skilled human capital and promote innovation and entrepreneurship.

2. Provide Staffing

EDB will hire a full-time Project Coordinator to serve throughout the term of this project. The Project Coordinator will work closely with consultants, as well as staff from EDB, the WIB and SRJC to provide project support.

3. Provide a Report on Outcomes

EDB will provide a copy of the completed action plan, as well as an outcomes report on a template of SRJC’s choosing.

As compensation for all services contemplated by this Agreement, SRJC shall pay EDB the sum of \$100,000.

EDB shall invoice SRJC on a monthly basis for ten equal payments; the first payment of ten thousand dollars (\$10,000) will be payable March 31, 2017.

## **B. GENERAL PROVISIONS**

### 1. Term of Agreement

- a. The term of this Agreement shall be from March 7, 2017 through December 31, 2017 unless terminated earlier in accordance with the provisions in 1.b.
- b. Either party to this Agreement may terminate the Agreement for convenience and without cause, by giving the other party 30 days advance written notice of the effective date of termination. In the event of termination, COUNTY shall be entitled to retain compensation for each completed month of service since March 21, 2017, at a rate of one-tenth per month, through the date of termination.
- c. The parties may extend the term of this MOU by mutual agreement in writing.

### 2. Notices

All notices, bills, and payments shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

COUNTY: Al Lerma  
Sonoma County Economic Development Board  
141 Stony Circle, Suite 110  
Santa Rosa, CA 95401

SRJC: Jerry Miller  
Career and Technical Education and Economic Development  
Santa Rosa Junior College  
1501 Mendocino Ave.  
Santa Rosa, CA 95401

### 3. Assignment/Delegation

Neither party hereto shall assign, sublet or transfer any interest in this Agreement or any duty hereunder without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

### 4. Merger

This writing is intended both as the final expression of the Agreement between parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.**

SANTA ROSA JUNIOR COLLEGE

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Douglas Roberts  
Sr. Vice President Finance & Administrative  
Services

CERTIFICATES OF INSURANCE ON  
FILE WITH AND APPROVED AS TO  
SUBSTANCE BY DEPARTMENT:

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Ben Stone, Executive Director EDB

APPROVED AS TO FORM:

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Linda Schiltgen, Deputy County Counsel

COUNTY OF SONOMA

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Chair, Board of Supervisors

DATED: \_\_\_\_\_

ATTEST: \_\_\_\_\_

Clerk of the Board of Supervisors



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 5**  
(This Section for use by Clerk of the Board Only.)

**To:** Sonoma County Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** General Services

**Staff Name and Phone Number:**

Marc McDonald, General Services, 707-565-3468

**Supervisorial District(s):**

**Title:** License Amendment to provide 10<sup>th</sup> District, State Assemblyman Marc Levine a district office for his constituents, which is centrally located in a County-owned building at 11 English Street, Petaluma

### **Recommended Actions:**

(A) Authorize the General Services Director to execute a Sixth Amendment to License Agreement with the Assembly Committee on Rules of the California State Assembly for 150 sq. ft. of office space utilized by Assemblyman Marc Levine, located at 11 English Street, Petaluma to reduce the rent from \$285 (\$1.90 per sq. ft.) per month to \$100 (\$0.67 per sq. ft.) per month effective February 1, 2017 through December 31, 2018, and to provide the tenant an option to extend term through June 30, 2019;

(B) Make findings pursuant to Government Code Section 25526.6 that the subject property located at 11 English Street, Petaluma, is not needed by the County, that the Agreement serves a public purpose, and that use by Assemblyman Marc Levine will not interfere with the use of the premises by County. The office leased by Assemblyman Marc Levine is centrally located in Petaluma, which is equally accessible to constituents throughout the 10<sup>th</sup> Assembly District, comprised of various communities in Marin and Sonoma Counties.

### **Executive Summary:**

This item seeks Board approval to authorize the General Services Director to execute an amendment to a License Agreement with the Assembly Committee on Rules, California State Assembly (State), for 150 sq. ft. of office space at 11 English Street, Petaluma. This office is used by State Assemblyman Levine. State staff has requested a reduction in rent from \$285 per month (\$1.90 per sq. ft.) to \$100 (\$0.67 per sq. ft.) per month effective February 1, 2017 through December 31, 2018. If the proposed rent reduction is not approved, the State will close the Assemblyman's office at 11 English Street, Petaluma and terminate the Agreement.

As the proposed rent would be less than fair market value, staff requests that the Board make findings pursuant to Government Code Section 25526.6 that the subject property located at 11 English Street, Petaluma, is not needed by the County, the Agreement serves a public purpose, and that use by the Assembly Committee on Rules, California State Assembly, will not interfere with the use of the premises by County. Assemblyman Levine uses this office location to meet with constituents of the 10<sup>th</sup> Assembly District, which serves communities in Marin and Sonoma Counties, and the co-location of County, City and State governmental functions at 11 English Street, Petaluma, provides an easy access point for the constituents for whom they serve.

**Discussion:**

**11 English Street, Petaluma Agreement.** On November 5, 2007, County executed a license agreement (“Agreement”), with the Assembly Committee on Rules, California State Assembly, a standing committee of the California State Legislature (“State”), to use approximately 300 sq. ft. of office space at 11 English Street, Petaluma (“Premises”) under a term that expired on December 31, 2008. This space is utilized by Assemblyman Marc Levine.

On January 27, 2009, your Board authorized execution of a first amendment, which extended the term through December 31, 2010, and increased the rent for the extension period. Subsequently, your Board authorized execution of second and third amendments, whereby the terms were extended through December 31, 2012 and December 31, 2014, respectively, and rent was increased for each of the extension periods.

On January 6, 2015, the County executed a fourth amendment to the State Agreement, which extended the term through December 31, 2016, reduced the State Premises from 300 sq. ft. to 150 sq. ft., and specified rent for the 2-year extension period. The General Services Director executed the amendment, by delegated authority, pursuant to the Board of Supervisors Ordinance No. 6087.

On December 22, 2016, the County executed a fifth amendment to the Agreement, which extended the term through December 3, 2018, and held the rent flat at \$285 per month (\$1.90 per sq. ft.).

The State notified General Services that Assemblyman Levine was considering closing the Petaluma office, and could not justify the payment of the \$285 per month (\$1.90 per sq. ft.) for the office space. State requested a reduction in rent from \$285 per month to \$100 per month (\$0.87 per sq. ft.).

Staff has prepared the attached proposed amendment to the Agreement, to reduce the rent as requested by State, for Board consideration and approval.

**Public Interest.** Government Code Section 25526.6 allows the County Board of Supervisors to grant or otherwise convey an easement, license or permit for use to the state, or to any county, city, district or public agency or corporation, or to any public utility corporation any real property of the County, upon a finding by the Board that the conveyance is in the public interest and that the interest in land will not substantially conflict or interfere with the use of the property by the County. Staff suggests that granting of the proposed amendment to the Agreement serves public purposes, as the State is a public agency (State Assembly Committee on Rules). There is no other proposed use for the Premises at this time, and use by the State will not interfere with the use of the premises by County.

Assemblyman Levine uses this office to meet with constituents, whose office represents the 10<sup>th</sup> Assembly District, which includes the North Bay communities of Corte Madera, Cotati, Fairfax, Kentfield, Larkspur, Mill Valley, Novato, San Anselmo, San Rafael, Sausalito, Sebastopol, Tiburon, Penngrove, Petaluma, Sonoma, West Marin, and parts of the city of Santa Rosa. Services include outreach visits to neighborhood groups, schools and service organizations; assistance with grant applications; consumer protection information, information regarding homeowner, senior citizen, disabled and renter tax relief programs; and information about disaster preparedness. In addition, the co-location of County, City and State governmental functions provides an easy access point for the constituents for whom they serve.

Staff requests that your Board authorize the General Services Director to execute the proposed amendment to reduce the rent for the Agreement.

**Prior Board Actions:**

- 12/13/16 – Authorized the General Services Director to execute 5<sup>th</sup> amendment
- 01/11/11 – Authorized the General Services Director to execute 2<sup>nd</sup> amendment
- 01/27/09 – Authorized General Services Director, or his Deputy, to execute 1<sup>st</sup> amendment

**Strategic Plan Alignment**      Goal 4: Civic Services and Engagement

The proposed amendment to the Agreement with the Assembly Committee on Rules, California State Assembly (Assemblyman Marc Levine) provides office space for Mr. Levine to meet at a location that is accessible and known to his constituents in South Sonoma County and Marin County, and the Agreement provides a revenue stream for the County of Sonoma for the lease rent.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses	785	1,200	600
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>785</b>	<b>1,200</b>	<b>600</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	785	1,200	600
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>785</b>	<b>1,200</b>	<b>600</b>
<b>Narrative Explanation of Fiscal Impacts:</b>			
<p>\$285 X 1 month (January 2017) + \$100 X 5 months (February-June 2017) = \$785 total rent for FY16-17.            \$100 X 12 months (July 2017-June 2018) = \$1,200 total rent for FY17-18.            \$100 X 6 months (July 2018-December 2018) = \$600 total rent for FY 18-19.</p>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
None			
<b>Attachments:</b>			
Attachment 1: Copy of Proposed Amendment			
<b>Related Items "On File" with the Clerk of the Board:</b>			
None			

**SIXTH AMENDMENT  
TO  
REVOCABLE LICENSE AGREEMENT FOR USE OF COUNTY FACILITIES**

This Sixth Amendment ("Sixth Amendment"), dated as of \_\_\_\_\_, 2017 ("Effective Date") is by and between the **COUNTY OF SONOMA**, a political subdivision of the State of California ("County"), and **THE ASSEMBLY COMMITTEE ON RULES, CALIFORNIA STATE ASSEMBLY**, a standing committee of the California State Legislature ("Licensee"). All capitalized terms used herein shall, unless otherwise defined, have the meaning ascribed to those terms in the Agreement (as defined below). County and Licensee are sometimes collectively referred to herein as the "parties" and singularly, a "party."

R E C I T A L S

WHEREAS, County and Licensee entered into that certain Revocable License Agreement for Use of County Facilities, dated November 5, 2007 ("Original Agreement") for use of a portion of certain real property located at 11 English Street, Petaluma ("Premises"), commonly known as the Petaluma City Hall ("Building"), and being further described as APN 008-095-001; and

WHEREAS, County and Licensee entered into that certain First Amendment to License dated January 27, 2009 ("First Amendment"), whereby, the term of the Original Agreement was extended to December 31, 2010; and

WHEREAS, County and Licensee entered into that certain Second Amendment to License dated January 11, 2011 ("Second Amendment"), whereby, the term of the Original Agreement was extended to December 31, 2012; and

WHEREAS, County and Licensee entered into that certain Third Amendment to License dated March 4, 2013 ("Third Amendment"), whereby, the term of the Original Agreement was extended to December 31, 2014; and

WHEREAS, County and Licensee entered into that certain Fourth Amendment to License dated January 6, 2015 ("Fourth Amendment"), whereby the term of the Original Agreement was extended to December 31, 2016, and the Premises and Consideration were redefined; and

WHEREAS, County and Licensee entered into that certain Fifth Amendment to License dated December 22, 2016 ("Fifth Amendment"), whereby the term of the Original Agreement was extended to December 31, 2018, and the Consideration was redefined, and

WHEREAS, the Original Agreement as modified by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment is hereafter referred to as the "Agreement"; and

WHEREAS, County and Licensee desire to further amend the Agreement in order to: i) provide for an additional six-month option period; ii) specify consideration, and iii) make other modifications.

NOW, THEREFORE, in consideration of the Premises and of the agreements of the respective parties herein set forth, it is mutually agreed as follows:

A G R E E M E N T

1. Effective as of the Effective Date of this Sixth Amendment, the Agreement is hereby amended as follows:

A. Section 4 of the Agreement is hereby deleted and replaced with the following language:

“4. Term. The term of this Agreement shall commence on November 5, 2007 (“Commencement Date”), and expire at midnight on December 31, 2018, unless earlier terminated in accordance with Section 21 below. Licensee shall have one (1), six-month option (“Extension Option”) to extend the term effective January 1, 2019 through June 30, 2019 (“Option Period”), upon sixty (60) days’ prior written notice to County.”

B. Section 5 of the Agreement is hereby deleted and replaced with the following language:

“5. Consideration. In consideration of this Agreement, Licensee agrees to pay to County the following amounts:

11/05/07 through 12/31/08	\$450.00 per month
01/01/09 through 12/31/09	\$463.00 per month
01/01/10 through 12/31/10	\$477.41 per month
01/01/11 through 12/31/11	\$491.73 per month
01/01/12 through 12/31/12	\$506.48 per month
01/01/13 through 12/31/13	\$521.67 per month
01/01/14 through 12/31/14	\$537.32 per month
01/01/15 through 12/31/15	\$276.72 per month
01/01/16 through 01/30/17	\$285.02 per month
02/01/17 through 12/31/18	\$100.00 per month.

In the event that Licensee exercises its Extension Option pursuant to Section 4 of this Agreement, consideration shall be \$100.00 for the Option Period of January 1, 2019 through June 30, 2019.

All fees due hereunder shall be paid by Licensee on the tenth (10<sup>th</sup>) day of each calendar month, without notice, demand or offset, to the County of Sonoma, General Services Department, Attn: Facilities Development & Management Division, 2300 County Center Drive, Suite A220, Santa Rosa, CA 95403, or at such other place or place as may from time to time be designated by County. The obligation of Licensee to pay amounts due under this Agreement is contingent upon the appropriation and approval of funds for that purpose. Any consideration that is not paid under this Section 5 for that reason shall be paid by Licensee as soon as funds are appropriated and approved for that purpose.”

2. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with exhibits, is, and shall continue to be, in full force and effect, and nothing contained herein shall be construed to modify, invalidate or otherwise affect any right of County arising thereunder.

3. This Sixth Amendment shall be governed by and construed under the internal laws of the State of California, and any action to enforce the terms of this Sixth Amendment or for the breach thereof shall be brought and tried in the County of Sonoma.

**LICENSEE HAS CAREFULLY READ AND CONSIDERED THE TERMS AND CONDITIONS SET FORTH IN THIS SIXTH AMENDMENT AND HEREBY AGREES THAT LICENSEE SHALL BE BOUND BY ALL SAID TERMS AND CONDITIONS.**

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amendment as of the Effective Date.

LICENSEE: **ASSEMBLY COMMITTEE ON RULES, CALIFORNIA STATE ASSEMBLY**, a standing committee of the California State Legislature

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

COUNTY: **COUNTY OF SONOMA**, a political subdivision of the State of California

By: \_\_\_\_\_

Caroline Judy, Director  
Department of General Services

The General Services Director is authorized to sign this Sixth Amendment, pursuant to Board of Supervisors Summary Action dated \_\_\_\_\_.

APPROVED AS TO FORM  
FOR COUNTY:

\_\_\_\_\_  
Elizabeth Coleman With  
Deputy County Counsel

APPROVED AS TO CONTENT  
FOR COUNTY:

\_\_\_\_\_  
Marc McDonald  
Real Estate Manager

CERTIFICATE OF INSURANCE  
ON FILE WITH DEPARTMENT:

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 6**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Human Services

**Staff Name and Phone Number:**

Sherry Alderman, 565-8501

**Supervisorial District(s):**

All

**Title:** Contract Amendments to Support Local Workforce Development.

### **Recommended Actions:**

Authorize the Director of the Human Services Department (HSD) to:

- (A) Execute the first amendment to increase the contract with Conservation Corps North Bay by \$53,533 for a new contract amount not to exceed \$334,945 to add an additional youth work crew and to update the agreement to reflect revised compliance and reporting requirements in compliance with the Workforce Innovation and Opportunity Act. The term of the agreement will not change.
- (B) Execute the first amendment to increase the contract with Legal Aid of Sonoma County by \$2,500 for a new contract amount not to exceed \$128,000, to provide legal services for Sonoma WORKS clients, with no change to the term of the agreement of July 1, 2016 to June 30, 2017.

### **Executive Summary:**

This item requests amendments to two HSD contracts. The purpose of these contracts is to assist those in our community with barriers to employment.

In July 2016, the Human Services Department (HSD) entered into agreement with Conservation Corps North Bay to administer the Youth Education & Employment Services (YEES) Program, including the Sonoma County Youth Ecology Corps (SCYEC). Since the execution of this agreement, CCNB has been assigned a paid youth crew work project through the SCYEC in the amount of \$53,533.

At the same time, the Human Services Department (HSD) entered into agreement with Legal Aid of Sonoma County to provide Legal Assistance and Referral Services to SonomaWORKS clients. Since the execution of this agreement, Legal Aid has provided HSD with additional staff support which is being compensated by adding an additional \$2,500 to the contract total.

### **Discussion:**

#### CCNB Contract Amendment

Since 2009, SCYEC has provided youth and young adults with meaningful, paid work experience, environmental education, and the opportunity to explore careers and develop work-readiness skills.

Youth contribute to their community while completing environmental and conservation-related projects or by working with local non-profit organizations. The Human Services Department (HSD) conducted procurement for FY 2016-17 for the administration of the YEES program. Five providers were selected and approved by the Board of Supervisors: Conservation Corps North Bay (CCNB), Petaluma People Services Center (PPSC), Social Advocates for Youth (SAY), the Center for Social and Environmental Services (The Center), and West County Community Services (WCCS).

Since these contracts were awarded, three changes have occurred: 1.) CCNB has been assigned an additional paid youth crew work project for the Sonoma County Water Agency and through the SCYEC in the amount of \$53,533; 2.) The Human Services Department finalized negotiations on the youth performance rate with the State Workforce Board for FY 2016-17; and 3.) Additional guidance has been received from the state regarding fiscal reporting requirements requiring fiscal due dates as outlined in the original contract be amended to ensure that Sonoma County is in compliance with reporting requirements. The CCNB amendment includes the three changes listed here.

Legal Aid Contract Amendment

Legal Aid of Sonoma County provides Legal Assistance and Referral services to SonomaWORKS participants to support them in resolving legal difficulties that adversely affect their ability to secure and retain employment. The program provides assistance and referrals for participants who need help with restraining orders, bankruptcies, DUIs, child custody or family court matters, traffic court issues, housing and eviction, driver’s license retrieval, record expungement, and other legal barriers to employment. The number of SonomaWORKS clients needing legal assistance has increased; therefore, we are increasing Legal Aid of Sonoma County’s contract by \$2,500 to cover the increased service needs.

**Prior Board Actions:**

June 14, 2016: Board approved the contracts with Conservation Corps North Bay (CCNB), Petaluma People Services Center (PPSC), Social Advocates for Youth (SAY), the Center for Social and Environmental Services (The Center), and West County Community Services (WCCS) to provide Youth Education & Employment Services (YEES) program services to at-risk youth and youth adults. At the same time, the Board approved a contract with Legal Aid of Sonoma County to provide Legal Assistance and Referral Services.

**Strategic Plan Alignment**      Goal 3: Invest in the Future

These amendments are strategic investments in prevention-focused policies and interventions that reduce poverty, increase equal opportunity for quality education and employment, and increase healthy community environments.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses	462,945		
Additional Appropriation Requested	0		
<b>Total Expenditures</b>	<b>462,945</b>		
<b>Funding Sources</b>			
General Fund/WA GF	251,030		
State/Federal	211,915		
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>462,945</b>		
<b>Narrative Explanation of Fiscal Impacts:</b>			
There are no fiscal impacts related to these contract amendments as funding has already been included in the FY 16-17 budget. Funding in the amount of \$251,030 comes from the Sonoma County Water Agency to support the Conservation Corps North Bay contract.			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
None			
<b>Attachments:</b>			
Conservation Corps North Bay Contract Amendment No 1 Legal Aid of Sonoma County Amendment No 1			
<b>Related Items "On File" with the Clerk of the Board:</b>			
None			

**Conservation Corps North Bay  
Amendment Number 1**

To the Agreement to Provide  
**Youth Education & Employment Services**  
Agreement Number: ET-CCNB-YEES-1617  
Funding Amount: \$334,945  
Term: 7/1/2016 to 6/30/2017  
Funding Source: WIOA  
DUNS: 186420048 CAGE Code: 3NHY6

On July 1, 2016, the County of Sonoma, a political subdivision of the State of California (hereinafter "County"), and Conservation Corps North Bay, Inc, a California non-profit corporation (hereinafter "Contractor"), executed an Agreement for the provision of Youth Education & Employment Services.

As provided by Article 13.7., Merger, the parties hereby evidence their intent and desire to amend the Agreement to

The parties mutually desire to amend said Agreement to make the following changes:

1. Revise Article 2 Payment to add Fifty Five Thousand Five Hundred Thirty Three Dollars (\$53,533) to the agreement for a new total of Three Hundred Thirty Four Thousand Nine Hundred Forty Five Dollars (\$334,945).
2. Revise Exhibit B Fiscal Provisions 1.1. Claiming and Documentation
3. Replace Exhibit B Fiscal Provisions, 7. Budgets for Sonoma County Youth Ecology Corps only
4. Replace Attachment A-1d

RECITALS

- A. The purpose of this Amendment is to modify the terms and conditions of the Agreement between the County and the Contractor.
- B. The parties hereto are desirous of modifying the Agreement in accordance with the terms and conditions set forth herein

SPECIFIC PROVISIONS

2. Payment. For all services and incidental costs required hereunder, Contractor shall be paid on a cost reimbursement basis in accordance with the budget set forth in "Exhibit B: Fiscal Provisions/Budget" (hereinafter "Exhibit B"), attached hereto and incorporated herein by this reference. Contractor shall be paid an amount not to exceed Three Hundred Thirty Four Thousand Nine Hundred Forty Five Dollars (\$334,945), without the prior written approval of County. Expenses not expressly authorized by the Agreement shall not be reimbursed.

Unless otherwise noted in this agreement, payments shall be made within the normal course of county business after presentation of an invoice in a form approved by the County for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by the County.

**Exhibit B: Fiscal Provisions/Budget**

1.1. Claiming and Documentation. Contractor shall receive reimbursement for actual costs by submitting a monthly cost report together with a request for payment by the tenth working day of each month. All costs reported by Contractor in its monthly and final cost reports, shall be supported by appropriate accounting documentation. The documentation shall establish that County is charged a fair and equitable portion of any indirect or shared costs attributable to services performed under this Agreement.

7. **Budgets** - Sonoma County Youth Ecology Corps

<b>Sonoma County Youth Ecology Corps</b>		2016 / 2017
Item No.	Line Item Description	Amount
1	Staff Wages	23,164
2	Staff Benefits	6,717
3	Rental / Lease of Facility	1,419
4	Utilities / Building Maintenance	5,215
5	Telephone / Communications	3,852
6	Insurance Expense	400
7	Equipment Rental / Lease / Maintenance	690
8	Office Supplies / Expenses	250
9	Books / Educational Materials	
10	Staff Mileage / Travel	
11	Staff Training / Conferences	436
12	SCYEC Staff Support (not case mgmt)	33,310
13	SCYEC Tools / Equipment	6,676
14	SCYEC Transportation Costs	3,692
15	SCYEC Crew Leader Wages & Benefits	53,832
16	SCYEC Youth Wages & Benefits	148,463
17	SCYEC Youth Support / Incentives	1,500
18	Other: Fingerprints	34
19	Other: Recruitment	300
20	Indirect Costs @ 10%	28,995
<b>PROGRAM BUDGET TOTAL:</b>		<b>318,945</b>

**ATTACHMENT A-1d**  
**Program Performance**

A. WIOA Performance Measures.

WIOA performance measures, as listed below, will apply to any participants who were enrolled under WIOA requirements on or after July 1, 2015. Further definitions and guidance, particularly regarding Median Earnings and Measurable Skill Gains, are forthcoming from the Department of Labor and the State.

1. **Employment/Education Rate 2<sup>nd</sup> Quarter after Exit – 62.4%**

This measure is defined as the percentage of program participants who are in education, occupational skills training, or in unsubsidized employment during the second quarter after exit from the program. Measure applies to those who are not employed, not in post-secondary education, and not in training at the date of enrollment.

2. **Employment/Education Rate 4<sup>th</sup> Quarter after Exit – 62.2%**

This measure is defined as the percentage of program participants who are in education, occupational skills training, or in unsubsidized employment during the fourth quarter after exit from the program. Measure applies to those who were employed, in post-secondary education or training in the 4<sup>th</sup> quarter after exit, regardless of their status at 2<sup>nd</sup> quarter after exit.

3. **Median Earning in the 2nd Quarter after Exit – TBD**

This measure is defined as the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program. Due to insufficient data in order to determine this indicator, data will be collected to determine a baseline.

4. **Credential Attainment Rate – 52.9%**

This measure is defined as the percentage of program participants who attain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent, during participation in or within 1 year after exit from the program. For those participants who obtained a secondary school diploma or its recognized equivalent, the participant must also have obtained or retained employment or be in an education or training program leading to a recognized postsecondary credential within 1 year after exit from the program. Measure applies to those enrolled in secondary education at the date of participation or at any point during the program.

5. **Measurable Skills Gain – TBD**

Defined as interim progress of those enrolled in education/training services, as follows:

- a. Receipt of Secondary School Diploma/Equivalent
- b. Secondary or Post-Secondary Report Card/Transcript
  - i. Secondary Report Card showing participant is meeting state's academic standards.
  - ii. Post-Secondary Transcript showing participant has taken a minimum of 12 units within one year and has met the state's academic standard.
- c. Educational Functioning Level Gain, for those receiving educational instruction below the postsecondary level, as indicated by:
  - i. Pre-post test
  - ii. Completion of Carnegie Units
  - iii. Program exit plus entry into postsecondary education
- d. Progress toward Milestones
  - i. Participant in work experience attained satisfactory or better progress towards established milestones from employer.
  - ii. Participant in training activity attained satisfactory or better progress towards established milestones from training provider.
- e. Passing Technical/Occupational Knowledge Based Exam
  - i. Participant successfully completed an exam that is required for a particular occupation, or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks such as knowledge-based exams.

B. Other Performance Measures and Outcomes.

Contractor performance will be further evaluated to ensure proficiency to administer and manage the YEES program (including the SCYEC), as follows:

1. Ability to meet the WIOA 75% out of school youth expenditure requirement.
2. Ability to meet the WIOA 20% expenditure requirement for work experience.
3. Eligibility packets (all funding sources) submitted and approved by County prior to participant beginning participation, work or training – 100%.
4. WIOA eligibility packets submitted with no errors – 80%
5. SCYEC eligibility packets (all funding sources) submitted with no errors – 80%

6. SCYEC eligibility packets (all funding sources) submitted prior to deadline  
- Summer SCYEC - 80%, all other times - 90%
7. Participants reporting satisfaction with Provider regarding SCYEC  
experience - 85%
8. SCYEC Project Hosts reporting satisfaction with Provider regarding  
placements - 90%
9. Other measures as required by the County and delineated in the contract.

Except as expressly modified in this amendment, the terms and conditions of agreement number ET-CCNB-YEES-1617 shall remain in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be fully executed by their authorized representatives.

This Amendment shall be effective on 3/1/2017.

CONTRACTOR:

By: Marilee Eckert

Name: MARILEE ECKERT  
Chief Executive Officer

Date: 1-31-17

COUNTY OF SONOMA:

By: \_\_\_\_\_

Name: KAREN FIES  
Title: Director, Human Services  
Department

Date: \_\_\_\_\_

APPROVED AS TO SUBSTANCE  
FOR COUNTY

By: Sherry Alderman

Name: SHERRY ALDERMAN  
Title: Director  
Employment & Training Division

[ ] EXEMPT FROM COUNTY COUNSEL  
REVIEW

APPROVED AS TO FORM FOR COUNTY:

By: Elizabeth A. [Signature]  
County Counsel

Date: 1/4/17

Legal Aid of Sonoma County  
**AMENDMENT Number 1**  
to the Agreement to Provide  
**LEGAL ASSISTANCE AND REFERRAL SERVICES**  
Agreement Number: ET-FYC-LASC-LARS-1617  
Funding Amount: **\$128,000**  
Term: **7/1/2016 to 6/30/2017**

On July 1, 2015, County of Sonoma (hereinafter referred to as "County"), and Legal Aid of Sonoma County, a California non-profit Corporation (hereinafter referred to as "Contractor"), executed an agreement to provide legal assistance, referrals, and related services.

As provided by Article 13.7, Merger, the parties hereby evidence their intent and desire to amend the Agreement to add Twenty Five Hundred Dollars (\$2,500) for a new total not to exceed One Hundred Twenty Eight Thousand Dollars (\$128,000). The parties mutually desire to amend said Agreement to make the following changes:

1. Revise Article 2, Payment;
2. Replace Section 7 in Exhibit B-1: Fiscal Provisions/Budget - SonomaWORKS Referral to Legal Services

RECITALS

- A. The purpose of this Amendment is to modify the terms and conditions of this Agreement between the County and Contractor.
- B. The parties hereto are desirous of modifying the Agreement in accordance with the terms and conditions set forth herein.

SPECIFIC PROVISIONS

Specific Provisions of the Agreement are amended as follows:

2. Payment. For all services and incidental costs required hereunder, Contractor shall be paid on a cost reimbursement basis in accordance with the budgets set forth in "Exhibit B: Fiscal Provisions/Budgets" (hereinafter "Exhibit B"), attached hereto and incorporated herein by this reference. Contractor shall be paid an amount not to exceed One Hundred Twenty Eight Thousand Dollars (\$128,000), without the prior written approval of County. Contractor shall submit its bills in arrears on a monthly basis in a form approved by County's Auditor and the Director of the Human Services Department. Expenses not expressly authorized by the Agreement shall not be reimbursed.

Unless otherwise noted in this agreement, payments shall be made within the normal course of county business after presentation of an invoice in a form approved by the County for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by the County.

Exhibit B-1: Fiscal Provisions/Budget – SonomaWORKS Referral to Legal Services

7. Budget

<b>SonomaWORKS Referral to Legal Services</b>		2016 / 2017
Item	Line Item Description	Amount
1	Staff Salaries	46,967
2	Staff Benefits	9,719
3	Rental / Lease of Facility	5,976
4	Utilities / Building Maintenance	
5	Telephone / Communications	645
6	Insurance Expense	514
7	Equipment Rental / Lease / Maintenance	
8	Office Supplies / Expenses	840
9	Books / Educational Materials / Dues / Fees	862
10	Staff Mileage / Travel	
11	Staff Training / Conferences	120
12	Other: Printing, Duplication & Postage	762
13	Other: Information Systems, Database	908
14	Indirect Costs	
15	Subcontractors and Services	696
<b>PROGRAM BUDGET TOTAL:</b>		<b>\$ 68,000</b>

Amendment Number 1 to Agreement Number ET-FYC-LASC-LARS-1617

Except as expressly modified in this Amendment, the terms and conditions of Agreement Number ET-FYC-LASC-LARS-1617 shall remain in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be fully executed by their authorized representatives.

This Amendment shall be effective on and as of the date of the last signature.

CONTRACTOR:

COUNTY OF SONOMA

LEGAL AID OF SONOMA COUNTY

By:

  
\_\_\_\_\_  
RONIT RUBINFOFF  
Executive Director

By:

\_\_\_\_\_  
KAREN FIES  
Director  
Human Services Department

Date:

1/20/2017

Date:

\_\_\_\_\_

APPROVED AS TO SUBSTANCE FOR COUNTY:

By:

  
\_\_\_\_\_  
SHERRY ALDERMAN  
Director  
Employment & Training Division

APPROVED AS TO FORM FOR COUNTY:

EXEMPT FROM COUNTY COUNSEL REVIEW

By:

EXEMPT  
\_\_\_\_\_  
County Counsel



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 7**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Human Services

**Staff Name and Phone Number:**

Sherry Alderman- 707-565-8501

**Supervisorial District(s):**

County-wide

**Title:** Workforce Innovation and Opportunity Act Regional and Local Plans and Request to be an America's Job Center of California Operator.

### **Recommended Actions:**

- (A) Approve the 2017-2020 Regional Workforce Innovation and Opportunity Act Plan for Sonoma, Lake, Marin, Mendocino, Napa and Solano Counties. This plan focuses on how to improve services for job seekers and businesses through regional collaboration.
- (B) Approve the 2017-2020 Local Workforce Innovation and Opportunity Act Plan for Sonoma County and authorize the Director of the Human Services Department to sign the Local WIOA Plan. This plan focuses on how to improve services for job seekers and businesses through local collaboration that will contribute to the county's economic wellness and its residents' self-sufficiency.
- (C) Authorize the Director of the Human Services Department and the Workforce Investment Board Chair to execute the Workforce Innovation and Opportunity Act Application to be an America's Job Center of California Operator.

### **Executive Summary:**

The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014, and replaced the Workforce Investment Act of 1998. Congress passed the Act by a wide bipartisan majority; it is the first legislative reform in 15 years of the public workforce system. WIOA supersedes the Workforce Investment Act (WIA) of 1998. WIOA regulations require that Workforce Investment Boards (WIBs) in the North Bay Planning Unit (Sonoma, Lake, Marin, Mendocino, Napa and Solano counties) work together to develop a regional workforce plan and to also develop a local workforce plan. The regional plan must be approved by the Board of Supervisors in Sonoma, Lake, Marin, Mendocino, Napa and Solano counties and the local plan must be approved by the Sonoma County Board of Supervisors for submission to the California Workforce Development Board by March 15, 2017.

In addition to the development of regional and local plans, WIOA, through the United States Department of Labor and the California Employment Development Department, directed jurisdictions to select an America's Job Center of California (Job Center) Operator through a competitive process. The role of Job Center Operator includes the coordination of service delivery and the implementation of the WIB's Memoranda of Understanding with the center partners. Following the intent of WIOA to procure

for the Job Center Operator, the Sonoma County WIB issued a Request for Proposal for a Job Center Operator on January 5, 2017, with a proposal submission deadline of February 2, 2017. No proposals were received. WIOA regulations allow for a WIB to be a Job Center Operator if the competition is determined to be inadequate. In order to perform the Job Center Operator role, the WIB must complete an application that is signed by the Board of Supervisors and submitted to the Governor for approval. Since no proposals were received for this Request for Proposal and because the WIB has experience performing this role since December 2000, the WIB and the Human Services Department recommend the Board authorize the Human Services Director and WIB Chair to execute the application to be a Job Center Operator.

**Discussion:**

Regional and Local Workforce Plans

WIOA's overall purpose is to improve the local workforce system and the WIB is the mechanism by which this effort is accomplished. The Sonoma County Human Services Department provides administrative support to the WIB. To this end, the WIB works throughout the community to align employment and training programs and services with education and business. The WIB through Job Link, the local America's Job Center of California, assists local job seekers access employment, education, training, and support services using WIOA funding so that they can become employed. Job Link also matches employers with skilled workers in support of our local economy.

WIOA requires each state to develop a single, unified plan for creating a comprehensive, strategic, and streamlined workforce system. In 2016, the California Workforce Development Board created their WIOA plan for California. The state plan identified regions as well as local areas and required each region and local area to develop a plan using the guidance established in the plan. The North Bay Region includes Sonoma, Lake, Mendocino, Marin, Napa and Solano counties.

The regional plan's required focus is to develop strategies to implement and strengthen sector strategies, career pathways and regional partnerships. The regional plan was developed with partners and stakeholders, including industry leaders and business organizations, economic development agencies, regional consortia of community colleges, regional consortia of adult education providers, representatives of K-12 and Career Technical Education, Department of Rehabilitation, County Welfare agencies, CBOs, groups with experience representing and serving individuals with barriers to employment, and the community as a whole. Stakeholder input sessions were held throughout the region in every county in Fall 2016, including at meetings of local workforce boards, community colleges, and partner convenings. Stakeholders were also encouraged to submit written input if unable to attend in person. Attendees were asked to help identify any existing gaps in the workforce development system, propose possible solutions, and identify ways that resources can be better coordinated and leveraged. In addition, the plan was posted for a 30-day comment period from February 1-March 2, 2017. The regional plan includes the input received at these meetings and during the comment period and outlines the strategies to be used by the WIBs working together to meet the needs of the region.

The local plan complements the state plan by focusing on the alignment between education and business in the development of industry sector partnerships and career pathways; the provision of enhanced services and improved service delivery and access to the workforce system for job seekers and employers; and compliance with new performance measures coupled with increased access to data. The local plan was developed with partners and stakeholders including industry leaders and business organizations, economic development agencies, local schools and colleges including K-12 and Career Technical Education, adult education providers, Department of Rehabilitation, Sonoma County Human

Services Department, local CBOs, groups with experience representing and serving individuals with barriers to employment and the community as a whole. A stakeholder input session was held in Fall 2016. Stakeholders were also encouraged to submit written input if unable to attend. In addition, the plan was posted for a 30-day comment period from February 1-March 2, 2017. The local plan includes the input received at these meetings and during the comment period to define the strategies to be used by the WIB in Sonoma County.

As required by WIOA, the WIB must submit the regional plan and the local plan, approved by the Board of Supervisors, to the state by March 15, 2017. Through an agreement with the Board of Supervisors and the WIB, the Human Services Director has been granted authority to sign documents on behalf of the Board of Supervisors. Once signed, the regional and local plans will be sent to the California Workforce Development Board for review and final approval.

#### America's Job Center of California Operator Application

In addition to the development of regional and local plans, WIOA directed jurisdictions to select an America's Job Center of California (Job Center) Operator through a competitive process. The role of Job Center Operator includes the coordination of service delivery and the implementation of the WIB's Memoranda of Understanding with the Job Link partners. Job Link is a collaboration of 19 partners who have come together to support workforce development in the county. Partners include the Employment Development Department, Department of Rehabilitation, California Work Opportunity and Responsibility to Kids (CalWORKs) and the Economic Development Board.

The Sonoma County WIB issued a Request for Proposal for a Job Center Operator on January 5, 2017, with a proposal submission deadline of February 2, 2017. No proposals were received for this request. WIOA regulations allow for a WIB to be a Job Center Operator if the competition is determined to be inadequate.

Since no proposals were received for the Job Center Operator procurement, the WIB and the Human Services Department feel that Job Link should continue acting as the Operator for Sonoma County. In order to perform the Job Center Operator role, an application must be completed by the WIB and signed by the Board of Supervisors. The application must be sent to the State in March 2017 where it will be forwarded to the California Workforce Development Board who will submit the application to the Governor for final approval. Both the Human Services Department and the WIB feel confident the Governor will support the application given Sonoma County's history and expertise in performing the Job Center Operator role.

Although WIOA was signed into law on July 22, 2014, many of its provisions did not take place immediately. Since July 2014, the WIB has been implementing the changes created by the WIOA regulations. The last 4 major requirements Sonoma County needed to complete are the Regional Plan, Local Plan, Career Services application and Job Center Operator application. The Board took action on February 7, 2017 to authorize the Director of the Human Services Department and the WIB Chair to execute the WIOA Application to be a Career Services Provider. With the approval of the Regional and Local Plans and the Job Center Operator application, Sonoma County will have completed all WIOA requirements needing the Board of Supervisors approval.

#### **Prior Board Actions:**

February 7, 2017: Authorized the Director of the Human Services Department and the Workforce Investment Board (WIB) Chair to execute the Workforce Innovation and Opportunity Act (WIOA)

Application to be a Career Services Provider.

March 17, 2015: Received a report on the Workforce Innovation and Opportunity Act (WIOA) of 2014 and signed the application for Sonoma County’s designation as a Local Workforce Development area.

July 30, 2013: Approved the Sonoma County Workforce Investment Act (WIA) Local Strategic Workforce Plan for Program Years 2013-2017.

**Strategic Plan Alignment**      Goal 2: Economic and Environmental Stewardship

WIOA helps prepare job seekers and youth for work as well as provides assistance to Sonoma County business in finding qualified workers.

**Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses	0	0	0
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Funding Sources**

General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>

The fiscal impact is staff time that was used in the development and preparation of the Regional and Local Plans as well as in the development of the Job Center Application.

**Narrative Explanation of Fiscal Impacts:**

**Staffing Impacts**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

There is no staffing impact with this Board item.

**Narrative Explanation of Staffing Impacts (If Required):**

**Attachments:**

1. The Sonoma County WIB’s AJCC Operator Application.

**Related Items “On File” with the Clerk of the Board:**

1. 2017-2020 Regional Workforce Innovation and Opportunity Act (WIOA) Plan for Sonoma, Lake, Marin, Mendocino, Napa and Solano Counties.
2. 2017-2020 Local WIOA Plan for Sonoma County.



# **Request for Approval to be America's Job Center of California<sup>SM</sup> Operator**

**Local Workforce Development Board**

**Sonoma County**

**Local Workforce Development Area**

**Sonoma County**

The *Workforce Innovation and Opportunity Act* (WIOA) allows Local Workforce Development Boards (Local Boards) to be an America's Job Center of California<sup>SM</sup> (AJCC) Operator, with the agreement of the Chief Elected Official (CEO) and the Governor. In order to be considered, the Local Board or administrative entity must have successfully participated in a competitive process, or provide substantial documentation that they meet one of the exceptions for sole source procurement.

This application will serve as the Local Board's or administrative entity's request for Governor's approval to be an AJCC Operator within a Local Workforce Development Area (Local Area) under WIOA. The application and required supporting documentation must be submitted to the California Workforce Development Board (State Board) by March 1, 2017, through one of the following methods:

Mail	California Workforce Development Board P.O. Box 826880 Sacramento, CA 94280-0001
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Overnight Mail/ Hand Deliver	California Workforce Development Board 800 Capitol Mall, Suite 1022 Sacramento, CA 95814
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If the State Board determines the request is incomplete, it will either be returned or held until the necessary documentation is submitted. Please contact your [Regional Advisor](#) for technical assistance or questions related to completing and submitting this request.

### Sonoma County Workforce Investment Board

---

Name of Local Board

2227 Capricorn Way, Suite 100

---

Mailing Address

Santa Rosa, CA

95407

---

City, State

Zip

Sherry Alderman

---

Contact Person

(707) 565-8501

---

Contact Person's Phone Number

March 23, 2017

---

Date of Submission

## **Request for Approval to be America's Job Center of California<sup>SM</sup> Operator**

### **Type of Procurement**

1. What type of procurement was used by the Local Board or administrative entity?  
 Competitive                       Sole Source
  
2. If Sole Source, did the Local Board or administrative entity offer an open, competitive procurement prior to Sole Source?  
 Yes                       No
  
3. If Sole Source, identify the reason(s) for using this procurement method:  
 The AJCC Operator services are only available from a single source.  
 A public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.  
 After solicitation of a number of sources, competition was determined inadequate.

### **Documentation Requirements for Competitive Procurement**

1. A description of the AJCC Operator.
  - a. Will the Local Board or administrative entity be the only AJCC Operator or act as a member of a consortium? If part of a consortium, include a list of the other consortium members.
  
  - b. Is there more than one comprehensive AJCC in the Local Area? If so, will the Local Board or administrative entity act as the operator for all of them? If not, list which ones the Local Board will act as operator for and who will be the operator for the others.
  
2. Documentation of local internal controls, conflict of interest, and firewalls policies adhered to during the AJCC Operator procurement process.
  
3. Documentation of the procurement process, including but not limited to, preparation of the request for proposal, public notices, receipt of bids/letter of intent, public bid/proposal meetings, evaluation, comparison, protest letters, and award notice/contract. In addition, provide a timeline that includes the date and staff name, organization, and title involved in each step of the selection process.
  
4. Identification of other entities in the Local Area that could be the AJCC Operator and the rationale for not selecting them.
  
5. Copy of the Local Board's or administrative entity's bid/proposal.

6. A written description of the following operational topics.
  - a. Specify the role(s) of the Local Board or administrative entity as the AJCC Operator(s) (i.e., coordinating service providers, primary provider of services, and coordinating activities throughout the AJCC system). If the Local Board or administrative entity is part of a consortium, provide each assigned role and the related responsibilities for each entity in the consortium.
  - b. How will the Local Board or administrative entity distinguish its roles and responsibilities between serving as the AJCC Operator and governing body over the Local Area?
  - c. How does this structure demonstrate the Local Board's or administrative entity's ability to successfully operate the AJCC system while also providing leadership for the entire Local Area and AJCC system?
  - d. How will this structure deliver the highest performance outcomes for the Local Area?
  - e. How will the Local Board or administrative entity maintain focus on strategic planning and accountability?

#### **Documentation Requirements for Sole Source Procurement**

1. A justification for whichever exemption mentioned above the Local Board or administrative entity feels they fall under in order to use Sole Source.
  - a. The Sonoma County Human Services Department provides administrative support and houses the WIB. Following federal, state and county procurement rules, the Sonoma County Human Services Department issued a Request for Proposal for an AJCC Operator on January 5, 2017. The proposal submission deadline was February 2, 2017. No proposals were received for this request. As no proposals were received, the WIB and the Human Services Department feel that the competition was inadequate and that the Local Board should continue as the AJCC Operator for Sonoma County. A copy of the Request for Proposal is attached.
2. A description of the AJCC Operator.
  - a. Will the Local Board or administrative entity be the sole AJCC Operator or act as a member of a consortium? If part of a consortium, include a list of the other consortium members.

Human Services Department/WIB will be the sole AJCC Operator.
  - b. Is there more than one comprehensive AJCC in the Local Area? If so, will the Local Board or administrative entity act as the operator for all of them? If not, list which ones the Local Board or administrative entity will act as operator and who will be the operator for the others.

There is only one comprehensive AJCC in Sonoma County.

3. An analysis of market conditions and other factors that lead to the determination for utilizing Sole Source.

The Sonoma County WIB elected to issue a competitive procurement to secure an AJCC Operator. No proposals were received. In order to continue our AJCC's service to our community, we are submitting this application.

4. Copies of internal controls, conflict of interest, and firewall policies.

Sonoma County Human Services Department, the administrative entity for the WIB followed the procurement process based on federal, state and county rules and used for all procurements in Sonoma County. In consultation with County Counsel and before conducting the competitive procurements process, we were advised all necessary conflict of interest and firewall policies currently in place at the Human Services Department were appropriate to meet the WIOA requirements. Attached are copies of the WIB's Bylaws, including the Code of Conduct and Conflict of Interest policy, the HSD Code of Conduct and Incompatible Activities policies for staff, and the MOU between the Board of Supervisors and the Human Services Department.

5. Provide a written description of the following operational topics:

- a. Specify the role(s) of the Local Board or administrative entity as the AJCC Operator(s) (i.e., coordinating service providers, primary provider of services, and coordinating activities throughout the AJCC system). If the Local Board or administrative entity is part of a consortium, provide each assigned role and the related responsibilities for each entity in the consortium.

The WIB's role as the AJCC Operator is to support and coordinate the collaboration of the 19 partner agencies in the AJCC, as well as to oversee the provision of services, in accordance with the partner agency MOUs with the WIB and the requirements of WIOA.

- b. How will the Local Board or administrative entity distinguish its roles and responsibilities between serving as the AJCC Operator and governing body over the Local Area?

- a. The Human Services Department has separate staff in place to oversee each function.

- c. How does this structure demonstrate the Local Board's or administrative entity's ability to successfully operate the AJCC system while also providing leadership for the entire Local Area and AJCC system?

- a. This structure has been in place since the inception of the one-stop in December 2000. Since that time, the Human Services Department has

successfully operated both the AJCC and provided leadership through the WIB.

- d. How will this structure deliver the highest performance outcomes for the Local Area?
    - a. This structure provides ongoing continuity and no interruption of the AJCC partnership and services to the community and allows Sonoma County to continue to meet performance outcomes.
  - e. How will the Local Board or administrative entity maintain focus on strategic planning and accountability?
    - a. Administrative staff will continue their focus on strategic planning and accountability. Sonoma County has recently completed their local WIOA plan which outlines the strategies the WIB will be implementing.
6. Evidence that the request for approval of the Local Board or administrative entity to be an AJCC Operator through Sole Source was made available to the public for at least 30 days. Submit copies of comments received.
- a. The County is publishing this AJCC Operator application for the 30-day comment period from February 21, 2017 through March 22, 2017. Additionally, the WIB is taking the AJCC Operator application to the Board of Supervisors on March 7, 2017. We are submitting this application unsigned at this time but will send in a signed application on March 23, 2017, following the 30-day public comment period. Since we expected to have bidder's for the AJCC Operator, we did not have sufficient time to post the 30-day notice or to get on the Board of Supervisor's schedule by the CWDB's 3/1/17 application due date. A copy of the Notice and request to the local newspaper is attached. Any comments received will be included when the signed application is submitted on March 23, 2017. This was discussed with and approved by our Regional Advisor, Tim Reynaga.
7. Views expressed by the local WIOA mandatory AJCC partner programs. Submit copies of any letters of support, disagreement, or other views received.
- a. Pending. All comments will be included when the signed application is submitted on March 23, 2017.
8. Attach documentation (signed and dated letter) that the members of the Local Board and other relevant parties (e.g., Board of Supervisors) reviewed the information provided in the application and approved its contents in a public meeting.

- a. Pending. The signature page will be signed and the Board of Supervisor's approval will be included when the signed application is submitted on March 23, 2017. The Local Board meeting minutes will also be submitted with our signed application.

## Signature Page

By signing below, the local CEO and Local Board chair request approval from the Governor to be designated as an AJCC Operator. Each party certifies that this application submission was reviewed and demonstrates that the Local Board met all the requirements to be designated as the AJCC Operator of the Local Area under WIOA law and regulations.

**Instructions** – The Local Board chair and local CEO must sign and date this form. Include the original signatures with the request.

### Local Workforce Development Board Chair

### Local Chief Elected Official

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Signature

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Signature

---

Robin Bartholow

---

Karen Fies

---

Name

---

Name

---

Chair, Sonoma County WIB

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Director, Human Services Department

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Title

---

Title

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March 7, 2017

---

March 7, 2017

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Date

---

Date



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 8**  
(This Section for use by Clerk of the Board Only.)

**To:** Sonoma County Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Permit Sonoma

**Staff Name and Phone Number:**

Jennifer Faso 707-565-1683

**Supervisorial District(s):**

Fourth

**Title:** Lot Line Adjustment.

### **Recommended Actions:**

Adopt a Resolution approving a Lot Line Adjustment between two parcels subject to Land Conservation Act Contracts, for property located at 33344 and 34333 Pine Mountain Road, Cloverdale; APN's 117-240-045 and 117-240-048.

### **Executive Summary:**

This is a request for a Lot Line Adjustment between two parcels 39.8 (Lot A) and 185.7 (Lot B) acres in size resulting in two parcels 128 (Lot A) and 97.5 (Lot B) acres in size. Lot A is currently under an existing non-prime (Type 2) Land Conservation Act Contract (04-187474 ) and Lot B is under a separate existing prime (Type 1) Land Conservation Contract (11-111250). The purpose of the Lot Line Adjustment is to improve the parcel configuration and return Lot B to what was created by the original parcel map recorded in 1983. This Lot Line Adjustment requires Board of Supervisors approval because of the existing Land Conservation Contracts and specific findings that must be made by the legislative body. Lot Line Adjustments are normally administratively approved by Permit Sonoma or by the Project Review and Advisory Committee.

### **Discussion:**

There is a residence on both Lot A (APN 117-240-045) and Lot B (117-240-048) along with other agricultural buildings and vineyards. Both of the parcels are zoned RRD (Resources and Rural Development) 240- acre density, with a Z (Second Unit Exclusion) overlay district.

The proposed Lot Line Adjustment is consistent with the General Plan and Zoning Requirements. Lot A, is 39.8 acres in size and Lot B is 128.8 acres in size. Both lots have a 240-acre density, meaning that neither lot can be subdivided. Therefore, the proposed Lot Line Adjustment resulting in 128.0 acres for Lot A and 97.5 acres for Lot B will not change the potential for subdivision.

To facilitate a Lot Line Adjustment, Government Code Section 51257 permits the contracting parties to rescind the existing contracts and simultaneously enter into new contracts if the required findings can be made. Staff has determined that the Line Adjustment can meet the required findings as described in the attached Resolution.

**Staff Recommendation:**

Staff recommends the Board find the project consistent with Government Code Section 51257 and approve the proposed Lot Line Adjustment subject to the attached Conditions of Approval. Conditions of Approval require that prior to recording the Grant Deeds for the Lot Line Adjustment, the property owner must submit the appropriate applications and filing fees to rescind and replace the existing contracts with two new Land Conservation Act Contracts.

**Prior Board Actions:**

On December 13, 2011, the Board of Supervisors approved *the Sonoma County Uniform Rules for Agricultural Preserve and Farmland Security Zones* (Resolution No. 11-0678)

**Strategic Plan Alignment**      Goal 2: Economic and Environmental Stewardship

The Board of Supervisors has endorsed the continuation of the County’s agricultural preserve program to preserve a maximum amount of the limited supply of agricultural, open space, scenic, and critical habitat lands within the County, to discourage premature and unnecessary conversion of such lands to urban land uses, to promote vitality in the agricultural economy, and to ensure an adequate, varied, and healthy supply of food and fiber for current and future generations.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
All subject parcels are currently under a Land Conservation Contract and will continue to remain under replacement contracts. There will be no fiscal impacts as a result of this action.			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
None.			
<b>Attachments:</b>			
Draft Board of Supervisors Resolution with Exhibit A: Draft Conditions of Approval Attachment A: Proposal Statement Attachment B: Assessor’s Parcel Map Attachment C: Lot Line Adjustment Site Plan			
<b>Related Items “On File” with the Clerk of the Board:</b>			
None.			



County of Sonoma  
State of California

Date: March 7, 2017

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

LLA16-0057 Jennifer Faso

4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Approving The Request By Bendan, LLC For A Lot Line Adjustment Between Two Parcels 39.8 (Lot A), and 185.7 (Lot B) Acres In Size Resulting In Two Parcels 128.0 (Lot A) and 97.5 (Lot B) Acres In Size For Property Located At 33344 and 34333 Pine Mountain Road, Cloverdale; APN's 117-240-045 and 117-240-048.**

**Whereas**, the applicant, Bendan, LLC, filed a Lot Line Adjustment application with the Sonoma County Permit and Resource Management Department requesting that two existing parcels 39.8 (Lot A) and 185.7 (Lot B) acres in size, be adjusted to result in two parcels 128.0 (Lot A) and 97.5 (Lot B), acres in size, with each parcel subject to a Land Conservation Act Contract for property located at 3334 and 34333 Pine Mountain Road; APN's 117-240-045 and 117-240-048; Zoned RRD (Resource and Rural Development) 240-acre density, (Second Unit Exclusion); and

**Whereas**, the purpose of the Lot Line Adjustment is to adjust property lines to reconfigure the lots to return Lot B to what was created by the original parcel map recorded in 1983. All lots are subject to Land Conservation Act Contracts; and

**Whereas**, Government Code Section 51257 requires that the Board of Supervisors make certain findings before existing Land Conservation Act Contracts may be rescinded and replaced to facilitate a Lot Line Adjustment.

**Now, Therefore, Be It Resolved** that the Board of Supervisors makes the following findings consistent with Government Code Section 51257:

1. The replacement contracts would enforce and restrict the adjusted boundaries of the two parcels for an initial term for at least as long as the unexpired term of the two rescinded contracts but for not less than 10 years.
2. There is no net decrease in the amount of the acreage restricted by the contracts.

3. The Lot Line Adjustment results in 100 percent (100%) of the land under the original contracts remaining restricted under the two new contracts required as a Condition of Approval for the Lot Line Adjustment.
4. After the Lot Line Adjustment, each of the resultant parcels (Lots A and B), will remain large enough to sustain agricultural and open space uses. Resultant Lots A (128 acres), and B (97.5 acres) will exceed the 10-acre minimum acreage requirement for a Prime Land Conservation contract and the 40 –acre minimum acreage required for a Non-Prime Land Conservation Contract. Lot A meets the remaining requirements for a replacement contract because at least 64 acres are devoted to agricultural land uses and open space. All other uses are compatible uses and occupy no more than five acres. The income requirement can be meet because the requirement of not less than \$2,000 gross income is exceeded. Lot B meets the remaining requirements for a replacement contract because at least 48 acres will be devoted to commercial agriculture which will include vineyards, pasture land and open space. All other uses are listed as compatible uses and occupy no more than five acres. The agricultural income requirement can be meet because the requirement of \$1,000 per acre will be exceeded. The Lot Line Adjustment does not compromise the long-term agricultural productivity of the parcels subject to contract.
5. The purpose of the Lot Line Adjustment is to reconfigure the lots so that Lots are returned to the original parcel map recorded in 1983.
6. The Lot Line Adjustment is minor in nature and will not result in the removal of adjacent land from agricultural use. The land use and zoning designation on both parcels will remain as Resource and Rural Development, 240-acre per dwelling unit. The adjustment will not change the potential or allow for a greater subdivision potential.
7. Conditions of Approval require that prior to recording the Grant Deeds for the Lot Line Adjustment, the property owner of Lots A and B shall submit the appropriate applications and filing fees to rescind and replace the existing contracts with two Land Conservation Act Contracts as applicable. Once the Lot Line Adjustment grant deeds are recorded, then the County can proceed with preparation of the two new contracts, and include the new legal descriptions for each parcel.

**Be It Further Resolved** that the Board of Supervisors hereby finds that substantial evidence in the record before it supports the above findings, and further finds that the Lot Line Adjustment meets the requirements of the above findings.

**Be It Further Resolved** that the Board of Supervisors finds that the project described in this Resolution is exempt from the requirements of the California Environmental Quality

Act by virtue of Section 15305 Class 5 of Title 14 of the California Code of Regulations (CEQA Guidelines) in that the project is a minor Lot Line Adjustment.

**Be It Further Resolved** that the Board of Supervisors hereby grants the requested Lot Line Adjustment subject to the Conditions of Approval in Exhibit "A," attached hereto which includes a condition to rescind and replace the existing prime Land Conservation Act Contracts on Lots A and B.

**Be It Further Resolved** that the Board of Supervisors designates the Clerk of the Board as the custodian of the documents and other material which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the office of the Clerk of the Board, 575 Administration Drive, Room 100-A, Santa Rosa, California 95403.

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**

**Sonoma County Board of Supervisors  
Draft Conditions of Approval  
Exhibit A**

<b>Staff:</b>	Jennifer Faso	<b>Date:</b>	March 7, 2017
<b>Owner #1:</b>	Bendan, LLC	<b>File No.:</b>	LLA 16-0057
<b>Owner #2:</b>	Bendan, LLC	<b>APNs:</b>	117-240-045 and 117-240-048
<b>Address:</b>	33344 and 34333 Pine Mountain Road, Cloverdale		

**Project Description:** A Lot Line Adjustment between two parcels 39.8 and 185.7 acres in size, resulting in two parcels 128.0 and 97.5 acres in size.

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NOTE: Amendments and changes to approved Lot Line Adjustment conditions may be considered if additional information justifies the changes and does not increase the intensity of use approved by the original approval. The Director of the Permit and Resource Management Department (PRMD) will determine if a public hearing is necessary and if additional fees are required.

NOTE: These conditions must be met and the application validated within 24 months unless a request for an extension of time is received before the expiration date.

**PLANNING:**

1. Submit verification to Planning that taxes and/or assessments, which are a lien and termed as payable, are paid to the Treasurer-Tax Collector's Department on all parcels affected by the adjustment. The Treasurer-Tax Collector knows the amount of the tax due.
2. A draft description, prepared by a licensed land surveyor or civil engineer authorized to practice land surveying, showing the combination of lots or transfer of property shall be submitted to the County Surveyor for approval. The following note shall be placed on the deed or deeds. "The purpose of this deed is for a Lot Line Adjustment for the combination of a portion of the Lands of Bendan, LLC as described by deed recorded under Document No.2009010433, Sonoma County Records, APN 117-240-048 with the Lands of Bendan, LLC as described by deed recorded under Document No 87-007021, Sonoma County Records, APN 117-240-045. This deed is pursuant to LLA 16-0057 on file in the office of the Sonoma County Permit and Resource Management Department. It is the express intent of the signatory hereto that the recordation of this deed extinguishes any underlying parcels or portions of parcels." It is the responsibility of the surveyor/engineer preparing the deeds to insure that the information contained within the combination note is correct.

Note: The County Surveyor may modify the above described note.

3. Deed of Trust agreements, which encumber only portions of accepted legal lots, are violations of the Subdivision Map Act; therefore, prior to PRMD approval of the deed for recordation, the applicant shall submit either recorded documents or documents to be recorded concurrently with the Lot Line Adjustment deeds, showing that any Deed of Trust agreements on the subject properties will conform with the adjusted lot boundaries.
4. Prior to recording the Grant Deeds for the Lot Line Adjustment, the property owners of Lots A, and B shall submit the appropriate applications and filing fees to rescind and replace the existing contracts with two new Land Conservation Act Contracts as applicable. Once the Lot Line Adjustment grant deeds are recorded, PRMD can proceed with processing the new contracts.

5. Prior to PRMD stamping the grant deed(s) for the Lot Line Adjustment, the property owner of Lot A and B shall submit all application materials and applicable filing fees to rescind and replace the existing Land Conservation Contracts with two new Land Conservation Act Contracts on the resulting adjusted parcels.
6. After approval by the County Surveyor, a grant deed or deeds shall be prepared and submitted to the Planning Division for approval prior to recording. An approval stamp will be placed on the face of the grant deed or deeds.
7. A site plan map of the Lot Line Adjustment shall be prepared by a licensed surveyor or civil engineer and attached to the deed(s) to be recorded. The site plan shall be subject to the review and approval of the County Surveyor. The following note shall be placed on said plan: "THIS EXHIBIT IS FOR GRAPHIC PURPOSES ONLY. Any errors or omissions on this exhibit shall not affect the deed description."
8. After approval by Planning the grant deeds shall be recorded and a copy of the deed or deeds shall be submitted to the Permit and Resource Management Department.

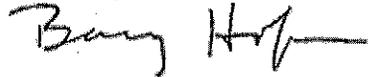
BENDAN LLC  
181 San Carlos Ave  
Sausalito CA 94965  
415 497 0747

January 30, 2017

Proposal Statement for Lot Line Adjustment LLA 16-0057

The purpose of the Lot Line Adjustment is to improve the parcel configuration and return Lot B to what was created by the original parcel map recorded in 1983.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Hoffner". The signature is written in a cursive style with a long horizontal stroke at the end.

Barry Hoffner, Member BENDAN LLC

# COUNTY ASSESSOR'S PARCEL MAP

TAX RATE AREA  
65-009

117-

W	48.28	17	R=221.0	L=206.04	33	R=187.0	L=72.76
	L=108.32	18	R=76.0	L=96.73	34	R=168.0	L=239.57
	L=198.0	19	N84°06'27"W	36.79	35	R=108.0	L=167.82
	L=81.11	20	R=345.0	L=65.48	36	N32°05'54"W	96.93
E	277.47	21	S88°15'47"W	51.67	37	R=94.0	L=164.33
	L=166.47	22	R=240.0	L=105.29	38	R=154.0	L=117.0
	L=89.38	23	R=71.0	L=134.70	39	S1°52'36"E	163.11
	L=143.31	24	R=165.0	L=171.38	40	R=640.0	L=92.78
	L=81.10	25	R=119.0	L=187.44	41	S6°16'17"E	57.14
W	25.88	26	R=206.0	L=74.70	42	R=630.0	L=188.17
	L=83.51	27	R=140.0	L=196.91	43	N8°33'08"E	144.77
	69.29	28	S39°44'18"E	48.41	44	R=282.0	L=139.19
	L=194.67	29	R=175.0	L=127.35	45	R=355.0	L=118.88
	L=220.9	30	R=124.0	L=114.53	46	R=157.0	L=70.20
	L=88.70	31	R=272.0	L=140.01	47	N42°43'10"E	134.53
	L=90.73	32	R=184.0	L=81.93	48	R=143.0	L=97.39
					49	R=114.0	L=74.34
					50	S34°43'29"W	78.03
					51	R=275.0	L=74.58
					52	N39°11'12"E	208.20
					53	R=94.0	L=188.79
					54	R=75.0	L=732.26
					55	R=200.0	L=79.03
					56	N31°56"E	151.52

Table 3

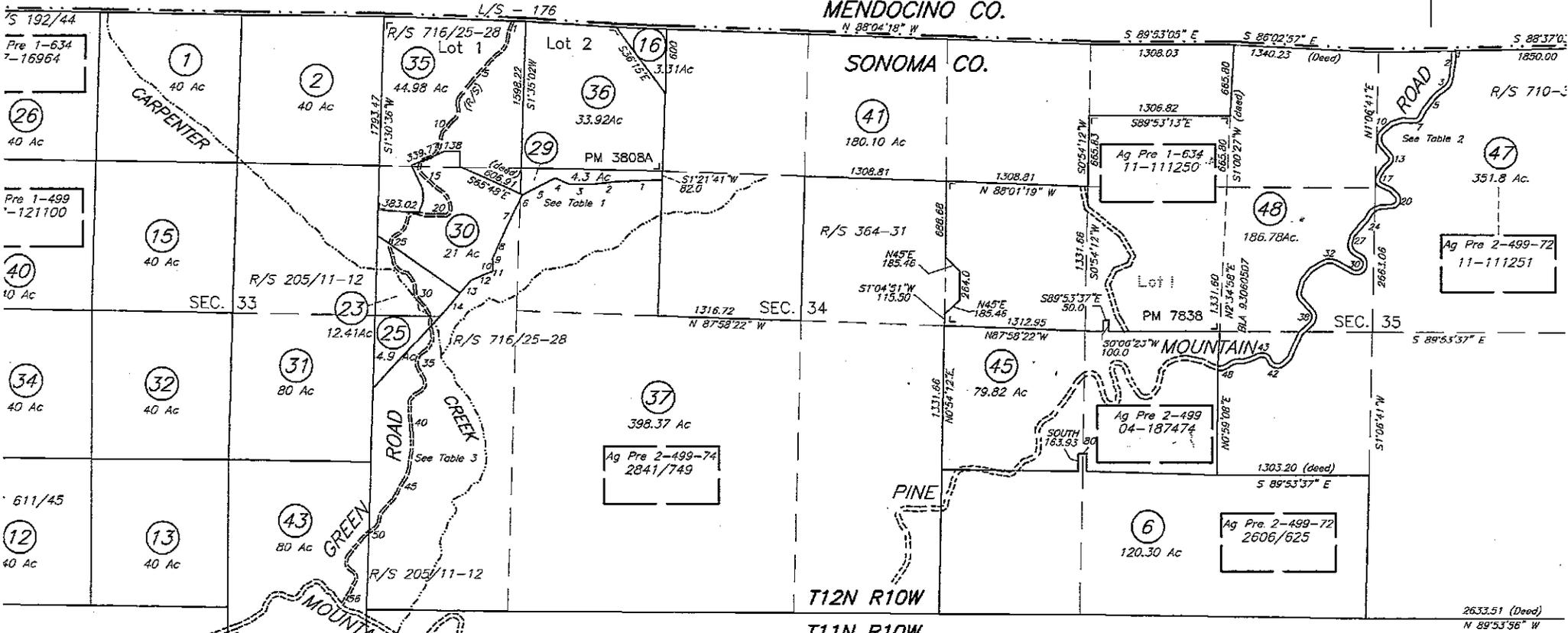
Table 1

1	S88°08'W	403.0	10	S2°15'E	82.6
2	S83°33'W	220.0	11	S39°50'W	11.50
3	N89°56'W	240.0	12	S66°43'W	210.7
4	N65°38'W	134.6	13	S40°39'W	153.10
5	S62°45'W	340.0	14	S43°25'W	250.4 (deed)
6	S25°53'W	100.0±			
7	S25°53'W	262.10			
8	S25°08'W	285.0			
9	S1°43'E	23.6			

Parcel Map No. 3808A  
REC. 08-15-1973 IN BK.195, MAPS, PGS. 10-00

Parcel Map No. 7838  
REC. 07-20-1984 IN BK.347, MAPS, PGS. 18-19

SCALE: 1"=10'



## MENDOCINO CO.

## SONOMA CO.

Map was prepared for Assessment and does not indicate either parcel build site. No liability is assumed for accuracy of the data delineated. Data is based on the information provided by the Assessor (i.e. recorded survey maps, prior assessment maps, etc.)

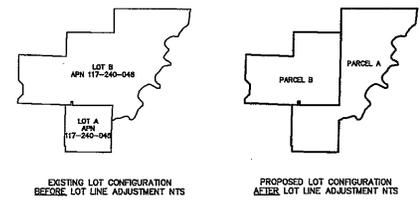
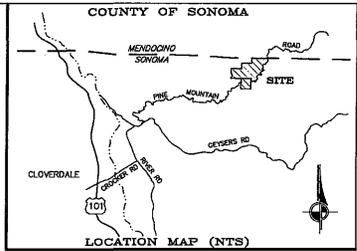
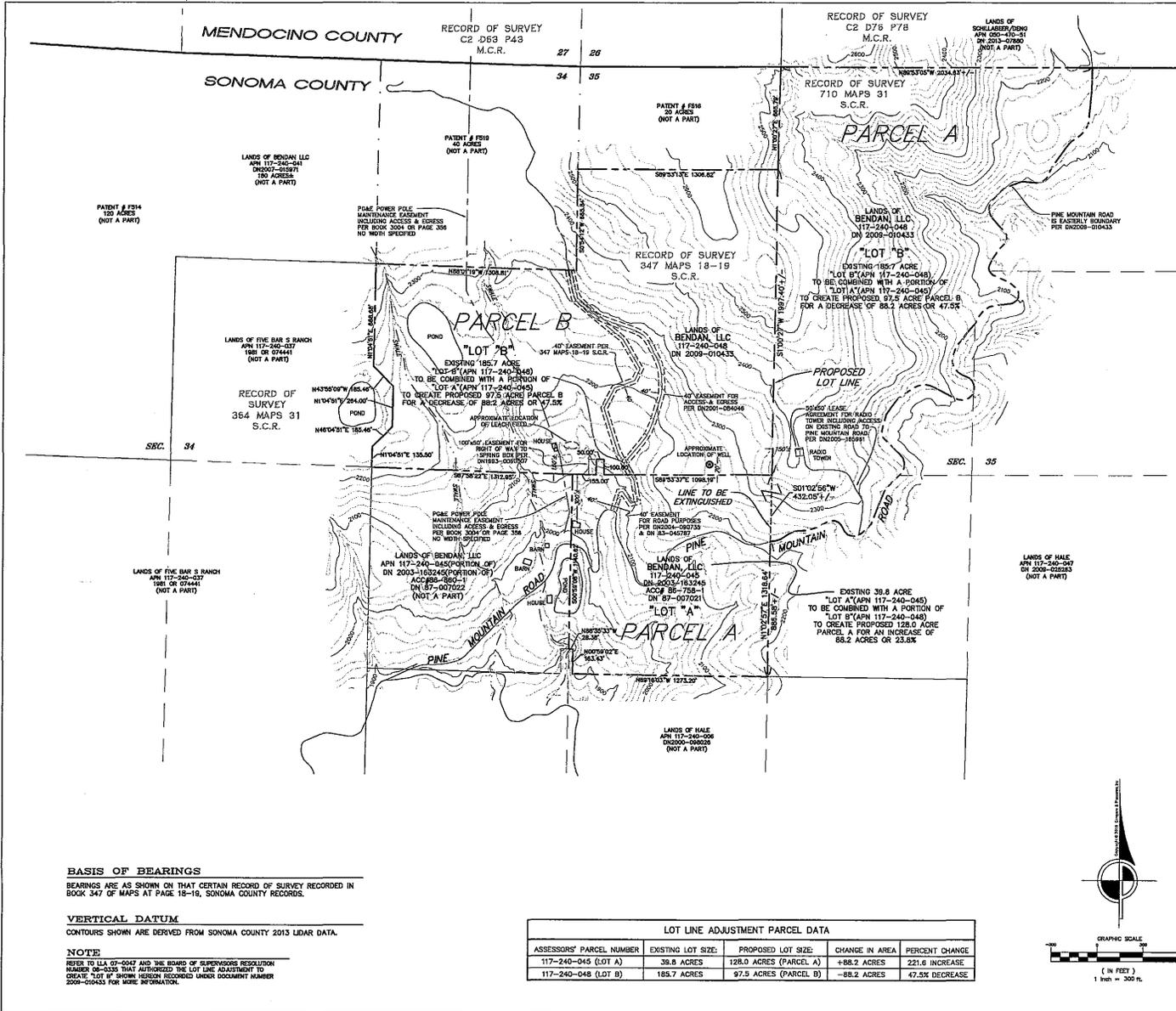
Assessor's parcels do not necessarily equal lots. To verify legal parcel status, consult appropriate city or county development or planning division.

Table 2

1	N21°32'29"E	66.12	17	R=48.0	L=75.84	33	S57°27'16"W	131.04
2	N6°35'17"E	187.29	18	S64°21'51"E	104.89	34	S38°02'47"W	122.00
3	R=162.00	L=154.36	19	N49°53'35"W	62.44	35	N16°09'49"E	107.09
4	R=245.00	L=101.23	20	R=61.0	L=143.74	36	R=60.0	L=61.65
5	N37°30'32"E	143.57	21	N85°07'13"E	98.50	37	S42°42'21"E	150.85
6	N26°40'50"E	74.34	22	R=141.0	L=136.71	38	R=88.0	L=138.17
7	R=73.0	L=86.05	23	N29°33'57"E	49.99	39	S47°15'14"W	132.70
8	N84°01'16"W	94.85	24	N44°08'40"E	76.32	40	S23°44'42"W	251.64
9	N71°46'51"E	107.94	25	S35°58'15"W	44.61	41	N47°49'18"E	81.13
10	N50°48'47"E	101.89	26	S41°08'25"W	76.68	42	R=77.0	L=154.57
11	R=100.0	L=159.09	27	S17°22'51"W	62.06	43	R=70.0	L=120.09
12	S40°20'28"E	118.18	28	R=97.0	L=138.28	44	S94°32'42"W	78.47
13	R=50.0	L=75.53	29	S64°17'53"E	43.19	45	S75°26'20"W	65.79
14	N35°35'15"E	69.08	30	R=80.0	L=256.27	46	S87°27'50"W	60.00
15	S46°12'48"W	59.25	31	N60°45'42"W	172.61	47	R=136.0	L=86.95
16	N26°09'59"E	52.30	32	R=120.0	L=129.40	48	R=150.0	L=110.63

REVISED  
02-25-05=AgPre KB  
03-17-05=CORR KB  
03-28-08=AgPre NJF  
04-03-08=R/S NJF  
07-23-09=47 NJF  
04-11-12=AgPres NJF  
04-11-12=48 NJF  
05-18-12=TieLine NJF

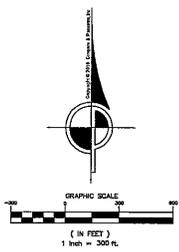
Assessor's Map Bk. 11  
Sonoma County,



- LEGEND**
- SUBJECT PROPERTY BOUNDARY
  - - - PROPOSED BOUNDARY LINE
  - - - BOUNDARY LINE TO BE EXTERMINATED
  - - - SECTION DIVIDER
  - DN DOCUMENT NUMBER
  - OR OFFICIAL RECORDS
  - NTS NOT TO SCALE
  - APN ASSESSOR PARCEL NUMBER
  - ACC ADMINISTRATIVE CERTIFICATE OF COMPLIANCE
  - ~ COMBINE SYMBOL

PROJECT INFORMATION	
OWNER:	BENDAN, LLC c/o BARRY HOFFNER 181 SAN CARLOS AVENUE SAUSALITO, CA 94865 PHONE #415-487-0747
PROJECT ADDRESS:	33344 PINE MOUNTAIN ROAD 34333 PINE MOUNTAIN ROAD CLOVERDALE, CA 95425
ASSESSOR'S PARCEL NUMBERS:	117-240-048
EXISTING ZONING:	RFD D6 240
WATER SERVICE:	WELLS
SEWER SERVICE:	SEPTIC SYSTEMS

H. Brunner  
 HOWARD W. BRUNNER P.L.S. 4206 DATE 16.4.16



**BASIS OF BEARINGS**  
 BEARINGS ARE AS SHOWN ON THAT CERTAIN RECORD OF SURVEY RECORDED IN BOOK 347 OF MAPS AT PAGE 18-19, SONOMA COUNTY RECORDS.

**VERTICAL DATUM**  
 CONTOURS SHOWN ARE DERIVED FROM SONOMA COUNTY 2013 LIDAR DATA.

**NOTE**  
 REFER TO LLA 07-0047 AND THE BOARD OF SUPERVISORS RESOLUTION NUMBER 08-0335 THAT AUTHORIZED THE LOT LINE ADJUSTMENT TO CREATE LOT C SHOWN HEREON RECORDED UNDER DOCUMENT NUMBER 2009-010433 FOR MORE INFORMATION.

LOT LINE ADJUSTMENT PARCEL DATA				
ASSESSOR'S PARCEL NUMBER	EXISTING LOT SIZE	PROPOSED LOT SIZE	CHANGE IN AREA	PERCENT CHANGE
117-240-048 (LOT A)	39.8 ACRES	128.0 ACRES (PARCEL A)	+88.2 ACRES	221.6 INCREASE
117-240-048 (LOT B)	185.7 ACRES	97.5 ACRES (PARCEL B)	-88.2 ACRES	47.5% DECREASE

Job Name:	LANDS OF BENDAN, LLC	DRAWN BY: JTB	CHECKED BY: RWB
Scale:	1"=300'	SHEET 1 OF 1	JOB NUMBER: 7427-16
Description:	LOT LINE ADJUSTMENT	DWG. FILE:	D:\WORK\12700\7427 LLA BARR.dwg
		DATE:	04.04.2016
		TITLE:	1 of 1
 <b>CINCQUINI &amp; PASSARINO, INC.</b> LAND SURVEYING & BOUNDARY 1280 N. Dutton Ave. #100 Phone: (707) 542-8288 Santa Rosa, Ca. 95401 Fax: (707) 542-2108 WWW.CINCQUINIPASSARINO.COM		A BOUNDARY A TOPOGRAHIC A CONSTRUCTION A SUBDIVISION	



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 9**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** 4/5

**Department or Agency Name(s):** Probation Department

**Staff Name and Phone Number:**

Vanessa Fuchs (707) 565-6258

**Supervisorial District(s):**

All

**Title:** Foster Care Reform

### Recommended Actions:

- A. Adopt Resolution Adjusting the FY 2016-2017 budget, increasing appropriations and reimbursement in the Probation Department Juvenile Supervision budget by \$192,067 for the purpose of Foster Parent Recruitment, Retention and Support.
- B. Adopt Resolution Amending the position allocation list effective March 7, 2017 adding one Probation Officer III, Salary Range \$5,539.56 to \$ 6,732.70 per month, to provide support and improve outcomes for justice-involved youth and families in the foster care system.

### Executive Summary:

Probation is requesting the addition of 1.0 FTE Deputy Probation Officer III – Continuum of Care Support Specialist (Attachment A). The Support Specialist will be responsible for recruitment and support of caregivers, including relative and non-related extended family member homes, and will serve as Probation's liaison in working with Human Services to support the Resource Family Approval process. \$192,067 has been allocated by the state in Fiscal Year 2016-17 exclusively for the Probation Department's Foster Parent Recruitment, Retention and Support program. The Department is requesting a budgetary adjustment (Attachment B) to recognize this increase to appropriations and state reimbursement (zero net county cost) in support of these activities. As described to the Board in a joint presentation with the Dept. of Health Services and the Human Services Dept. (September 2016) funds have been allocated by the state to the Probation Department specifically to enhance the successful implementation of the system changes brought about by AB403, Continuum of Care Reform. This item seeks approval to expend these funds in support of effective implementation of the reform, toward improving outcomes for children and families in foster care.

### Discussion:

The California Child Welfare System is embarking on the largest system reform in recent memory. On October 11, 2015, AB 403 was signed into law, which requires California to implement provisions of the Continuum of Care

Reform effective January 1, 2017. The main goals of Continuum of Care Reform are to improve outcomes for children in foster care by:

- Reducing the use of congregate care placement settings and transforming the group home system
- Increasing the use of home-based family care
- Improving the assessment process for out-of-home placements
- Decreasing the length of time children and youth spend in temporary foster care

Continuum of Care Reform and AB 403 require that adequate services and supports be provided to children in foster care across the array of placement settings. It is no longer acceptable to require a child to change placements to get the services he or she needs. Instead, the regulatory changes create new foster care options, child and family involvement in case planning, and system integration, and mental health assessment and services. The *2016 Foster Care System Reform* report presented to the Board on September 20, 2016 outlines three focus areas required by Continuum of Care Reform and AB 403. They include:

**New Foster Care Options** that create Short-Term Residential Treatment Programs, Treatment Foster Care Programs, and Resource Family Homes, which are intended to significantly change the parameters of residential group home programs.

**Child and Family Involvement in Case Planning**, that requires the involvement of a Child and Family Team for case planning affecting foster care placement and support services needed to promote permanency and normal childhood experiences.

**Systems Integration and Mental Health Assessment and Services**, which require that children in foster care or at risk of foster care receive medically necessary mental health services, utilizing an integrated approach that works with families.

Probation is requesting the Board allocate the Foster Parent Recruitment, Retention and Support (FRRS) program funding toward the addition of 1.0 FTE Deputy Probation Officer III - Continuum of Care Reform Support Specialist. In addition to performing all duties consistent with a supervision probation officer job class, the Support Specialist will be responsible for recruitment and support of caregivers, including relative and Non-Related Extended Family Member families, and will serve as Probation's liaison in working with Human Services to support the Resource Family Approval process. Placing delinquent youth in foster home settings has not been a typical practice for probation agencies. Currently, Sonoma County Probation has 0 youth placed in a foster home setting, largely due to a lack of appropriate resource family homes available in the community and the difficulties associated with finding Resource Family Homes willing to serve this population. It is anticipated that approximately 8 to 12 probation youth will be eligible for placement in a resource family home in the coming year, based on the current numbers of youth residing with relative caregivers. In order to have any hope of identifying, recruiting and providing supports to these resource family homes, the Department has determined the best approach is to have a single point of contact as liaison and expert to assist the families navigating the foster care system for the first time.

A probation officer working as a Continuum of Care Reform Support Specialist will assist in integrating placement options more frequently, increasing the amount of youth placed in a family setting while reducing the population of youth placed in congregate care. This position will improve communication and collaboration between social workers, probation officers, the court, and resource families. Along with combined recruitment efforts, this officer will work closely with potential foster families to ensure they are supported through this process. The officer can promote this practice to the Juvenile Court and other justice partners through education and training.

Also, as a result of collaborative and targeted recruitment efforts with Human Services, we can identify and utilize non-relative resource family placements for delinquent youth. The Continuum of Care Reform Support Specialist will work with relative and non-relative caregivers, including respite providers, to remove barriers that prevent participation as a Resource Family Home. Foster Parent Recruitment, Retention and Support funding will be used

to support initial foster home placement and assist with placement stability. This may include facilitating transportation, pro-social activities, educational or vocational trainings/courses, child care and other basic needs.

**Prior Board Actions:**

September 20, 2016 Foster Care - Continuum of Care Report

**Strategic Plan Alignment**      Goal 1: Safe, Healthy, and Caring Community

Approval of the positions and services will allow the Probation Department to continue on the path of full implementation of the new requirements outlined as part of Continuum of Care Reform and better support the safety, permanency and well-being of children, youth and families involved in out of home care.

**Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses		151,000	151,000
Additional Appropriation Requested	192,067		
<b>Total Expenditures</b>	<b>192,067</b>	<b>151,000</b>	<b>151,000</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	192,067	151,000	151,000
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>192,067</b>	<b>151,000</b>	<b>151,000</b>

**Narrative Explanation of Fiscal Impacts:**

Funding for this position in the current year is through the 2016-17 Foster Parent Recruitment, Retention and Support program award (CFL 16/17-34). The object of this award is for counties to recruit, retain and support foster parents, resource families and relative caregivers. Ongoing funding for the Continuum of Care Reform Support Specialist will come from 50% federal Title IV-E foster care funding, 50% non-federal funding for youth in out-of-home placement and Wraparound program savings. The Department expects to expend less than the full Foster Parent Recruitment, Retention and Support appropriation in FY 16-17 due to delays in releasing funds at the state level but is recognizing the full allocation, in order to maximize program flexibility. The state has indicated counties will have the ability to roll over unspent FPRRS funds into the FY 17-18 budget.

<b>Staffing Impacts</b>			
<b>Position Title</b> (Payroll Classification)	<b>Monthly Salary Range</b> (A – I Step)	<b>Additions</b> (Number)	<b>Deletions</b> (Number)
Probation Officer III	\$5,539.56 to \$6,732.70	1.0	
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
Attachment A - Budget Adjustment Resolution Attachment B - Position Allocation Resolution			
<b>Related Items "On File" with the Clerk of the Board:</b>			



County of Sonoma  
State of California

Date: March 7, 2017

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_



4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Adjusting the FY 2016-2017 Probation Department budget, increasing appropriations and reimbursement in the Juvenile Supervision budget by \$192,067 for the purpose of Foster Parent Recruitment, Retention and Support (FPRRS).**

**Whereas,** On October 11, 2015, AB 403 was signed into law, which requires California to implement provisions of the Continuum of Care Reform (CCR) effective January 1, 2017.

**Whereas,** CCR and AB 403 require that adequate services and supports be provided to children in foster care across the array of placement settings.

**Whereas,** The Human Services Department, Probation and Department of Health Services are working together with the community to create the systems and resources to implement significant changes in foster care placement options, youth assessment processes and other changes related to CCR.

**Whereas,** Probation is requesting the addition of 1.0 FTE Deputy Probation Officer III to help create these new systems and act as a CCR Support Specialist.

**Whereas,** The Support Specialist will be responsible for recruitment and support of caregivers for probation foster youth, including relative and non-related extended family members.

**Now, Therefore, Be It Resolved** that Board is adjusting the FY 2016-2017 Probation Department budget, increasing appropriations and reimbursement in the Juvenile Supervision budget by \$192,067 for the purpose of Foster Parent Recruitment, Retention and Support (FPRRS).

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**

## EXHIBIT A - BUDGET ADJUSTMENT RESOLUTION

Department(s)/ Agency/(ies): Probation Department

Narratives	FTE Impacts (+/-)	Gross Expenditure	Revenue and Reimbursement	Net Cost	Annualized Net Cost
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<b>Summary of Requested Adjustments for Board Consideration</b>
-----------------------------------------------------------------

<b>[DEPT 1 NAME] - COUNTY GENERAL FUND</b>					
--------------------------------------------	--	--	--	--	--

<b>Summary Row</b>	Increase appropriations and reimbursement from the 2016-17 Foster Parent Recruitment, Retention and Support (FPRRS) program award (CFL 16/17-34). The object of this award is for counties to recruit, retain and support foster parents, resource families and relative caregivers. Add 1.0 FTE Probation Officer III to perform these functions per state adopted Continuum of Care Plan.	1	192,067	192,067	-	149,500
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<b>[DEPT 2 NAME] - COUNTY GENERAL FUND</b>					
--------------------------------------------	--	--	--	--	--

Detail Row 1					-	
Detail Row 2					-	
Detail Row 3					-	
Summary Row	NOTE: HIDE the detail rows if the summary is simply a restatement of the details.	-	-	-	-	

<b>[DEPT 3 NAME] - COUNTY GENERAL FUND</b>					
--------------------------------------------	--	--	--	--	--

Detail Row 1					-	
Detail Row 2					-	
Detail Row 3					-	
Summary Row	NOTE: HIDE the detail rows if the summary is simply a restatement of the details.	-	-	-	-	

<b>[DEPT 1 NAME] - OTHER FUND</b>					
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Detail Row 1					-	
Detail Row 2					-	
Detail Row 3					-	
Summary Row	NOTE: HIDE the detail rows if the summary is simply a restatement of the details.	-	-	-	-	

<b>[DEPT 2 NAME] - OTHER FUND</b>					
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Detail Row 1					-	
Detail Row 2					-	
Detail Row 3					-	
Summary Row	NOTE: HIDE the detail rows if the summary is simply a restatement of the details.	-	-	-	-	

<b>[DEPT 3 NAME] - OTHER FUND</b>					
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Detail Row 1					-	
Detail Row 2					-	
Detail Row 3					-	
Summary Row	NOTE: HIDE the detail rows if the summary is simply a restatement of the details.	-	-	-	-	

Total Requested Adjustments	<b>1</b>	<b>192,067</b>	<b>192,067</b>	<b>0</b>	<b>149,500</b>
Subtotal of General Fund Changes	<b>1</b>	<b>192,067</b>	<b>192,067</b>	<b>0</b>	<b>149,500</b>
Subtotal of Other Fund Changes	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



County of Sonoma  
State of California

Date: March 7, 2017

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_



4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Amending The Department Allocation List For Probation To Reflect The Addition Of a 1.0 Full-Time Equivalent Deputy Probation Officer III Effective March 7, 2017.**

**Whereas**, On October 11, 2015, AB 403 was signed into law, which requires California to implement provisions of the Continuum of Care Reform (CCR) effective January 1, 2017.

**Whereas**, CCR and AB 403 require that adequate services and supports be provided to children in foster care across the array of placement settings.

**Whereas**, The Human Services Department, Probation and Department of Health Services are working together with the community to create the systems and resources to implement significant changes in foster care placement options, youth assessment processes and other changes related to CCR.

**Whereas**, Probation is requesting the addition of 1.0 FTE Deputy Probation Officer III to help create these new systems and act as a CCR Support Specialist.

**Whereas**, The Support Specialist will be responsible for recruitment and support of caregivers for probation foster youth, including relative and non-related extended family members.

**Now, Therefore, Be It Resolved** that the Department Allocation List of the Probation is hereby revised as follows:

Section/ Subsection ID	Job Class	Class Title	Existing Positions In Class	Change in Position Allocation	New Total Allocation For Class	Duration/ End Date	Salary Range
27012113	3227	PROBATION OFFICER III	4.00	1.00	5.00	Ongoing	2783

**Supervisors:**

Gorin:

Rabbit:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered**



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 10**  
(This Section for use by Clerk of the Board Only.)

**To:** Sonoma County Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Regional Parks

**Staff Name and Phone Number:**

Caryl Hart 707-565-3342

**Supervisorial District(s):**

First, Second, Third, Fourth and Fifth Districts

**Title:** Every Sonoma County 4<sup>th</sup> Grader in a Regional Park

### **Recommended Actions:**

Resolution from the Board of Supervisors to waive parking fees (\$7 per vehicle) for all Sonoma County fourth-graders with their families from Thursday, June 1, 2017 through Friday, June 30, 2017.

### **Executive Summary:**

Studies show that children who regularly spend time outdoors are more likely to develop positive, long-term attitudes about nature and the environment. Through its education and recreation programs, Regional Parks each year teaches over 30,000 students and families about earth science and Sonoma County's natural resources. With issues such as climate change gaining global urgency, influencing and encouraging positive attitudes toward the environment and natural resources will be paramount for the future. The "Every Sonoma County 4<sup>th</sup> Grader in a Regional Park" campaign will give almost 5,000 Sonoma County youth and their families a special opportunity to discover nature by providing a \$7 vehicle fee waiver for the month of June.

### **Discussion:**

Regional Parks in 2017 is celebrating 50 years of service to Sonoma County residents and visitors. One element of this celebration, is a new program, granting access to all Regional Parks for fourth-graders and their families. The program embodies both the mission and the vision of Regional Parks to specifically, "provide opportunities for recreation and education and to enhance the quality of life and well-being of residents..." and to provide "Knowledge through programs that connect our visitors and youth to nature through joyful, hands-on, place based environmental education experiences." Providing 4<sup>th</sup> graders and their family's access to the Regional Parks in June will expose them to nature at an age that will create a positive attitude toward the natural environment. By fostering these attitudes of stewardship and environmental protection, we will be enhancing their quality of life and those of Sonoma County residents in the future.

The Every Sonoma County 4<sup>th</sup> Grader in a Regional Park program is based on President Obama’s “Every kid in a park” initiative. Since 2015, The National Park Service has provided free day-use passes to fourth graders and their families, allowing access to all National Parks, federal lands and waterways.

Fourth graders were selected for this program due to scientific research on child development and are most likely to develop and hold positive attitudes towards nature and the environment. They are at a unique stage in their learning where they develop a greater understanding of the world around them and become more receptive to new ideas, and become more interested in natural science. .

Regional Parks would like to offer fourth-graders and their families’ free access to Sonoma County Regional Parks for the month of June, when the majority of students will be released for summer and Regional Parks will begin increased summer programming. June 3, National Trails Day, is also the kick-off for Regional Parks’ annual Trails Challenge. It is the perfect opportunity to introduce fourth-graders and their families to all that Regional Parks offer.

There are 196 fourth-grade classes in Sonoma County and 4,890 fourth-grade students. Promoting access to the parks for all fourth-graders promotes inclusivity across Sonoma County. Through registration, Regional Parks will be able to track which schools and zip codes are participating in the program and will help identify areas of outreach in the future.

**Prior Board Actions:**

NA

**Strategic Plan Alignment**      Goal 2: Economic and Environmental Stewardship

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses	\$5,000		
Additional Appropriation Requested	0		
<b>Total Expenditures</b>	<b>\$5,000</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	\$5,000		
Contingencies			
<b>Total Sources</b>	<b>\$5,000</b>		
<b>Narrative Explanation of Fiscal Impacts:</b>			
<p>The \$5,000 dollars will be used for the design, printing and delivering of the program information to the 196 4<sup>th</sup> grade classes in Sonoma County.</p> <p>Regional Park's has researched the fiscal impact to day use parking revenue in the month of June and it should be minimal. Muir Woods National Monument and Point Reyes National Seashore report an increase in the number of visitors without a loss in revenue since the inception of the federal "Every kid in a park" program in 2015.</p>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
<b>Related Items "On File" with the Clerk of the Board:</b>			



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 11**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Transportation and Public Works

**Staff Name and Phone Number:**

Susan Klassen, 707-565-2231

**Supervisorial District(s):**

All

**Title:** Traffic Signal Maintenance and Emergency Repair Services.

### **Recommended Actions:**

Approve and authorize Chair to execute the First Amendment to the agreement with DC Electric Group, Inc. for traffic signal maintenance and emergency repair services, extending the term of the agreement by three years until June 30, 2020.

### **Executive Summary:**

The Department currently owns and operates thirty eight (38) County owned signalized intersections and two (2) pedestrian activated flashing beacons. This agreement will provide traffic signal routine maintenance and emergency repair services for an additional three years with a term ending June 30, 2020.

### **Discussion:**

In February, 2014, the Department of Transportation and Public Works (TPW) issued a Request for Proposals (RFP) for traffic signal maintenance and emergency repair services. The RFP was advertised in a newspaper of general circulation, on the TPW website, and on the Purchasing website. In response to the RFP, two proposals were received; one from DC Electric Group, Inc. and the other from Siemens Industry, Inc. Each proposal was evaluated by a panel of TPW and City of Santa Rosa staff and ranked based on responses to the following criteria: qualifications, experience, costs, ability to perform services, record and inventory management, quality and completeness of proposal, and local preference. DC Electric received the highest ranking of the two proposals. DC Electric is a local business based in Cotati, CA.

The contract term as advertised in the RFP, and therefore noticed to the public, included an option for three (3) one year extensions, by mutual consent of the County and Contractor. The extensions were inadvertently left out of the final version of the 2014 agreement. DC Electric Group, Inc. rates will honor the rates as documented in Exhibit C and Exhibit C-1 of the original agreement. The agreement has a yearly not-to-exceed amount of \$175,000, which is not being amended. Purchasing has been consulted and is in agreement that the inclusion of the potential extensions as part of the publicly advertised bid

documents is sufficient procurement process and supports the requested extension of three years. Prior to the end of the current agreement in June of 2020, a new RFP will be released for future services.

**Prior Board Actions:**

6/10/14: Board approved 3-year contract with DC Electric, not to exceed \$525,000

**Strategic Plan Alignment**      Goal 1: Safe, Healthy, and Caring Community

Maintaining operational traffic signals and pedestrian crossings is important for the safety and well-being of Sonoma County citizens and visitors.

**Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses		175,000	175,000
Additional Appropriation Requested			
<b>Total Expenditures</b>		<b>175,000</b>	<b>175,000</b>

**Funding Sources**

General Fund/WA GF			
State/Federal		175,000	175,000
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>		<b>175,000</b>	<b>175,000</b>

**Narrative Explanation of Fiscal Impacts:**

The First Amendment goes into effect 7/1/2017 and will be included as part of the annual budget process.

**Staffing Impacts**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

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<b>Attachments:</b>
Amendment
<b>Related Items "On File" with the Clerk of the Board:</b>
Original Agreement; Request for Proposals

**Amendment No. 1  
To  
Professional Services Agreement**

This First Amendment (“Amendment”), dated \_\_\_\_\_, 2017, is by and between the County of Sonoma, hereinafter referred to as “COUNTY,” and DC Electric Group, Inc., hereinafter referred to as “CONSULTANT.”

**RECITALS**

WHEREAS, in February 2014, County issued a Request for Proposals for traffic signal maintenance and emergency repair services; and

WHEREAS, the term of the contract included in the Request for Proposals included an option for three one year extensions by mutual consent of the County and the selected proposer; and

WHEREAS, Consultant was the proposer with the highest rated proposal; and

WHEREAS, CONSULTANT entered into an agreement with COUNTY, dated June 10, 2014, for traffic signal maintenance and emergency repair services (the “Agreement”); and

WHEREAS, the three one year options included in the Request for Proposals were inadvertently excluded from the Agreement; and

WHEREAS, COUNTY and Consultant desire to extend the Agreement until June 30, 2020;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, COUNTY and CONTRACTOR agree to Amendment No. 1 to the AGREEMENT as follows:

**AGREEMENT**

1. Section 3: Term of Agreement: Section shall be amended to read:

The term of this Agreement shall be from Effective Date to 6/30/2020 unless terminated earlier in accordance with the provisions of Article 4 below.

2. The following section is added to the Agreement:

9.12 Living Wage Ordinance. Consultant shall comply with any and all federal, state, and local laws – including, but not limited to, the County of Sonoma Living Wage Ordinance – affecting the services provided by this Agreement. Without limiting the generality of the foregoing, Consultant expressly acknowledges and agrees that this Agreement is subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.

3. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with exhibits is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to modify, invalidate or otherwise affect any provision of the Agreement or any right of County arising thereunder.

4. This Amendment shall be governed by and construed under the internal laws of the state of California, and any action to enforce the terms of this Amendment or for the breach thereof shall be brought and tried in the County of Sonoma.

COUNTY AND CONSULTANT HAVE CAREFULLY READ AND REVIEWED THIS AMENDMENT AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS AMENDMENT, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the effective date.

**\*\*THIS SPACE INTENTIONALLY LEFT BLANK\*\***

**SIGNATURES FOLLOW ON NEXT PAGE**

IN WITNESS WHEREOF, the parties here to have caused this Amendment No. 1 to be executed by and through the respective officers' thereunto duly authorized on the date written below:

CONSULTANT:

DC Electric Group, Inc.

By: 

Name: DON CARAMAGNO

Title: CEO

Date: 2/7/17

COUNTY OF SONOMA:

CERTIFICATES OF INSURANCE  
ON FILE WITH AND APPROVED  
AS TO SUBSTANCE FOR  
COUNTY:

By: \_\_\_\_\_  
Department Head

Date: \_\_\_\_\_

APPROVED AS TO FORM FOR  
COUNTY:

COUNTY COUNSEL

By: \_\_\_\_\_  
Deputy County Counsel

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Chair, Board of Supervisors

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

Date: \_\_\_\_\_



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number:**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):**

**Staff Name and Phone Number:**

Susan Klassen, 707-565-2231

**Supervisorial District(s):**

All

**Title:** Provision of Staff Services to the Sonoma County Waste Management Agency

### **Recommended Actions:**

Approve the First Amendment to extend the term of the Agreement for Provision of Staff Services (Executive Director) by the County of Sonoma to the Sonoma County Waste Management Agency effective February 12, 2017 until the expiration or dissolution of the Agency.

### **Executive Summary:**

The Sonoma County Waste Management Agency (Agency) Executive Director is provided to the Agency by the County of Sonoma through an agreement between the two agencies. The current agreement was approved on June 1, 2010, and included a termination date that coincided with the Agency's term, which is February 11, 2017.

The term of the Agency has been extended by one year and will currently expire on February 11, 2018. The Amended and Restated JPA agreement currently under consideration by all members of the Agency may extend the term of the Agency indefinitely. Therefore, the Agency and County staff recommend amending the term of the staffing services agreement for the Executive Director to continue until the expiration or dissolution of the Agency to avoid any interruption in staffing for services for SCWMA. This proposed First Amendment was presented to and approved by the Agency Board on January 18, 2017. This Amendment, if approved, will be retroactively effective as February 12, 2017, to provide seamless continued services.

### **Discussion:**

The County of Sonoma provides staff and service support through two agreements with the Agency which were originally approved by the County on June 1, 2010. The two agreements are the Agreement for Provision of Staff Services (Executive Director) by the County of Sonoma to the Sonoma County Waste Management Agency (Agreement) and the Memorandum of Understanding for Special Staff Services (MOU). The Agreement defines the basic terms under which the County will provide the Agency with an Executive Director. The Executive Director is to be an at-will Department Head style, contracted,

County employee, who is selected by the Agency and is at-will to the Agency. The Agreement defines how they will be recruited by County Human Resources, how their salary will be set by the Agency, that they will receive county benefits, under what conditions they may be terminated and by whom, etc. All other Agency staff, as well as support services such as: Human Resources, Auditing and Accounting, Data Processing, Office Space, and other miscellaneous services are provided under a separate Memorandum of Understanding. Both the Agreement and the MOU provide that the County shall be reimbursed for the full cost of all services provided. The Agreement has a termination clause that is effective on February 11, 2017 and provides that both parties to the Agreement have the ability to terminate the Agreement by providing a minimum of 180 days written notice of the intention to terminate to the other party, and termination shall be effective only at the end of a given Fiscal Year. The MOU is evergreen, there is no termination clause.

This proposed First Amendment is needed to extend the term of the Agreement beyond February 11, 2017. The Board of Supervisors, on March 1, 2016, approved extension of the Agency by one year to February 11, 2018, to facilitate the consideration of a longer term extension of the Agency. On December 21, 2016, the Agency Board approved a form of an Amended and Restated JPA agreement for consideration by all members of the Agency, which if approved will extend the term of the Agency indefinitely. Therefore, Agency and County staff recommend amending the term of the Agreement to continue until the expiration or dissolution of the Agency. All other terms and conditions of the Agreement remain unchanged.

Staff is preparing to bring the proposed Amended Restated Joint Powers Agency Agreement (JPA) to the Board of Supervisors for their consideration, which will include a full discussion of the proposed JPA, the pros and cons of participation, and an updated status and timeline of the Agency's Compost Facility Project. Tentatively staff is scheduling the item in late March or April 2017. All City jurisdictions are in the process of consideration of the Amended and Restated Joint Powers Agency Agreement. The Cities of Healdsburg, Cotati, Windsor and Sebastopol have already approved the JPA. Most other City participants have it scheduled in February and March.

**Prior Board Actions:**

March 1, 2016 – Board approved 1 year Extension of the Sonoma County Waste Management Agency's Joint Powers Agency Agreement to February 11, 2018.

June 1, 2010 – Board approved Agreement for Provision of Staff Services (Executive Director) and MOU for Special Staff Services By the County of Sonoma to the Sonoma County Waste Management Agency

**Strategic Plan Alignment**      Goal 2: Economic and Environmental Stewardship

The Sonoma County Waste Management Agency provides recycling and waste diversion services to the Community.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
The estimated value of all services provided through the agreement is \$940,000 annually. County is fully reimbursed for all expenses incurred.			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
First Amendment Agreement for the Provision of Staff Services (Executive Director) by the County of Sonoma to the Sonoma County Waste Management Agency			
<b>Related Items "On File" with the Clerk of the Board:</b>			

**FIRST AMENDMENT TO AGREEMENT FOR THE PROVISION OF STAFF SERVICES (EXECUTIVE DIRECTOR) BY THE COUNTY OF SONOMA TO THE SONOMA COUNTY WASTE MANAGEMENT AGENCY (STAFF CONTRACT)**

This First Amendment to Agreement for the Provision of Staff Services ("First Amendment") is made as of the \_\_\_ day of \_\_\_\_\_, 2016, by the Sonoma County Waste Management Agency ("Agency") and the County of Sonoma ("County").

**RECITALS**

- A. Pursuant to Government Code Section 6500 et seq. and the Agreement Between the Cities of Sonoma County and the County of Sonoma for a Joint Powers Agency to Deal With Waste Management Issues, Agency is authorized to enter into an agreement with the County for staff services.
- B. Agency and County entered into that certain Agreement for the Provision of Staff Services (Executive Director) By the County of Sonoma to the Sonoma County Waste Management Agency (Staff Contract) (the "Agreement") dated June 1, 2010.
- C. The Agreement contains an expiration date of February 11, 2017. The Agency and Contractor desire to extend the term of the Agreement to expire on the termination or dissolution of the Agency.
- D. The Parties desire the term of this Agreement to match the term of the Agency and provide for sufficient notice should either Party take action to terminate this Agreement.

**AMENDMENT**

- 1. Amendment to Section 1. Section 1 of the Agreement is hereby amended in its entirety to read as follows:

"1. Term. This Agreement shall become effective June 1, 2010 and shall continue until the expiration or dissolution of the Agency, unless terminated in accordance with Paragraph 12 (Termination); except that the obligations of the parties under Paragraph 4 (Reimbursement), Paragraph 11 (Indemnification), and 17 (Confidentiality) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates and during the term of the Agreement."

- 2. Amendment to Section 12. Section 12 of the Agreement is hereby amended in its entirety to read as follows:

"12. Termination. AGENCY and COUNTY shall the have the ability to terminate this agreement by providing a minimum of one hundred eighty (180) days written notice of its intention to withdraw to the other Party, which termination shall be effective only at the end of a given Fiscal Year."

- 3. No Other Changes. Except as amended by this First Amendment, all other terms and conditions in the Agreement shall remain unchanged and shall continue on in full force and effect.

First Amendment to Agreement for the Provision of Staff Services (Executive Director) By the County of Sonoma to the Sonoma County Waste Management Agency (Staff Contract)

IN WITNESS WHEREOF, the parties have executed this First Amendment to Agreement for the Provision of Staff Services (Executive Director) By the County of Sonoma to the Sonoma County Waste Management Agency (Staff Contract) on the day and year first above written.

**AGENCY:**

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**COUNTY:**

COUNTY OF SONOMA

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Ethan Walsh, Agency Counsel

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
County Counsel

**AGREEMENT FOR THE PROVISION OF STAFF SERVICES (EXECUTIVE DIRECTOR) BY THE COUNTY OF SONOMA TO THE SONOMA COUNTY WASTE MANAGEMENT AGENCY (STAFF CONTRACT)**

THIS AGREEMENT is entered into as of this 1<sup>st</sup> day of June, 2010, by and between the COUNTY OF SONOMA (hereinafter "COUNTY"), a political subdivision of the State of California, and the SONOMA COUNTY WASTE MANAGEMENT AGENCY (hereinafter "AGENCY"), a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Government Code Section 6500 et seq., by the cities of Cloverdale, Healdsburg, Sebastopol, Santa Rosa, Rohnert Park, Petaluma, Cotati, Sonoma, the Town of Windsor and the County of Sonoma.

RECITALS

**WHEREAS**, pursuant to Government Code Section 6500 et seq. and the Agreement Between the Cities of Sonoma County and the County of Sonoma for a Joint Powers Agency to Deal with Waste Management Issues (Wood Waste, Yard Waste, Household Hazardous Waste, and Public Education) (hereinafter "JPA Agreement"), AGENCY is authorized to enter into an agreement with the COUNTY for staff services; and

**WHEREAS**, AGENCY has need of specialized personnel to serve as AGENCY's Executive Director (hereinafter "Executive Director"); and

**WHEREAS**, the COUNTY and AGENCY have entered into a Memorandum of Understanding for Services dated as of June 1, 2010 (hereinafter "MOU").

**NOW THEREFORE**, in consideration of the foregoing and the mutual promises hereinafter expressed, the parties mutually agree as follows:

TERMS

1. **TERM.** This Agreement shall become effective upon the date first written above and shall expire on February 11, 2017, unless terminated earlier in accordance with Paragraph 14 (Termination); except that the obligations of the parties under Paragraph 4 (Reimbursement), Paragraph 13 (Indemnification) and 17 (Confidentiality) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates and during the term of the Agreement.

2. **SERVICES TO BE PROVIDED BY COUNTY.** COUNTY shall provide the following services to the AGENCY:

(a) **Executive Director.** COUNTY shall provide an at will COUNTY employee of AGENCY's choosing to serve as AGENCY's Executive Director. The AGENCY shall review and approve the class specification for the Executive Director position, along with a proposed salary range, and forward the information to the COUNTY for review and approval. The position shall be entitled to the same benefits, including, but not limited to, health insurance, vacation, and retirement, generally provided by COUNTY to COUNTY unrepresented

administrative management employees. Upon finalization of the class specification and salary range, the COUNTY shall initiate a recruitment process for the position and shall forward qualified individuals for the AGENCY's consideration. The AGENCY Board of Directors shall notify the COUNTY whether the AGENCY is interested in selecting an individual from the qualified candidates that have been forwarded to the AGENCY to serve as AGENCY's Executive Director or whether the AGENCY desires to start the process again with a new recruitment. Upon AGENCY identifying a suitable individual for the position, COUNTY shall then execute an at-will employment contract with the selected Executive Director obligating the COUNTY to pay to the Executive Director a salary within the approved salary range. The Executive Director shall perform his or her duties as required by law, the JPA Agreement and as specified or directed by AGENCY. COUNTY hereby delegates to AGENCY the responsibility for selecting, supervising, evaluating the performance, setting compensation, and terminating the Executive Director with or without cause provided, however, that COUNTY shall retain the authority to terminate the Executive Director as outlined in subsection (e) below.

The duties to be provided to the AGENCY by the Executive Director shall include, but not be limited to the duties listed in Attachment A, Job Description and Qualifications, as it now provides or may hereafter be amended.

(b) **Additional Staff.** COUNTY shall provide additional dedicated staff to assist the Executive Director in carrying out the day-to-day operations of AGENCY. The AGENCY acknowledges that such additional staff will be within the classified service of the COUNTY's Civil Service Ordinance. With the exception of the power to terminate which shall be retained by the Director of the Department of Transportation and Public Works, the Executive Director shall be the appointing authority over such COUNTY employees and Executive Director shall be responsible for complying with all laws, policies and procedures with regard to such COUNTY employees, including but not limited to, all COUNTY personnel policies and procedures.

(c) **Human Resources.** COUNTY shall provide recruitment services including, but not limited to, consultation regarding hiring procedures, development of a job description to be approved by AGENCY, advertising, screening of applications, and development of a hiring list.

(d) **Placing Executive Director on Administrative Leave.** In the event COUNTY determines that the Executive Director's acts or omissions have resulted, or may result, in liability to County or AGENCY, COUNTY shall have the right to place the Executive Director on administrative leave. COUNTY shall promptly notify (within 24 hours) the AGENCY Board of Directors of such action.

(e) **Termination of Executive Director.** COUNTY may terminate the Executive Director's employment for any of the following acts:

- 1) a physical assault;
- 2) threats of violence;
- 3) embezzlement or theft;
- 4) prosecution for or conviction of a felony;
- 5) unauthorized possession of weapons or explosives on County property;
- 6) sexual harassment;

- 7) unlawful discrimination;
- 8) being under the influence of alcohol or non-prescribed drugs, to the level of incapacity, during work hours; or
- 9) violation of COUNTY's policy regarding use of COUNTY owned computers or other electronic devices.

Prior to terminating the Executive Director's employment, the COUNTY shall contact the AGENCY Chair and request a Special Meeting of the AGENCY Board to discuss the basis upon which the COUNTY shall terminate the Executive Director's employment. COUNTY may terminate the Executive Director's employment without cause or for any cause not listed above only upon written direction of the AGENCY Board of Directors.

**(f) Termination of Executive Director without Cause, Severance.** Should the AGENCY Board decide to terminate the Executive Director's employment without cause, the Board shall send written notice to COUNTY and COUNTY shall terminate Executive Director's employment with sixty (60) days' prior written notice. Upon such termination, EMPLOYEE shall be entitled to additional salary and deferred compensation equal to that which would accrue during ninety (90) calendar days following termination and to be computed by the COUNTY Auditor-Controller at the rate applicable on the day of termination plus the cash equivalent of all accumulated vacation as of the day of termination. In addition to the foregoing, EMPLOYEE shall also be entitled to be compensated for one-fourth (1/4) of unused sick leave; one hundred percent (100%) of EMPLOYEE's floating holiday balance, converted and accrued as compensatory time pursuant to the Sonoma County Salary Resolution; and EMPLOYEE's deferred compensation balance. EMPLOYEE's health benefits and the COUNTY's portion of the premium contribution shall continue to remain in effect for a period of ninety (90) calendar days from date of termination, EMPLOYEE's acceptance of said severance pay shall constitute a final settlement and satisfaction of all claims of EMPLOYEE against COUNTY arising out of his or her employment.

**(g) Resignation of Executive Director.** EMPLOYEE may terminate his or her employment at any time by delivering to the COUNTY Board of Supervisors and the Chair of the AGENCY Board of Directors his or her written resignation. Such resignation shall be irrevocable and shall be effective not earlier than ninety (90) calendar days following delivery. EMPLOYEE shall be entitled to be compensated for one-fourth (1/4) of unused sick leave; one hundred percent (100%) of EMPLOYEE's floating holiday balance, converted and accrued as compensatory time pursuant to the Sonoma County Salary Resolution; and EMPLOYEE's deferred compensation balance.

3. **OFFICE SPACE.** COUNTY shall provide the Executive Director with sufficient office space in the same area as the office space provided for the additional staff members.

4. **REIMBURSEMENT.**

(a) **Rates.** In consideration of COUNTY's fulfillment of the promised services and personnel, AGENCY shall reimburse COUNTY for all costs (including the costs of salary and benefits, equipment, insurance, supplies, materials, and incidental travel/transportation) incurred

by COUNTY in providing the Executive Director position to the Agency. The rates shall be determined and mutually agreed to by the parties as follows:

(1) **FY 2009-2010.** The rates for fiscal year 2009-2010 are set forth in Attachment "B" which is hereby attached and incorporated in this Agreement by reference.

(2) **Procedure for Subsequent Annual Determination of Rates.** During the budget approval process of each fiscal year of this Agreement, any and all COUNTY departments providing services to AGENCY shall contact AGENCY to negotiate conditions of reimbursement and shall accommodate the necessary aspects of the approved AGENCY Budget into the COUNTY budget. Representatives from AGENCY and COUNTY shall meet prior to adoption of the respective annual COUNTY and AGENCY budgets to determine and calculate the proposed rates of reimbursement during the succeeding fiscal year which will be necessary to achieve the full cost reimbursement provided for in (a), subject to the additional factors set forth in (b) through (d), below.

(b) **AGENCY Related Travel Expense Reimbursement.** Travel costs incurred through use of a COUNTY vehicle shall be reimbursed in accordance with the COUNTY Equipment Pool rates in effect at the time of the travel.

(c) **Workers' Compensation Coverage:** AGENCY shall reimburse COUNTY for workers' compensation coverage at the rates established by COUNTY each fiscal year.

(d) **Adjustment for Additional AGENCY Requested Services.** AGENCY shall reimburse COUNTY for the actual costs (including the costs of labor, equipment, supplies materials, and incidental travel/transportation) incurred by COUNTY in providing any new or increased services requested by AGENCY.

5. **METHOD OF REIMBURSEMENT.** Reimbursement for the costs of services, related supplies, and authorized travel incurred by COUNTY under this Agreement shall be made only upon presentation by the COUNTY to AGENCY of an itemized billing invoice which indicates, at a minimum, an itemization of the services provided. COUNTY shall submit such invoices monthly to the Executive Director who shall review each invoice for compliance with the requirements of this Agreement and shall, within ten working days of receipt, either approve or disapprove the invoice in light of such requirements.

6. **APPROPRIATIONS.** AGENCY shall be responsible for operating within the appropriations budgeted for the current fiscal year. The process for reimbursement of expenses that exceed the given appropriation shall involve review and approval by AGENCY prior to COUNTY approval of a contingency transfer. Any COUNTY appropriations in excess of AGENCY's budget for the current fiscal year shall be charged as an expense in AGENCY's current fiscal budget and shall be reimbursed to COUNTY in the following fiscal year.

7. **ACCESS TO RECORDS/RETENTION.** AGENCY shall have access to any books, documents, papers and records of COUNTY that are directly pertinent to the subject matter of this Agreement for the purpose of making audit, examination, excerpts and transcriptions. Except where longer retention is required by any federal or state law, COUNTY shall maintain all required records for seven (7) years after AGENCY makes final reimbursement for any of the

services provided hereunder and all pending matters are closed, whichever is later. COUNTY shall cooperate with AGENCY in providing all necessary data in a timely and responsive manner to comply with all AGENCY reporting requirements.

8. **CONFLICT OF INTEREST.** The parties to the Agreement acknowledge that they are aware of the provisions of the Government Code Section 1090 et seq., and Section 87100 et seq. relating to conflict of interest of public officers and employees. During the term of this Agreement, the Executive Director of AGENCY and all other COUNTY employed AGENCY staff shall not perform any work under this Agreement that might reasonably be considered detrimental to AGENCY's interests. AGENCY staff shall take such measures as are deemed necessary in the performance of this Agreement to prevent actual conflicts of interest.

9. **COMPLIANCE WITH LAWS.** Both parties agree to observe and comply with all applicable federal, state and local laws, ordinances codes, and regulations in carrying out their respective obligations under this Agreement.

10. **INDEPENDENT CONTRACTOR.** While the COUNTY employee assigned to serve as the Executive Director of AGENCY shall operate as an officer of AGENCY, COUNTY and its officers, agents and employees are not, and shall not be deemed, AGENCY employees for any purpose, including workers' compensation and employee benefits.

11. **INDEMNIFICATION.** AGENCY agrees to defend, indemnify, hold harmless, reimburse and release COUNTY, its officers, agents, and employees, from and against any and all actions, claims, damages, disabilities, liabilities and expense as to which this indemnity applies whether arising from personal injury, property damage or economic loss of any type, that may be asserted by any person or entity, including AGENCY, arising out of or in connection with the performance of the Executive Director being provided to AGENCY by COUNTY under this Agreement.

In the event that the COUNTY determines to terminate the Executive Director for any of the acts listed in Section 2 above, the COUNTY shall contact the AGENCY Chair and request a Special Meeting of the AGENCY Board to discuss the basis upon which the COUNTY shall terminate the Executive Director's employment. In the event that the AGENCY does not concur with the COUNTY's decision to terminate the Executive Director's employment, the AGENCY shall not be required to defend, indemnify, hold harmless, reimburse or release the COUNTY for any action brought by the Executive Director challenging the COUNTY's determination to terminate the Executive Director's employment for the listed egregious acts.

12. **TERMINATION.** This Agreement may be terminated prior to the expiration date by either AGENCY or COUNTY upon ninety (90) days written notice.

13. **WAIVER.** Waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such beach in the future, or of the breach of any other requirement of this Agreement.

14. **NOTICES.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person; or by deposit in the United States mail, first class postage prepaid; or by deposit in a sealed envelope in COUNTY's internal mail system, when available; or by fax

transmission; or by electronic mail. Such notices shall be addressed as noted below, in accordance with the mode of communication selected or, where desired to be sent to a specific COUNTY department or division, at the address noted in the applicable Attachment. Either party may change its addresses by notifying the other party of the change. Any notice delivered in person shall be effective as of the date of delivery. Any notice sent by fax transmission or electronic mail shall be deemed received as of the recipient's next working day. Any notice sent by U.S. mail or COUNTY internal mail shall be deemed to have been received as of the date of actual receipt or five days following the date of deposit, whichever is earlier.

**AGENCY**

**COUNTY**

Mail: Agency Chair  
2300 County Center Drive, Suite B100  
Santa Rosa, CA 95403

Director of Transportation and Public Works  
2300 County Center Drive, Suite B100  
Santa Rosa, CA 95403

Fax: (707) 565- 3701

(707) 565-2620

E-Mail:

E-Mail:

15. **ASSIGNMENTS AND DELEGATION.** Neither party may delegate its obligations hereunder, either in whole or in part, without the prior written consent of the other party; provided, however, that obligations undertaken by COUNTY pursuant to this Agreement may be carried out by means of subcontract, provided such subcontracts are approved in writing by AGENCY, meet the requirements of this Agreement as they relate to the service or activity under subcontract, and include any other provision that AGENCY may require. No subcontract shall terminate or alter the responsibilities of either party pursuant to this Agreement.

16. **THIRD PARTY BENEFICIARIES.** Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create such rights.

17. **ATTORNEYS' FEES.** In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, each party in such litigation shall bear its own costs and attorneys' fees incurred in connection with such action.

18. **AMENDMENT/MODIFICATION.** Except as otherwise provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties.

19. **INTERPRETATION.** The headings used herein are for reference. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California. The venue for any legal action filed by either part in state Court to enforce any provision of this Agreement shall be Sonoma County, California. The venue for any legal action filed by either side in federal court to enforce any provision of this Agreement

lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Sonoma County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this Agreement.

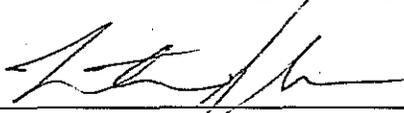
20. **SEVERABILITY**. If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

21. **ENTIRE AGREEMENT**. This Agreement contains the entire and complete understanding of the parties and supersedes any and all other agreements, oral or written, with respect to the provision of administrative services under this Agreement.

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

“AGENCY”:

Sonoma County Waste Management Agency

By  \_\_\_\_\_  
Chair of the Sonoma County Waste Management Agency

APPROVED AS TO FORM:  
AGENCY Legal Counsel

By  \_\_\_\_\_

"COUNTY":

County of Sonoma

By   
Vice Chair of the Board of Supervisors

ATTEST:   
Clerk of the Board of Supervisors

By N/A

APPROVED AS TO FORM:  
County Counsel

By 

ATTACHMENT A TO AGREEMENT FOR PERSONAL SERVICES, EXECUTIVE DIRECTOR OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY AND AGREEMENT FOR THE PROVISION OF STAFF SERVICES (EXECUTIVE DIRECTOR) BY THE COUNTY OF SONOMA TO THE SONOMA COUNTY WASTE MANAGEMENT AGENCY (STAFF CONTRACT)

WASTE MANAGEMENT EXECUTIVE DIRECTOR

Definition

Under direction of the Sonoma County Waste Management Agency ("Agency") Board of Directors, the Agency Executive Director plans, organizes and directs all activities and functions in the operation of the Agency as required by AB939 regulations, including city/county agreements, recycling, marketing, material recovery, household hazardous waste, organic waste composting, source reduction, and public education; performs related duties as required.

Distinguishing Characteristics

The Sonoma County Waste Management Agency (Agency) is an independent joint powers agency which includes the County of Sonoma and all nine Sonoma County cities (Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and Town of Windsor) as member agencies. The Agency Board of Directors is a ten member board with each member agency having one representative. The Agency was formed in 1992. The Agency has an annual budget of approximately eight million dollars.

This single management class is an "at-will" position and is exempt from the County's Civil Service system in accordance with Civil Service Ordinance 305-A. The County of Sonoma provides staffing services under agreement to the Agency. As such, the County of Sonoma is the employer and the appointing authority; however, the Board of Supervisors will delegate authority for employee selection, supervision and termination of the employee to the Agency Board of Directors. Incumbents will be employed under an "at-will" employment agreement. The County will retain the right to terminate the employee as provided in the employment agreement.

The incumbent is responsible for the overall administrative management of the department personnel, program activities, and procedural and policy issues as they relate to the operation of the Agency. The position must use considerable independent judgment and discretion in staff supervision and delegated project administration and management including the prioritization and coordination of mandates, goals and objectives.

### Typical Duties

Duties may include, but are not limited to the following:

Plans, organizes, directs, and coordinates the operation of all functions for the Agency.

Initiates/participates in strategic planning efforts for the benefit of the Agency in County, private sector and regional venues.

Develops and implements the Agency annual budget; coordinates fiscal operations with the County (accountant and auditor services); provides budgetary forecasts to the Agency Board of Directors as requested.

Assists in formulating long-range goals of the Agency program and in developing plans for accomplishing these goals; develops policies and procedures to carry out the plans which have been developed; develops and implements marketing and public outreach and information plans; reviews and evaluates programs and anticipates future needs.

Provides on-going support to the Agency Board to maximize their effectiveness including facilitating new Board member orientation, providing Board training on specific issues or topic areas, and identifying ways to streamline meetings and maximize the efficient use of the Board members' time.

Supervises, directs, develops and evaluates subordinate staff (County employees) and also has responsibility for selecting program staff.

Coordinates activities with other departmental divisions, other County departments, other governmental agencies and private organizations and contractors as required.

Reviews the preparation of a variety of plans, reports, and correspondence.

Discusses and explains department plans, programs, and projects at public and community meetings, legislative and administrative hearings, and related functions; attends conferences and seminars to keep informed of new developments.

Consults with legal counsel concerning contracts and divisional operations; monitors legislation on the state, federal and local level; recommends changes required by new legislation.

May serve as a member of various committees as directed by the Agency Board of Directors.

Performs other duties as required.

### Knowledge and Abilities

**Considerable knowledge of:**

- state and federal laws and programs relative to the planning and development of recycling management, including AB 939 legislation; principles and practices of marketing and public information, principles and practices of program planning and evaluation, grant preparation and review, personnel and fiscal administration, including budgetary process and fiscal strategy, staff development and training; the principles and practices of contract negotiations and administration; the organization and functions of various Agencies; economic research and feasibility as it relates to plans in support of the program; English syntax and grammar; modern software programs required to complete job responsibilities.

**Ability to:** plan, organize and direct the activities of professional, specialized technical and clerical staff; establish and maintain harmonious working relationships with the Agency Board of Directors, coworkers, subordinates, representatives of other County departments, other governmental agencies, private organizations, private contractors, and with the general public; prepare and implement administrative and fiscal policies and controls; coordinate program activities with other County departments and other public entities; determine organizational needs and functional changes in order to improve efficiency and effectiveness; provide effective leadership in the development of new or improved procedures; analyze, prepare and/or review staff reports and recommendations and to give constructive criticism; effectively assemble, organize and present in written and/or oral form, reports containing alternative solutions and recommendations regarding specific resources, plans and policies; speak before groups regarding department plans, projects and functions.

#### Minimum Qualifications

**Education and Experience:** Any combination of education, training, and experience that clearly demonstrates possession of the knowledge and abilities listed for the position. Normally, this would include significant coursework or graduation from an accredited college or university with a focus in business administration, public administration, marketing, environmental studies, or a related field and five years of increasingly responsible, professional experience in recycling or solid waste management, including at least four years of experience with administrative and supervisory responsibilities for marketing and/or public information, program planning and administration, and staff supervision.

**License:** Possession of a valid driver's license at the appropriate level including special endorsements, as required by the State of California, may be required depending upon assignment to perform the essential job functions of the position.

## ATTACHMENT B

### SERVICE REIMBURSEMENT RATES FOR FISCAL YEAR 2009-2010

Executive Director	\$182,251
Department Analyst	\$79,996
Integrated Waste Specialist	\$118,124
Integrated Waste Specialist	\$125,113
Integrated Waste Specialist	\$116,270
Senior Office Assistant	\$87,645

### SERVICE REIMBURSEMENT RATES FOR FISCAL YEAR 2010-2011

Executive Director	\$166,234
Department Analyst	\$95,067
Integrated Waste Specialist	\$115,999
Integrated Waste Specialist	\$123,344
Integrated Waste Specialist	\$119,543
Senior Office Assistant	\$86,700

Included in the rates used for Attachment B are the salaries and benefits for the employees. Benefits include retirement contributions, dental care insurance, vision care insurance and opportunities for medical insurance coverage. Any personal choices, such as: type of medical insurance coverage or participation in investment opportunities, are also included as well as any incremental raises based on service, known as "step increases".



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number:13**  
(This Section for use by Clerk of the Board Only.)

**To:** The Board of Supervisors of Sonoma County

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** 4/5

**Department or Agency Name(s):** Transportation and Public Works

**Staff Name and Phone Number:**

Susan Klassen 707-565-2231

**Supervisorial District(s):**

**Title:** Charles M. Schulz – Sonoma County Airport Lease and Hangar Construction Authorization

### **Recommended Actions:**

- (A) Adopt a resolution approving the adoption of a Mitigated Negative Declaration for hangar construction at the Charles M. Schulz – Sonoma County Airport;
- (B) Authorize the Chair to execute a real property lease between the County and TruAir, LLC, facilitating the construction of said hangar; and
- (C) Authorize the Director of Transportation & Public Works to execute any documents required to effect the lease transaction.

### **Executive Summary:**

The Department of Transportation and Public Works – Airport Division is requesting that the Board approve a new 30-year ground lease in conjunction with the adoption of a Mitigated Negative Declaration to allow for the construction of a new hangar by TruAir, LLC.

The Airport is an Enterprise Fund, recovering its user fees through the services and/or goods that it provides, and the leasing of real property is an indispensable source of revenue for its continued operation.

This new lease of the proposed TruAir hangar is located at Becker Boulevard on the southeastern side of the Charles M. Schulz-Sonoma County Airport. The approximately 1-acre site is bounded on the south by Becker Boulevard, on the east by existing tie-down aircraft storage and development, on the north by an existing airplane taxiway (Apron D), and on the west by existing tie-down aircraft storage; all within the boundary of the Airport.

### **Discussion:**

On December 29, 2014, the Airport issued a Request for Interest (RFI) to all aeronautical users interested in developing a small parcel of land on the Airport. The RFI was published on the Airport's website, Southwest Chapter of the American Association of Airport Executives website and the Press

Democrat. Four different parties responded to the RFI, with all parties being current occupants of the Airport. The three other proposals received were from 1) Sonoma Jet Center proposing to pave the parcel for additional aircraft parking. This proposal did not include the construction of any hangar space which was one of the requested items in the RFI and did not expand commercial operations at the Airport; 2) Vine Jet proposing the construction of a hangar for aircraft storage which did not maximize the utilization of the site or revenue generation potential; and 3) North Coast Air proposing construction of shade hangars for use in their flight school activities which did not maximize the utilization of the site or revenue generation potential. Each applicant was given the opportunity to meet and discuss its proposed development and use through a panel of airport professionals consisting of the Airport Manager, the Assistant Airport Manager and the Airport Property Specialist. The criteria used in evaluating the proposals were based upon business type; key personnel operating the business; lease term length; maximizing the utilization and revenue generation potential for the Airport from the site and proposed building improvements. TruAir, LLC was the highest ranked amongst the respondents adding further value to the proposal by starting new aeronautical activity not in conflict with existing tenants and the greatest amount of potential revenue generation and investment to improvements at the Airport.

The lease will commence upon execution and have an initial term through June 30, 2046, with two five-year extension options. The rental amount of \$19,437 will be abated for the first twelve months of the lease (or upon substantial completion of construction, whichever occurs first); then the rental rate will be adjusted yearly and is calculated on the basis of the Consumer Price Index. TruAir, LLC will also pay a sum equal to 3% of gross receipts of any commercial operations. The lease will allow construction of a 15,739 square-foot aircraft storage hangar with 4,419 square-feet of associated office space located at eastern end of the building in the approximately one acre site. Site improvements include demolition of two existing one-story maintenance buildings located within the project site, construction of a new parking area to the south of the site on Becker Blvd., and adding approximately 0.36 acre of paving to provide sufficient ramp area to the adjoining Apron D taxiway to the north and west of the hangar to connect with the taxiway. Upon project completion, the site will consist of 0.89 acre of hardscape. The attached plans show the proposed development.

In compliance with State and County regulations, a California Environmental Quality Act (CEQA) review was performed for the new hangar construction to identify environmental impacts caused by new development. The review did not identify any significant neighborhood impacts and none were expected given the location and type of existing use at the Airport.

The Airport is located within the Santa Rosa Plain area, and therefore required to comply with procedures set forth in the adopted Santa Rosa Plain Conservation Strategy for California Tiger Salamander (CTS). The project will impact approximately 0.50 acre of suitable CTS upland habitat. The required mitigation for impacts to 0.50 acre of suitable CTS upland habitat is 0.10 acre. Mitigation for impacts to suitable CTS upland habitat have been purchased from Hazel Mitigation Bank. Hazel Mitigation Bank has been approved by United States Fish and Wildlife Service and California Department of Fish and Wildlife. Compliance with the requirements of the Santa Rosa Plain Conservation Strategy will ensure that impacts to biological resources will be less than significant. Therefore, adoption of a Mitigated Negative Declaration resolution for the proposed hangar is recommended at this time.

The executive management of TruAir, LLC have been individual tenants at the Airport for many years and wish to expand their aeronautical interest by starting a new business at the Airport, building new infrastructure and increasing services. The estimated investment into the new hangar is over \$2,000,000

and will expand a current Airport operator’s flight instruction business. This development is consistent with the Airport Master Plan, as adopted by the Board of Supervisors on January 24, 2012, as stated in Chapter 4-11, “...Plans for long-term development of the Airport’s building area should allow for expansion of the existing primary Fixed Base Operators (FBO), as well as establishment of additional specialty FBO.” The new hangar, to be built by TruAir, not only replaces an archaic building that was previously used by the Airport but enhances the Airport esthetics and provides a return of investment on leasing the land. The additional revenue generated by TruAir, LLC will be credited to the Airport’s Enterprise Fund for operation and maintenance of the Airport.

The Board of Supervisors has authority under California Government Code section 25536 to enter into a real property lease for airport purposes for a term of less than 99 years upon a 4/5 vote.

**Prior Board Actions:**

2/9/2016: Charles M. Schulz – Sonoma County Airport – Planning for the Future Growth of the Airport. This project was included in the presentation to the Board as part of the Private Development items in active lease negotiations.

**Strategic Plan Alignment**      Goal 3: Invest in the Future

The Airport’s mission is to successfully manage a key component of the County’s transportation infrastructure and continue to be a significant contributor to a strong and diverse economy that supports job growth and job retention for Sonoma County. Increased business growth and new construction at the Airport embraces this goal.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
No current year fiscal impact. Once construction is completed, estimated at around one year the annual rent revenue will be \$19,437 with a subsequent indexing each year thereafter. Additionally, 3% of gross receipts annually will be paid to the airport, value of which is not known at this time.			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
No new staffing impacts are associated with this action.			
<b>Attachments:</b>			
Resolution, Map, Proposed Hangar Improvements.			
<b>Related Items “On File” with the Clerk of the Board:</b>			
Negative Declaration – Sonoma County PRMD, Conditions of Approval – Sonoma County PRMD, TruAir Lease.			



County of Sonoma  
State of California

Date: March 7, 2017

Item Number: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_



4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, to Approve the adoption of a Mitigated Negative Declaration for hangar construction at the Airport; authorize the Chair to execute a lease between the County and TruAir that sanctions construction of said hangar; and authorize the Director of Transportation & Public Works to execute any documents required to effect said transactions.**

**Whereas**, TruAir, LLC has requested to construct a hangar at the Charles J. Schulz – Sonoma County Airport to the County through the Permit and Resource Management Department (PRMD), known as File Number ADR16-0030 and the Project Title as TruAir Hangar; and

**Whereas**, the proposed project allows construction of a 15,739 square foot aircraft storage hangar and including 4, 419 square foot office space located at the eastern end of the building. Site improvements include demolition of an existing two each one-story maintenance buildings located within the project site, construction of a new parking area to the south of the site adjacent to Becker Boulevard, and the addition of .36± acre of paving to provide sufficient ramp area to connect to Apron D taxiway on the north and west of the hangar.

**Whereas**, pursuant to Section 15071 of the State of California CEQA Guidelines, an initial study has resulted in the Mitigated Negative Declaration of findings that proposed project would not have a significant adverse impact on the environment; and

**Whereas**, notice and public review of the Mitigated Negative Declaration and Initial Study were provided in accordance with State and County CEQA guidelines; and

**Whereas**, the initial study and Mitigated Negative Declaration s are attached for review by this Board.

**Now, Therefore, Be It Resolved** that the Board of Supervisors hereby finds, determines, declares and orders as follows with respect to the above-described project:

1. The Mitigated Negative Declaration has been prepared for this project pursuant to the requirements of CEQA, and reflects this Board's independent judgment and analysis.
2. There is no substantial evidence before the Board that the proposed project may have a significant effect on the environment, and therefore, adoption of the Mitigated Negative Declaration is appropriate under CEQA and State and County CEQA guidelines.
3. The project will not result in a safety hazard or noise problem for persons using

Resolution #

Date:

Page 2

the airport or for persons working in the project area.

4. The project has been conditioned to meet all Federal, State and local laws and adopted standards in regard to the project site.

5. The project is located within the Santa Rosa Plain area, and is therefore required to comply with procedures set forth in the adopted Santa Rosa Plain Conservation Strategy for California Tiger Salamander (CTS). The project will impact approximately .50 acre of suitable CTS upland habitat. The required mitigation for impacts to .50 acre of suitable CTS upland habitat is .10 acre. Mitigation for impacts to suite CTS upland habitat have been purchased by TruAir in July, 2016 from Hazel Mitigation Bank. Hazel Mitigation Bank has been approved by United States Fish and Wildlife Service and California Department of Fish and Wildlife. Compliance with the requirements of the Santa Rosa Plain Conversation Strategy will ensure that impacts to biological resources will be less than significant.

**Be It Further Resolved** that the Board hereby adopts the Mitigated Negative Declaration for the project, certifies that the Mitigated Negative Declaration has been completed, reviewed and considered, together with any comments received during the public review process, in compliance with CEQA guidelines, and finds that the Mitigated Negative Declaration reflects the independent judgment of the Board.

**Be It Further Resolved** that the Board hereby authorizes the Chair of the Board to execute the lease agreement with TruAir, LLC; authorizes the construction of the hangar; and authorizes the Director of Transportation and Public Works to execute any other documents reasonably required to effect said Lease.

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

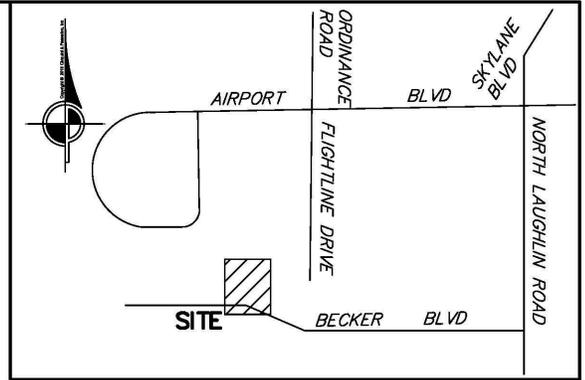
Absent:

Abstain:

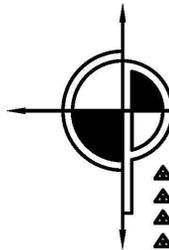
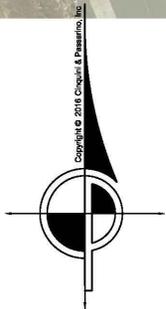
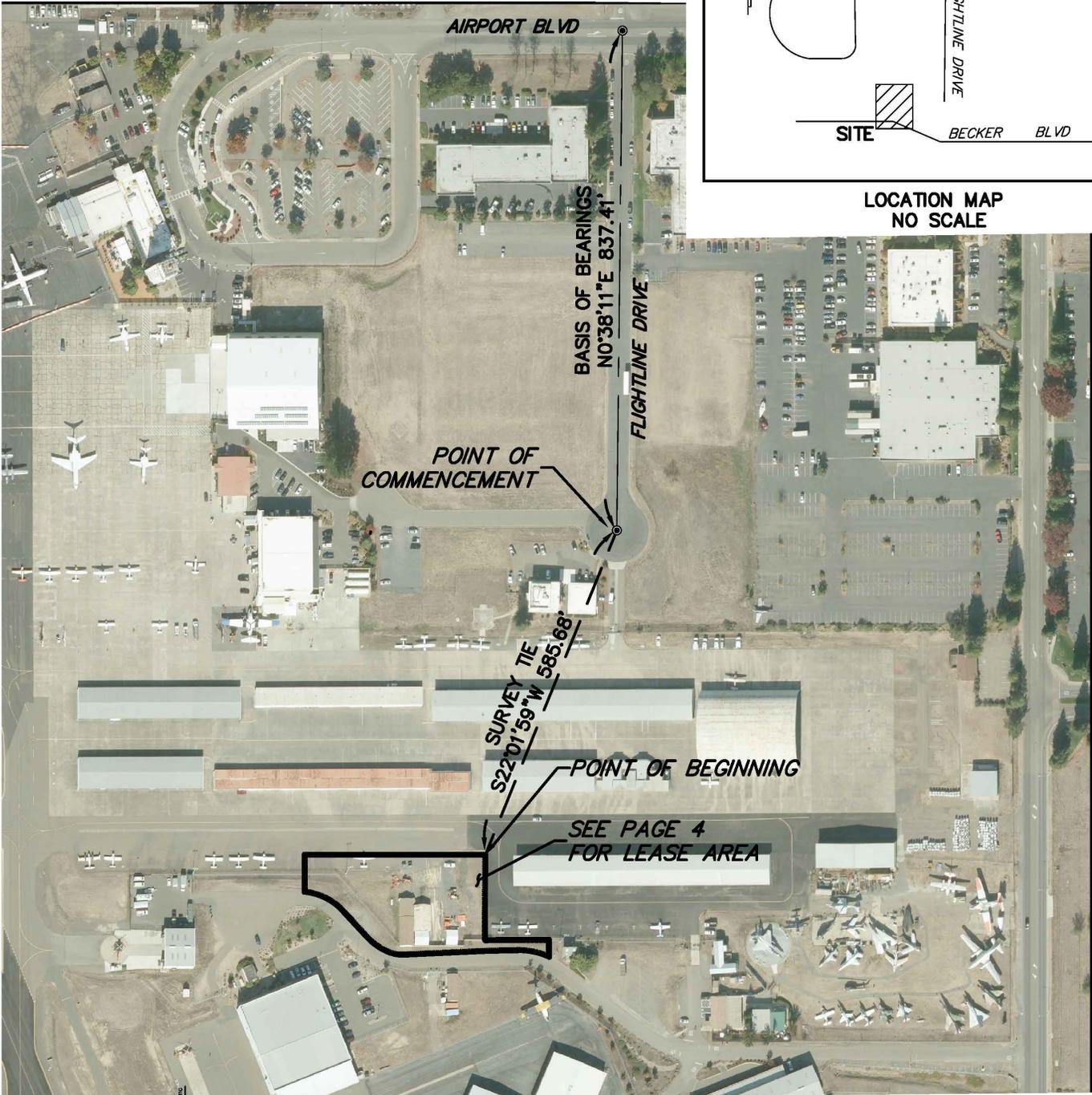
**So Ordered.**

# EXHIBIT 'A'

THIS DIAGRAM IS FOR GRAPHIC PURPOSES ONLY. ANY ERRORS OR OMISSIONS SHALL NOT EFFECT THE LEGAL DESCRIPTION.



LOCATION MAP  
NO SCALE



**CINQUINI & PASSARINO, INC.**  
**LAND SURVEYING**

- ▲ BOUNDARY
- ▲ TOPOGRAPHIC
- ▲ CONSTRUCTION
- ▲ SUBDIVISIONS

1360 No. Dutton Ave.  
Santa Rosa, Ca. 95401  
Phone: (707) 542-6268  
Fax: (707) 542-2106

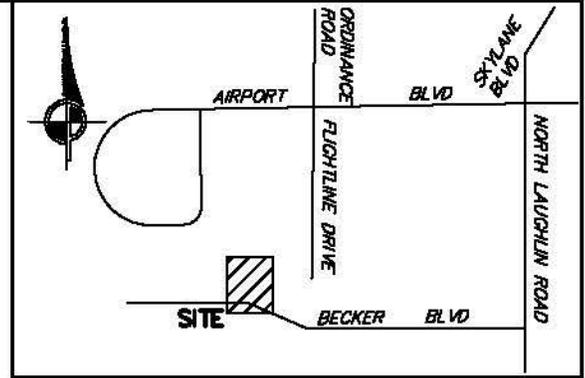
WWW.CINQUINIPASSARINO.COM



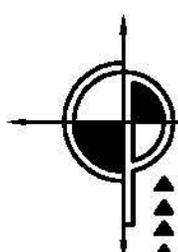
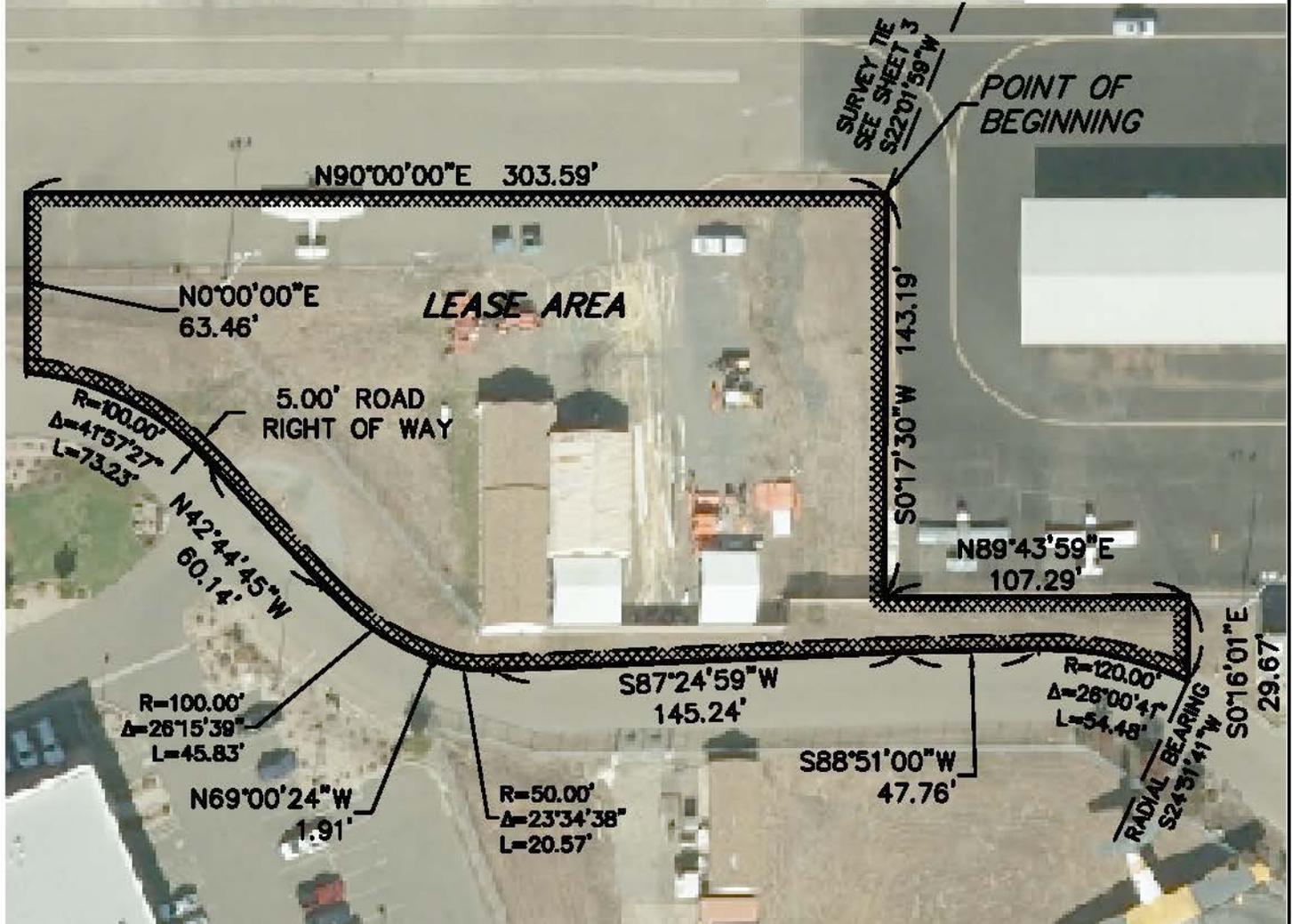
JOB NAME: CHARLES M. SCHULTZ SONOMA COUNTY AIRPORT	DRAWN BY:	CHECKED BY: AGC
DESCRIPTION: TRUAIR LEASE AGREEMENT EXHIBIT	SCALE: 1" = 200'	DATE: 05/19/16
	JOB #: 7290-16	PAGE: 2 OF 3

# EXHIBIT 'A'

THIS DIAGRAM IS FOR GRAPHIC PURPOSES ONLY. ANY ERRORS OR OMISSIONS SHALL NOT EFFECT THE LEGAL DESCRIPTION.



SITE MAP  
NO SCALE

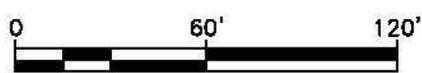


**CINQUINI & PASSARINO, INC.**  
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1380 No. Dutton Ave.  
Santa Rosa, Ca. 95401  
Phone: (707) 542-8288  
Fax: (707) 542-2108

WWW.CINQUINIPASSARINO.COM



<b>JOB NAME:</b> CHARLES M. SCHULTZ SONOMA COUNTY AIRPORT	<b>DRAWN BY:</b>	<b>CHECKED BY:</b> AGC
<b>DESCRIPTION:</b> TRU AIR LEASE AGREEMENT EXHIBIT	<b>SCALE:</b> 1" = 60'	<b>DATE:</b> 7/22/16
	<b>JOB #:</b> 7290-16	<b>PAGE:</b> 3 OF 3

O:\DDT\7290\dwg\7290\_LeaseExhibit\_TruAir.dwg  
 Jul 22, 2016 3:33pm



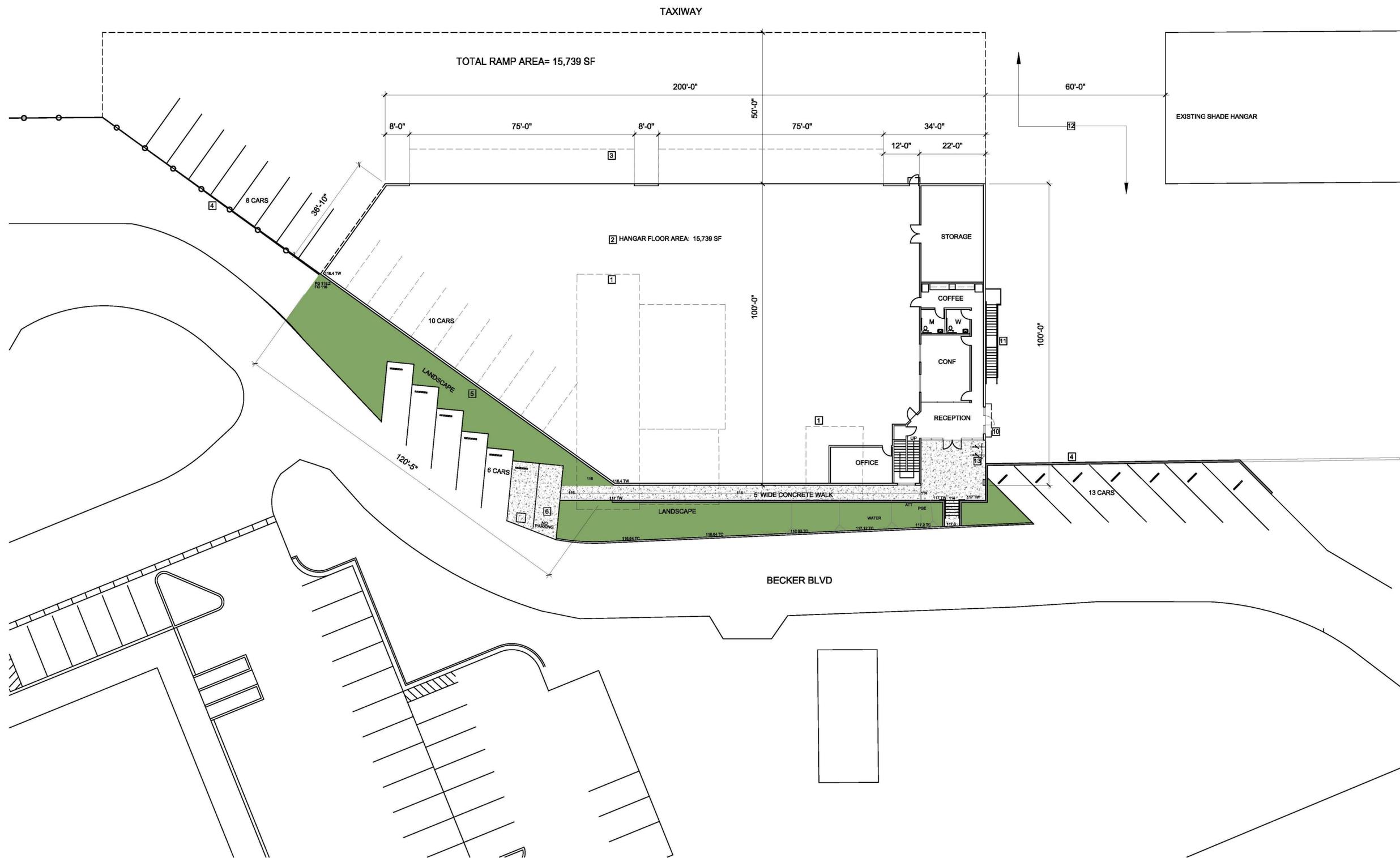




3663 NORTH LAUGHLIN ROAD, SUITE 207  
 SANTA ROSA, CALIFORNIA 95403  
 PHONE: (707) 526-9645

**LEGEND**

- 1 EXISTING BLDGS TO BE DEMOLISHED
- 2 PROPOSED NEW AIRCRAFT HANGAR
- 3 BIFOLD UPWARD ACTING HANGAR DOORS
- 4 AIRPORT SECURITY FENCE
- 5 LANDSCAPING, TYP WHERE SHOWN
- 6 VAN ACCESSIBLE PARKING
- 7 CONCRETE WALKWAY
- 8 CONCRETE ENTRANCE PATIO
- 9 METAL ROOF COVERING AND STEEL COL. SUPPORT
- 10 DOOR CANOPY
- 11 EXTERIOR ACCESS STAIRS
- 12 AC PAVING, TYPICAL
- 13 BIKE RACK



CONSULTANTS

SEAL



**TruAir HANGAR**  
 SONOMA CO. AIRPORT

REV	DATE	DESCRIPTION
	2/16/16	
PROJECT NO:		1522
CAD DWG FILE:		
DRAWN BY:		
SCALE:		

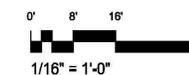
© Copyright 2016  
 Del Starrett Architect

SHEET TITLE

**SITE PLAN**

SHEET NUMBER

**A1.0**











## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 14**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Board of Supervisors

**Staff Name and Phone Number:**

Supervisor Shirlee Zane, Chair  
(707) 565-2241

**Supervisorial District(s):**

Countywide

**Title:** Reappointment

**Recommended Actions:**

Reappoint Paul Kelley to the North Coast Railroad Authority Board for a two-year term through April 11, 2018.

**Executive Summary:**

Reappoint Paul Kelley to the North Coast Railroad Authority Board for a two-year term through April 11, 2018.

**Discussion:**

**Prior Board Actions:**

**Strategic Plan Alignment**      Goal 4: Civic Services and Engagement

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
<b>Related Items "On File" with the Clerk of the Board:</b>			



County of Sonoma  
Agenda Item  
Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 15**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Board of Supervisors

**Staff Name and Phone Number:**

Supervisor Gore (707) 565-2241

**Supervisorial District(s):**

Fourth District

**Title:** Appointment

**Recommended Actions:**

Appoint Carmen Cervantes to the Commission on Human Rights to serve a two year term beginning March 7, 2017 and ending March 7, 2019.

**Executive Summary:**

**Discussion:**

**Prior Board Actions:**

**Strategic Plan Alignment** Goal 4: Civic Services and Engagement

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
<b>Related Items “On File” with the Clerk of the Board:</b>			
The application is on file with the Clerk of the Board			



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 16**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Human Services/IHSS Public Authority

**Staff Name and Phone Number:**

Gary Fontenot – 565-5950

**Supervisorial District(s):**

All

**Title:** Public Authority Advisory Committee Appointment

### **Recommended Actions:**

Appoint Wayne Downey to the Public Authority Advisory Committee for a four-year term beginning on March 7, 2017 and ending on March 7, 2021.

### **Executive Summary:**

This Board item requests the appointment of Dr. Wayne Downey to the Public Authority Advisory Committee for a four-year term beginning on March 7, 2017.

Dr. Downey submitted an application in December 2016 to fill one of the vacancies for the “current or previous user” representative of the Advisory Committee. The Public Authority Executive Committee interviewed Dr. Downey in January and recommends his appointment to the Advisory Committee.

Dr. Downey is a member of the faculty at Santa Rosa Junior College. He currently serves as the Chair of the Santa Rosa Housing Authority. Dr. Downey is the recipient of several distinguished awards, including a 2015 Village to Village Global Project Award, 2013 Recognition by Congressman Jared Huffman, and a 2010 American Psychological Association Distinguished Instructor award.

### **Discussion:**

On 05/22/12, the Board of Supervisors approved an ordinance to amend Sonoma County Code Section 2-362, replacing the In-Home Supportive Services (IHSS) Advisory Committee with the Public Authority Advisory Committee. On 05/15/12, the Board of Supervisors approved By-laws for the Public Authority Advisory Committee.

There are 10 positions on the Public Authority Advisory Committee representing IHSS clients, providers, and members at large. Members of this Committee are appointed by the Board as a whole and not by supervisory district. Following the appointment of Dr. Downey, there will remain one vacancy for the “current or previous user” representative and one vacancy for the “home care advocate”

representative. Recruitment for these vacancies is ongoing and when applicants have been selected, the Human Services Department and IHSS Public Authority will return to the Board with recommended appointments.

**Prior Board Actions:**

06/26/12: Approved appointment of members to the Public Authority Advisory Committee  
 05/22/12: Adopted an ordinance replacing the In-Home Supportive Services Advisory Committee with a Public Authority Advisory Committee.  
 05/15/12: Adopted a Resolution introducing an ordinance to eliminate the In-Home Supportive Services Advisory Committee and establish a Public Authority Advisory Committee, and adopted a concurrent resolution to approve By-laws for the Public Authority Advisory Committee.

**Strategic Plan Alignment**      Goal 1: Safe, Healthy, and Caring Community

IHSS provides services to low-income seniors and persons with disabilities to help them maintain health, independence, and the ability to remain at home.

**Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>0</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>0</b>		

**Narrative Explanation of Fiscal Impacts:**

<b>Staffing Impacts</b>			
<b>Position Title</b> (Payroll Classification)	<b>Monthly Salary Range</b> (A – I Step)	<b>Additions</b> (Number)	<b>Deletions</b> (Number)
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
N/A			
<b>Attachments:</b>			
None			
<b>Related Items “On File” with the Clerk of the Board:</b>			
None			



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 17**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Human Services

**Staff Name and Phone Number:**

Sherry Alderman 565-8501

**Supervisorial District(s):**

County-wide

**Title:** Appointments to the Workforce Investment Board

### **Recommended Actions:**

Appoint of Amy Crabb and Ken Fischang to the Workforce Investment Board for a one-year term beginning March 7, 2017 and ending March 7, 2018.

### **Executive Summary:**

The Workforce Innovation and Opportunity Act (WIOA) is a federal law that was effective July 1, 2015 designed to prepare youth and adults for entry into the labor force. The Workforce Innovation and Opportunity Act requires all local regions to create a Workforce Investment Board (WIB) comprised of local business and community members to oversee and implement the Workforce Innovation and Opportunity Act.

### **Membership Criteria and Process for Recommending Members for Appointment**

The Sonoma County Workforce Investment Board (WIB) serves as the policy oversight body for Sonoma County employment and training programs. In accordance with the written agreement between the Sonoma County Board of Supervisors and the WIB, the WIB reviews and approves candidates' applications for membership and forwards its recommendations to the Board of Supervisors for final approval and appointment.

WIB members are not appointed by supervisorial district, but on a county-wide basis, and must have a high degree of policymaking and hiring authority within the organizations they represent. The WIB is required by law to maintain a business majority. The WIB also seeks members who have expertise in Sonoma County's important or emerging employment sectors, such as health care, hospitality, and green technology or who provide workforce-related services. Applications are reviewed by the WIB Executive Committee and are then recommended to the Board of Supervisors for appointment. Current members in good standing are recommended for reappointment at the end of their term.

Efforts to fill the WIB seats are ongoing through referrals from current members and outreach to businesses, public, workforce, and private non-profit organizations. The Human Services Department also works closely with the Economic Development Board to identify business members appropriate for

the business seats on the WIB.

**Discussion:**

The individual recommended for reappointment to the Workforce Investment Board will represent the following categories of membership.

<u>Representative</u>	<u>Category</u>
Amy Crabb	Business
Ken Fischang	Business

**Amy Crabb** is the Executive Director of the Sonoma County Lodging Association representing the county’s lodging industry. The lodging industry employs more than 10,000 people in our area. Ms. Crabb will be a beneficial addition to the Workforce Investment Board by sharing her knowledge and experience in the lodging industry. Ms. Crabb will fill a Business seat.

**Ken Fischang** is the President/Chief Executive Officer of Sonoma County Tourism, a destination marketing organization. The Sonoma County hospitality industry employs nearly 20,000 workers, serves over eight million visitors, and brings \$1.8 billion into our county annually. Mr. Fischang will be a beneficial addition to the Workforce Investment Board by offering his knowledge of the tourism industry. Mr. Fischang will fill a Business seat.

**Prior Board Actions:**

- December 6, 2016: Reappointed one member to the Workforce Investment Board.
- August 2, 2016: Appointed one new member to the Workforce Investment Board, and reappointed four members to the Workforce Investment Board.
- April 19, 2016: Appointed one new member to the Workforce Investment Board, and reappointed six members to the Workforce Investment Board.

**Strategic Plan Alignment**      Goal 2: Economic and Environmental Stewardship

The Workforce Investment Board makes recommendations and participates in workforce development initiatives and programs that are aligned with local employer needs with the goal of building a prepared and trained Sonoma County workforce.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Narrative Explanation of Fiscal Impacts:</b>			
None			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
There are no fiscal impacts associated with this item.			
<b>Attachments:</b>			
Proposed Workforce Investment Board Membership Roster			
<b>Related Items "On File" with the Clerk of the Board:</b>			

# Sonoma County Workforce Investment Board

Membership as of Tuesday, March 7, 2017

<u>Membership Category</u>	<u># of Seats</u>	<u>Name</u>	<u>Organization</u>
<b>Business</b>			
	1	Yale Abrams	Yale Abrams Consulting
	1	Ed Barr	P & L Specialties
	1	Robin Bartholow	North Coast Builders' Exchange
	1	Kristyn Byrne	C&S Waste Solutions
	<b>1</b>	<b>Amy Crabb</b>	<b>Sonoma County Lodging Association</b>
	1	Judy Coffey	Kaiser-Permanente
	1	Paul Duranczyk	Creekside Convalescent Hospital
	1	Brandy Evans	Goodwill Industries
	<b>1</b>	<b>Ken Fischang</b>	<b>Sonoma County Tourism</b>
	1	Steve Herrington	Sonoma County Office of Education
	1	Steve Herron	Exchange Bank
	1	Kristina Holloway	Healdsburg District Hospital
	1	Roy Hurd	Empire College
	1	Kimberly Keller	Nimble Rx
	1	Scott Kincaid	Facility Development Corporation
	1	Tim Reese	Community Action Partnership of Sonoma County
	1	Pedro Toledo	Petaluma Health Center
	1	Bob Whitlock	Small Precision Tools
<b>Total Seats</b>	<b>18</b>		
<b>Workforce Representatives</b>			
	1	Chris Knerr	Cement Masons
	1	Chris Snyder	Operating Engineers
	1	George Steffensen	North Bay Labor Council
	1	Stephanie Cabral	Experience Works
	1	Chris Page	California Human Development
	1	Stephen Jackson	Sonoma County Office of Education
	1	Matt Martin	Social Advocates for Youth
	1	Keith Dias	SMART Local #104
	1	Steve Stobel	IBEW Local #551
<b>Total Seats</b>	<b>9</b>		
<b>Education and Training</b>			
	1	Carol Waxman	Petaluma Adult School
	1	Jerald Miller	Santa Rosa Junior College
	1	Lynn Stauffer	Sonoma State University
<b>Total Seats</b>	<b>3</b>		
<b>Governmental and Economic and Community Development</b>			
	1	Al Lerma	Sonoma County Economic Development Board
	1	Debbie Antonsen	Employment Development Department
	1	Chris Fernandez	Sonoma County Department of Rehabilitation
	1	Bill Nordskog	United Way
<b>Total Seats</b>	<b>4</b>		

34 Total Membership

34 Seats Filled

0 Vacancy



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 18**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Human Services and Health Services Departments

**Staff Name and Phone Number:**

Karen Fies 565-6990  
Barbie Robinson 565-4777

**Supervisorial District(s):**

All

**Title:** National Professional Social Worker Month

### **Recommended Actions:**

Adopt a Resolution declaring the Month of March 2017 as National Professional Social Worker Month in Sonoma County.

### **Executive Summary:**

In March 1984 the White House officially designated March as National Professional Social Worker Month. The social work profession is noteworthy for its emphasis on ethics and values, its respect for diversity, its advocacy for social and economic justice, and its rigorous academic, field, and professional training. The theme for this year is "Social Workers Stand Up!"

### **Discussion:**

The primary mission of social work is to enhance human well-being and help meet the basic needs of all people, especially the most vulnerable. Social Workers are on the frontlines, developing, advocating and delivering social programs that are responsive to human needs such as homelessness, poverty, family break up, abuse, mental illness, disability, alcohol and substance abuse, domestic violence and many other issues. Social Workers strengthen communities, expand opportunities for the individuals and families they work with, and work to facilitate humane changes in policies and legislation that will improve the lives of everyone.

Sonoma County Social Workers have chosen their careers in order to make a significant impact in the lives of children, youth, families, older adults and persons with disabilities. They have specialized skills in family assessment, interviewing, information and resources referral, case management, community outreach, legal and court services, and advocacy. They demonstrate dedication, leadership, and commitment to social change 24 hours a day/7 days a week. Their efforts, time and dedication are truly appreciated. Currently approximately 220 Social Workers are employed by the County of Sonoma.

Each March the Sonoma County Board of Supervisors has joined with the Sonoma County Directors of the Human Services Department and the Health Services Department to recognize the efforts and hard work of the Sonoma County Social Workers. Sonoma County values their contribution and recognizes the exemplary service of the professionally trained Social Workers who serve within this community.

**Prior Board Actions:**

The Board of Supervisors, in years past, has honored Social Workers by declaring the Month of March as Social Worker Month.

**Strategic Plan Alignment**      Goal 4: Civic Services and Engagement

**Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>0</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>0</b>		

**Narrative Explanation of Fiscal Impacts:**

None

**Staffing Impacts**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

<b>Narrative Explanation of Staffing Impacts (If Required):</b>
None
<b>Attachments:</b>
Resolution
<b>Related Items "On File" with the Clerk of the Board:</b>
None



County of Sonoma  
State of California

Date: March 7, 2017

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_



4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma,  
State Of California, Declaring March 2017 As  
Professional Social Worker Month In Sonoma County**

**Whereas**, the County of Sonoma recognizes the value of professionally trained Social Workers to further the goals and missions that benefit the residents of the county; and

**Whereas**, Social Workers, whether in direct service, supervision, administration or policy development make an impact in all of Sonoma County; and

**Whereas**, Social Workers use their education, professional training, and commitment to open the doors of access and opportunity for everyone, especially those in greatest need, including home visiting programs, children's medical services, child protection, foster care, adoption, child abuse prevention, adult protection, adult abuse prevention, care management, in-home support services, and behavioral health services; and

**Whereas**, the County of Sonoma has 220 Social Workers on the front lines of our communities every day; and

**Whereas**, the Human Services and Health Services Departments have identified the need to continue to offer the highest level of services for their social work programs.

**Now, Therefore, Be It Resolved** that the Board of Supervisors of Sonoma County does hereby declare March 2017 as Professional Social Worker Month in Sonoma County.

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**



County of Sonoma  
Agenda Item  
Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 19**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 07, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Board of Supervisors

**Staff Name and Phone Number:**

Supervisor James Gore 565-2241

**Supervisorial District(s):**

Fourth District

**Title:** Gold Resolution

**Recommended Actions:**

Approve Gold Resolution recognizing Jackson Family Wines, recipients of the EPA's 2016 Green Power Leadership Award for their leadership and commitment to sustainable energy use.

**Executive Summary:**

**Prior Board Actions:**

**Strategic Plan Alignment**

**Fiscal Summary - FY 16-17**

Expenditures		Funding Source(s)	
Budgeted Amount	\$		\$
Add Appropriations Req'd.	\$	State/Federal	\$
	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
	\$		\$
<b>Total Expenditure</b>	<b>\$</b>	<b>Total Sources</b>	<b>\$</b>

<b>Narrative Explanation of Fiscal Impacts (If Required):</b>			
<b>Staffing Impacts</b>			
<b>Position Title</b> (Payroll Classification)	<b>Monthly Salary Range</b> (A – I Step)	<b>Additions</b> (Number)	<b>Deletions</b> (Number)
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
None			
<b>Related Items “On File” with the Clerk of the Board:</b>			



County of Sonoma  
State of California

---

Date: March 7, 2017

Item Number: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_

---

4/5 Vote Required

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**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California,  
Recognizing Jackson Family Wines, Recipients of the EPA's 2016 Green Power Leadership  
Award, For Their Leadership And Commitment To Sustainable Energy Use.**

**Whereas,** Jackson Family Wines is the largest solar generator in the U.S. wine industry,

**Whereas,** by adopting the use of clean, renewable energy, Jackson Family Wines is accelerating the transition to a more sustainable energy future,

**Whereas,** Jackson Family Wines holds certification for all family-owned wineries and vineyards through third party sustainability programs: California Sustainable Winegrowing (CCSW), Sustainability in Practice (SIP), or Low Input Viticulture & Enology (LIVE),

**Whereas,** Jackson Family Wines' electricity production offsets over 1,400 California homes' worth of annual electricity consumption per year,

**Whereas,** Jackson Family Wines approach to sustainability is rooted in the family's multi-generational vision to make world-class wines while having a positive and lasting impact upon natural resources, employees, and communities,

**Whereas,** Jackson family Wines was one of only three organizations nationwide to be awarded the Environmental Protection Agency's Green Power Leadership Award in 2016,

**Now, Therefore, Be It Resolved the Board of Supervisors of the County of Sonoma,  
Recognize Jackson Family Wines, Recipients of the EPA's 2016 Green Power  
Leadership Award, for Their Leadership and Commitment to Sustainable Energy Use.**

Resolution #

Date:

Page 2

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 20**  
(This Section for use by Clerk of the Board Only.)

**To:**

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):**

**Staff Name and Phone Number:**

Supervisor Shirlee Zane  
(707) 565-2241

**Supervisorial District(s):**

Third District

**Title:** Gold Resolution

**Recommended Actions:**

Adopt a Gold Resolution Celebrating 2016 Exchange Club Sonoma County Law Enforcement Officer of the Year. (Third District)

**Executive Summary:**

Adopt a Gold Resolution Celebrating 2016 Exchange Club Sonoma County Law Enforcement Officer of the Year. (Third District)

**Discussion:**

**Prior Board Actions:**

**Strategic Plan Alignment** Goal 4: Civic Services and Engagement

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
<b>Related Items “On File” with the Clerk of the Board:</b>			



# County of Sonoma

## State of California

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Date: March 7, 2017

Item Number: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_

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4/5 Vote Required

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### **Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Honoring And Congratulating Officer Justin Pell As 2016 Exchange Club Sonoma County Law Enforcement Officer Of The Year**

**Whereas**, Office Justin Pell has been a CHP officer for three years and has excelled in every way. He is currently serving as the Department's Safety Services Program Officer, an assignment that requires his responses to calls for service at our State buildings and State owner properties within Sonoma County; and

**Whereas**, Office Pell has been self-motivated and gives of himself at every opportunity, for example, he participated in walk/roll to school events, gave safety discussions to students, worked with residents of Roseland on a "Day of Caring," has picked up trash on the Joe Rodota Trail with students from Roseland University Prep and attended various Hispanic community meetings; and

**Whereas**, Officer Pell is a problem solver and views the Sonoma County homeless issue as important, not just to address removal issues, but to incorporate solutions into their lives that may make a difference. Officer Pell is always prepared to help, as well as enforce the laws when appropriate, and has armed himself with numerous county resources and charities; and

**Whereas**, in Officer Pell's current position, his responsibility for providing law enforcement services at State facilities within Sonoma County includes training State employees in preventative safety measures ranging from active shooter incidents to hostage situations. Officer Pell also attended many public meetings with Senator Mike McGuire and Assemblymen Jim Wood and successfully kept them safe; and

**Whereas**, Office Pell has been a select member of the CHP's Golden Gate Division Special Response Team, an elite team of officers formed to engage unlawful and often violent persons during unlawful civil disturbances throughout the Bay Area, moreover, Officer Pell was part of a select group of CHP officers sent as mutual aid security in support of the Cleveland Police Department during the Republican National Convention in Cleveland, Ohio; and

**Whereas**, Officer Pell is a highly respected member of the squad due to the way he treats his fellow officers and the public alike – with complete respect and professionalism. Further, he embodies one of the CHP's most important professional

Resolution #

Date:

Page 2

values, Esprit de Corps, the team spirit and common loyalty he shares with not only members of the CHP, but with all of our law enforcement partners, is simply inspirational; and

**Whereas**, although Officer Pell is well rounded, his biggest accomplishment is the impact he had made in our communities; his informal leadership and selfless daily actions highlight his deeper understanding for the human condition.

**Now, Therefore, Be It Resolved** the Sonoma County Board of Supervisors honors and congratulates Officer Justin Pell as the outstanding recipient of the Exchange Club's 2016 Law Enforcement Officer of the Year.

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**



County of Sonoma  
Agenda Item  
Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 21**  
(This Section for use by Clerk of the Board Only.)

**To:**

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** No Vote Required

**Department or Agency Name(s):** Board of Supervisors

**Staff Name and Phone Number:**

Susan Gorin / 565-2241

**Supervisorial District(s):**

First

**Title:** Gold Resolution

**Recommended Actions:**

Adopt a Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Congratulating Ted and Patricia Eliot on the Honor of being selected as the 2017 Sonoma Alcalde & Alcaldessa

**Executive Summary:**

Gold Resolution Congratulating Ted and Patricia Eliot on the Honor of being selected as the 2017 Sonoma Alcalde & Alcaldessa

**Discussion:**

**Prior Board Actions:**

**Strategic Plan Alignment** Not Applicable

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
<b>Related Items “On File” with the Clerk of the Board:</b>			



# County of Sonoma

## State of California

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Date: February 23, 2017

Item Number: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_

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4/5 Vote Required

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### **Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Congratulating Ted and Patricia Eliot on the Honor of being selected as the 2017 Sonoma Alcalde & Alcaldessa**

**Whereas**, the Sonoma Alcalde is the City of Sonoma’s highest honor for public service and is awarded annually to recognize local citizens who have had made unselfish contributions to the welfare of Sonoma. A tradition of the Pueblo system, the Alcalde was revived locally in 1975 when the city council decided to once again find “the town’s most useful citizen”; and

**Whereas**, in a place where civic engagement is a passionate pastime for many, it is a particularly special distinction to be recognized as the “most useful” citizen. And even amongst the distinguished previous Alcaldes, the Eliots are remarkable; and

**Whereas**, Ted and Pat Eliot have been on the forefront of Environmental Stewardship in Sonoma County. Prior to settling on Sonoma Mountain some 30+ years ago, they led lives full of adventure, accomplishment, and public service. The Eliots are the parents of four children born in four countries and each enjoyed successful and varied careers prior to focusing on environmental conservation in Sonoma County; and,

**Whereas**, in the 1970s, when Ted Eliot was serving as the last American diplomat in Afghanistan prior to the Soviet occupation, they were alerted to a 50 acre property for sale on Sonoma Mountain. Pat so loved her childhood memories of this place, they purchased it sight unseen before moving here full-time in the 1980s; and,

**Whereas**, their collective energy, vision, advocacy, and passion has led to the preservation of more than 70,000 acres of open space; and

**Whereas**, in the 1990s, Pat Eliot co-founded the Sonoma Mountain Preservation group, which pressed the county to set development restrictions to protect the 2,463-foot summit and 3,000 surrounding acres. Ted Eliot said of Pat’s efforts: “When you look up the mountain today, you won’t see any houses. And this is in perpetuity” and,

**Whereas**, Ted and Pat Eliot were early financial supporters of Jack London State Park (JLSP), a factor that proved critical in the successful transition to self-sustaining management by the Valley of the Moon Natural History Association (VMNHA). The Eliots helped facilitate a major gift from Sonoma Mountain Preservation that ensured the success of the new model for park management; and

Resolution #

Date:

Page 2

**Whereas**, Pat was a leader in the JLSP Mounted Assistant Unit, a volunteer organization that helps patrol the back country of the park, thus providing a system that alerts the management to any perceived suspicious activity or trails in need of repair. This function is critical for ensuring the safety of visitors; and

**Whereas**, both Pat and Ted Eliot were instrumental in making the East Slope Bay Area Ridge Trail a reality, in part by granting public access to their private land. It took 18 years to complete the transaction – a feat that is a testimonial to their tenacity and dedication, thus fulfilling a 20 year dream of the Eliots to allow the public to experience the beauty of the land; and

**Whereas**, on December 4, 2016, Pat passed away, surrounded by Ted and their four children. She was in her home atop Sonoma Mountain and her passing was mourned by a community far and wide. Truly, the world is a little less bright for having lost her spark and spunk; and

**Whereas**, Theodore Roosevelt once said “Here is your country. Cherish these natural wonders, cherish the natural resources, cherish the history and romance as a sacred heritage, for your children and your children’s children. Do not let selfish men or greedy interests skin your country of its beauty, its riches or its romance”; and

**Whereas**, Roosevelt could have easily described the life’s work for Pat and Ted Eliot. There is little doubt that that girl who grew up riding horses on Sonoma Mountain, and the teenager who would have preferred ornithology over diplomatic life, have impacted not only our lives, but also the lives of our children’s children. For this and many other deeds, we cherish and honor them; and,

**Be It Further Resolved that the Board of Supervisors of Sonoma County hereby Congratulates Ted and Pat Eliot on the Honor of being selected as the 2017 Sonoma Alcalde & Alcaldessa.**

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 22**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors of Sonoma County

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Department of Health Services and Human Services Department

**Staff Name and Phone Number:**

Barbie Robinson, 565-4777  
Karen Fies, 565-6990

**Supervisorial District(s):**

**Title:** Reiterating Support for the Affordable Care Act

**Recommended Actions:**

Adopt a Resolution reiterating support for, and opposing repeal of, the Affordable Care Act .

**Executive Summary:**

The goal of the ACA has been to allow Americans of all ages to secure high-quality, affordable physical and behavioral health care services, without discrimination and without suffering financial hardship. Tens of thousands of Sonoma County residents have benefitted from the Affordable Care Act (ACA), and now have access to affordable, high-quality health insurance through Medi-Cal expansion, employer-sponsored coverage, and Covered California.

Any effort to reduce the benefits or programs created by the ACA would have myriad negative impacts for Sonoma County residents, businesses, and our local economy.

**Discussion:**

As early as 2007, the Sonoma County Board of Supervisors expressed support for health care reform proposals and developed the Sonoma County Health Care Reform Principles for Action. Since the ACA became law in 2010, Sonoma County, specific County Departments, Federally Qualified Health Centers, and Community Health Centers have been implementing key provisions, expanding coverage, and providing services to Sonoma County residents.

Over 58,000 Sonoma County residents have directly benefited from the ACA to date - 35,000 in Medi-Cal and 23,000 in the Covered California. Coverage gained through the ACA provides access to medical, dental, and mental health services. The prohibition on discrimination for pre-existing conditions and required coverage for preventive care, medications, and family planning have also increased coverage and quality of care for area residents.

In addition, public health programs received funding through the Public Health and Prevention Fund. Grants such as the Community Transformation Grant have helped create systems and environmental change to improve the conditions in the community that create health and empower residents.

County human services agencies are charged with fighting poverty and helping people achieve self-sufficiency. The ACA and Medicaid expansion has allowed individuals to access affordable health care, which not only has improved health but also has improved their economic well-being. Having affordable health care has allowed them to spend their incomes on rent, food, and other basic needs, which also supports local economies.

Unfortunately, the new Congress has expressed a strong interest in repealing all or part of the ACA. In addition to other impacts, repeal of the Medi-Cal expansion components of the ACA and/or coverage under Covered California would impact over 58,000 individuals in Sonoma County. Sonoma County has made tremendous gains since 2014 in reducing inequities in access to health insurance. With repeal of the ACA, the historic progress throughout the County and nationwide would be reversed.

Sonoma County's 2017-2018 Legislative Platform urges opposition of legislation that would reduce the benefits or programs created by the ACA or withdraw funding for implementation, among other recommendations.

**Prior Board Actions:**

On January 10, 2017 the Board approved the Sonoma County 2017-2018 State and Federal Legislative Platform to be used by County staff, legislative advocates, and the legislative delegation in efforts to seek policy support and acquire state and federal resources for County priorities.

On April 9, 2013 the Board accepted the Sonoma County Implementation of the Patient Protection and Affordable Care Act report.

On February 21, 2012 the Board accepted the Sonoma County Health Care System Report.

On June 22, 2010 the Board accepted the National Health Care Reform Report.

On December 8, 2009 the Board adopted the Sonoma County Principles for Health Care Reform.

On August 21, 2007 the Board adopted the County Health Care Reform, Principles for Action.

**Strategic Plan Alignment**      Goal 1: Safe, Healthy, and Caring Community

Supporting the Affordable Care Act serves the goal of securing high-quality, affordable physical and behavioral health care services for Sonoma County residents.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Narrative Explanation of Fiscal Impacts:</b>			
There is no fiscal impact associated with this item.			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
N/A			
<b>Attachments:</b>			
Resolution			
<b>Related Items “On File” with the Clerk of the Board:</b>			
None			



# County of Sonoma

## State of California

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Date: March 7, 2017

Item Number: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_

---

4/5 Vote Required

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### **Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Reiterating Support For The Affordable Care Act**

**Whereas**, the County of Sonoma supports the Affordable Care Act's (ACA) goal of securing high-quality, affordable physical and behavioral health care services for Americans of all ages, without discrimination and without suffering financial hardship;

**Whereas**, thousands of Sonoma County residents now have access to affordable, high-quality health insurance through Medi-Cal expansion, employer-sponsored coverage, and Covered California which contributes to the community's health and well-being and helps achieve the county's goal of achieving health equity;

**Whereas**, over 58,000 Sonoma County residents have benefited from the ACA to date - 35,000 in Medi-Cal and 23,000 in the Covered California;

**Whereas**, Sonoma County's Federally Qualified Health Centers - centers that provide primary and preventive care to the uninsured and underserved and are designated as the Medicare and Medicaid safety net providers by the U.S. Department of Health and Human Services - recorded a 164% increase in Medi-Cal encounters from 2008 to 2015, due in large part to the increased enrollments through ACA;

**Whereas**, the ACA supports our community health center partners - Alexander Valley Healthcare, Alliance Medical Center, Community Health Centers, Petaluma Health Center, Santa Rosa Jewish Community Free Clinic, Sonoma County Indian Health Project, Sonoma Valley Community Health Center, and West County Health Centers - to create a high performance system of primary care by promoting the coordination and integration of care, bolstering operational capacity, and reducing uncompensated care;

**Whereas**, the ACA is accelerating efforts to move away from volume-based, fee-for-service reimbursement and towards patient-centered outcome-based care;

**Whereas**, the ACA offers rights and protections that make coverage more equitable, including coverage for pre-existing health conditions, reproductive health, free preventive care, and more coverage options for young adults;

**Whereas**, ensuring all children have access to medical, dental, mental-health services and healthy nutrition is key to foster lifelong health, help identify health issues early, promote regular school attendance and ensure all our children are healthier;

Resolution #

Date:

Page 2

**Whereas**, having affordable health care has allowed people to spend their incomes on rent, food, and other basic needs, which also supports local economies;

**Whereas**, the ACA expanded essential health benefits which includes mental health and substance-use disorder coverage;

**Whereas**, the ACA created the Prevention and Public Health Fund, a new, dedicated funding stream which improves health outcomes by supporting comprehensive community-based prevention, wellness, and public health activities; and

**Whereas**, repeal of the ACA will not only negatively affect the health of thousands of Sonoma County residents whose access to healthcare depends on it, but would also have negative consequences for sectors of our local economy which are intertwined with the health care industry and dependent on a healthy workforce.

**Now, Therefore, Be It Resolved** that the Board of Supervisors reaffirms its support of the ACA and the critical role it plays in the health and well-being of our county and the populations we serve, and thus opposes efforts which would reduce the benefits or programs created by the ACA or withdraw funding and therefore would negatively impact our most vulnerable citizens and our local economy.

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**

# The Affordable Care Act in Sonoma County

*March 7, 2017*

**Barbie Robinson, Director**  
Department of Health Services



**sonoma county**  
DEPARTMENT OF HEALTH SERVICES

**Karen Fies, Director**  
Department of Human Services



*"Empower, Support, Protect"*

**Human Services Department**  
COUNTY OF SONOMA

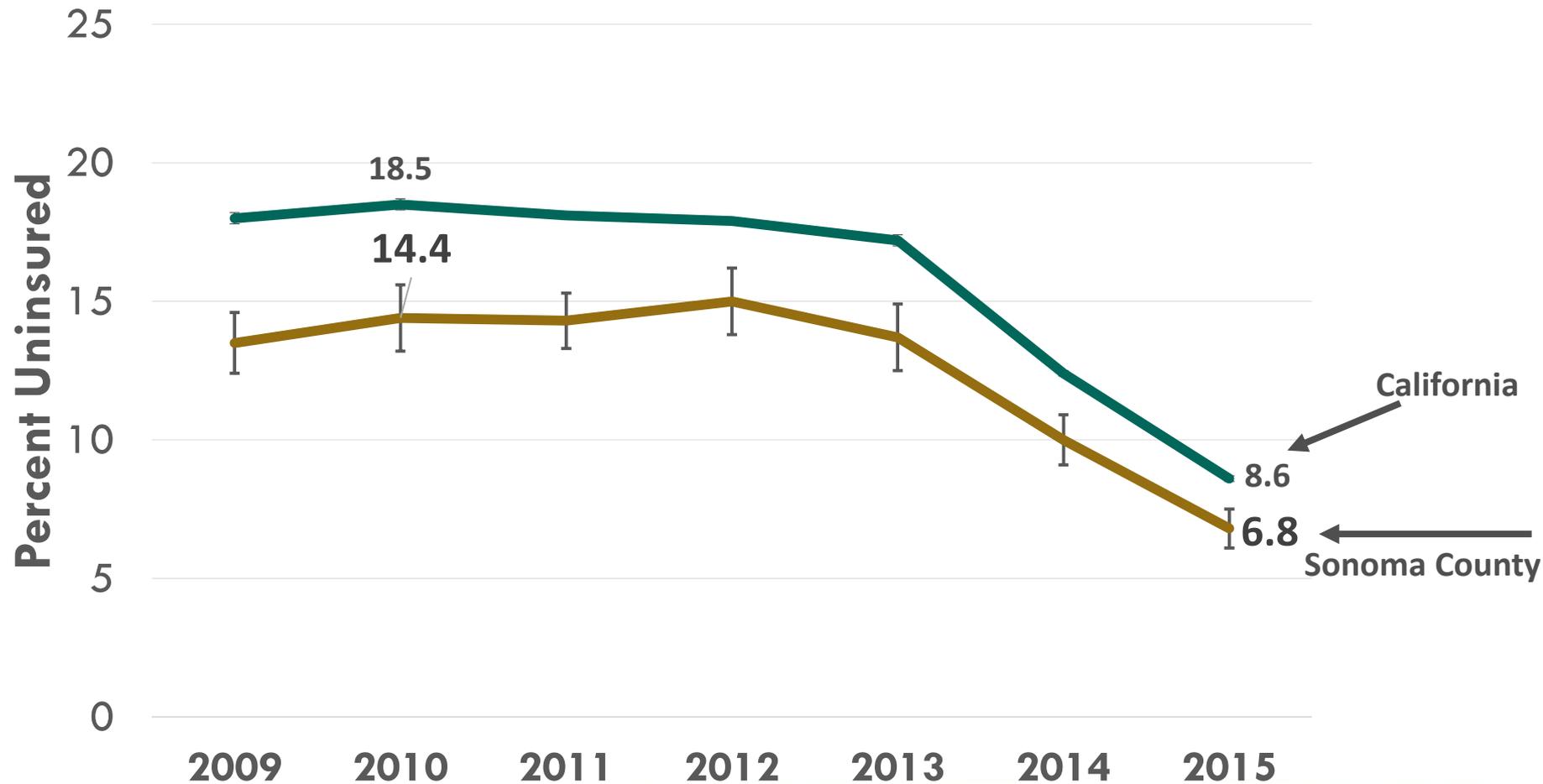
# ACA Critical Components

- Individual mandate
- Medicaid expansion
- Exchange and subsidies: Covered California
- No discrimination pre-existing conditions
- Extended youth coverage on parent's insurance
- Essential benefits package: mental health and substance use treatment, preventive services, pharmaceutical coverage
- Prevention and Public Health Fund
- Innovation programs to improve outcomes and decrease costs



# Percent Uninsured

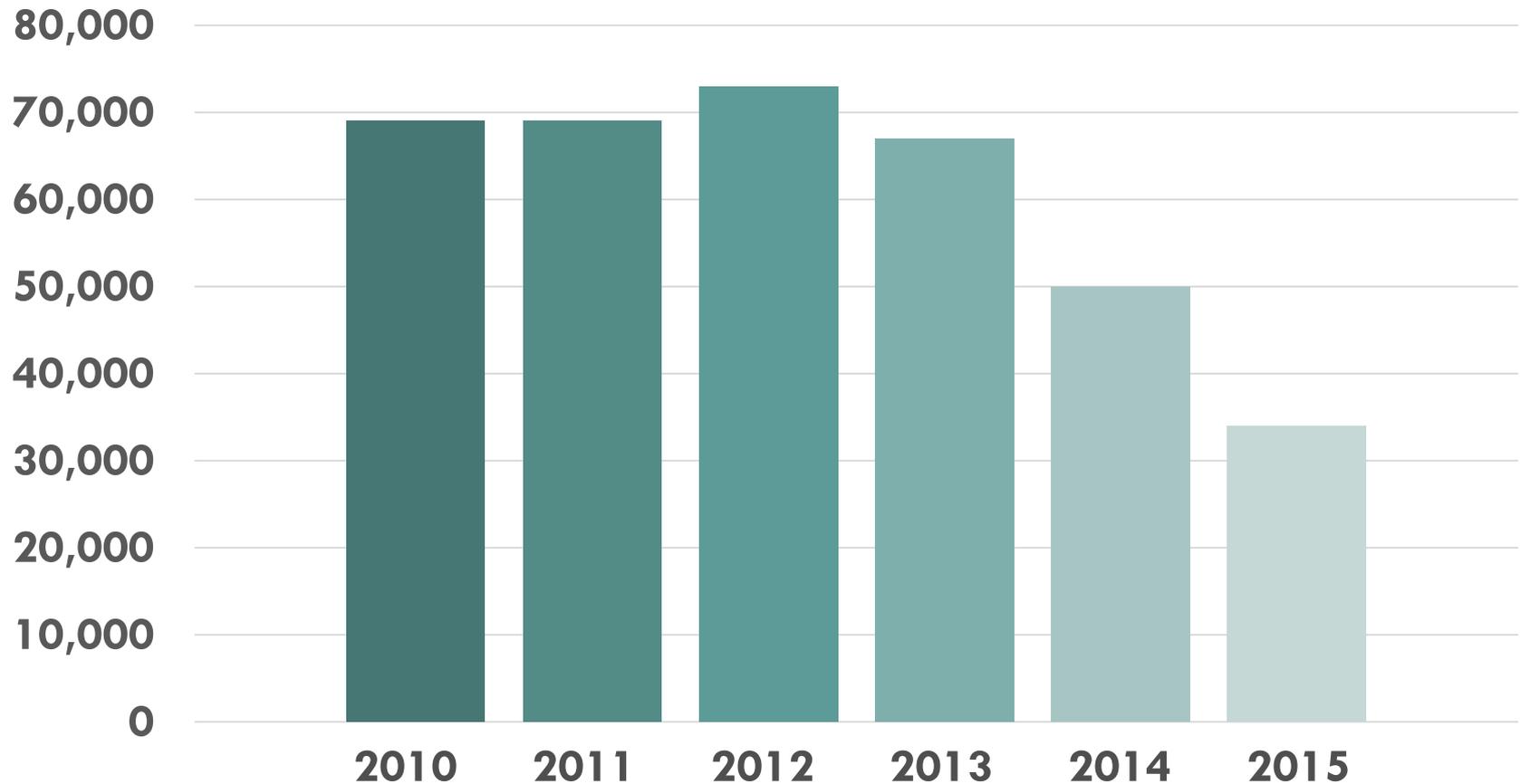
## Sonoma County and CA, 2009 to 2015



Data from Table S2701, 1-year estimates, 2009-2015, American Communities Survey. Note: 90% Confidence Intervals shown.

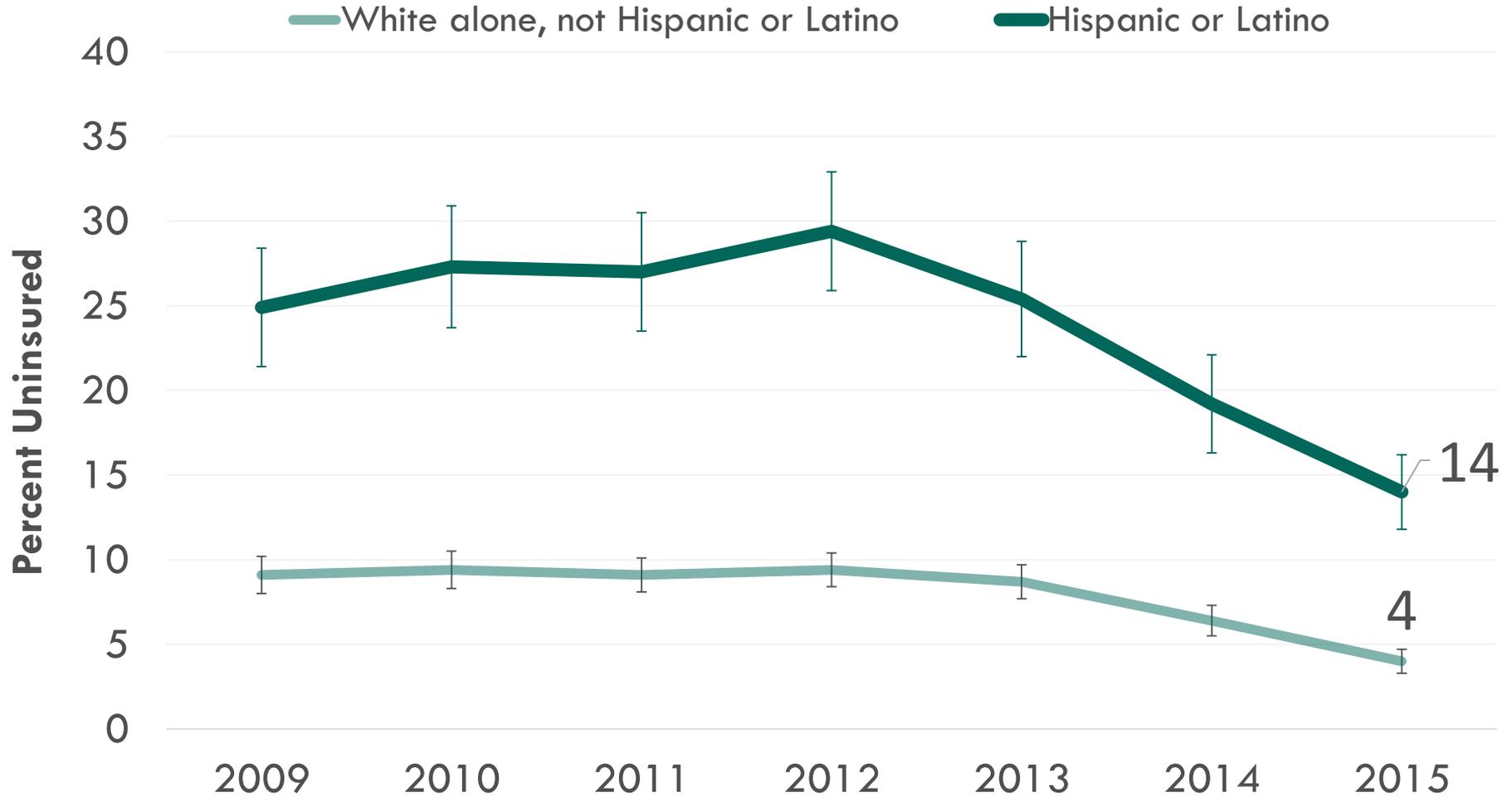
# Number of Uninsured

## Sonoma County, 2010 to 2015



# Percent Uninsured

## Sonoma County and CA, 2009 to 2015



# Health Impacts of Repeal

- Without insurance, people have decreased or no access to care. They often:
  - Forgo preventive care and screenings
  - Skip treatment for chronic diseases
  - Delay care until advanced illness or emergency
- Consequences are:
  - Increased Costs
  - Worse Health Outcomes



# Economic Impact of Repeal: State

- **Statewide:**

- Loss of \$20.5 billion federal healthcare dollars
- Loss of \$20.3 billion GDP
- Loss of \$1.5 billion in state and local tax revenue
- Loss of 209,000 jobs



# Economic Impact of Repeal: Local

- **Sonoma County:**

- Loss of 2000 jobs
- Loss of \$192 million GDP

- **DHS**

- Loss of \$6.7 million in Medi-Cal expansion revenue used to for behavioral health services
- Loss of \$375,000 for home visiting for high risk families

- **HSD**

- Increased challenges for client self-sufficiency



# Sonoma County Stories



*"Empower, Support, Protect"*

**Human Services Department**  
COUNTY OF SONOMA



Thank You for Your Support





## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 23**

(This Section for use by Clerk of the Board Only.)

**To:** Sonoma County Public Financing Corporation Board of Directors  
Sonoma County Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** 4/5

**Department or Agency Name(s):** General Services Department  
Auditor-Controller-Treasurer-Tax Collector

**Staff Name and Phone Number:**

Caroline Judy: 707-565-8058  
Jonathan Kadlec: 707-565-6124

**Supervisorial District(s):**

**Title:** Sonoma County Energy Lease Refunding

**Recommended Actions:**

Consider multiple actions relating to the Sonoma County Energy Lease Refunding;

- (A) Adopt a Resolution of the Board of Directors of the County of Sonoma Public Financing Corporation authorizing and directing the execution of a site and facility lease, a lease agreement, an assignment agreement and an escrow deposit and trust agreement in order to refinance the 2009 Comprehensive Energy Project Financing in an amount not to exceed \$18,000,000 and providing for other matters properly relating thereto, in an effort to provide the public benefit of reducing the anticipated annual fuel cell debt service by approximately \$100,000 each fiscal year.
- (B) Adopt a resolution of the Board of Supervisors of the County of Sonoma authorizing and directing the execution and delivery of a lease agreement in order to refinance the 2009 Comprehensive Energy Project Financing in an amount not to exceed \$18,000,000, authorizing and directing execution of a site and facility lease, a lease agreement, and escrow deposit and trust agreement and a supplemental agreement, authorizing the private placement thereof with the Bank of the West, and providing for other matters properly relating thereto.
- (C) Approve a contract amendment with KNN Public Finance, for Financial Advisory services in the amount of \$55,000 plus up to \$1,000 in expenses to be paid from the cost of issuance fund.

**Executive Summary:**

On September 12, 2006 your Board approved the County’s Comprehensive Energy Project. Subsequently in 2009, the county executed a direct placement financing (2009 Comprehensive Energy Project Financing) which financed the acquisition and installation of a hydrogen fuel cell at the central mechanical plant and other energy conservation measures throughout the county campus. In an effort to reduce the expense of the existing financing obligation, staff recommend your Board adopt the actions as described above to refinance with Bank of the West at improved terms described herein.

**Discussion:**

Staff are requesting that your Board consider a resolution authorizing the Auditor-Controller-Treasurer-Tax Collector and the Director of General Services in concurrence with the County Administrator to refinance the existing 2009 Comprehensive Energy Project Financing in order to improve terms and reduce ongoing costs.

The County engaged KNN Public Finance to assist with the process of refinancing the existing bonds and a Request For Proposal (RFP) was issued to 10 different banks and Bank of the West was selected because they offered the most favorable terms to the county. The proposed new financing is for a not to exceed amount of \$18,000,000. The financing will all inclusive of the amounts necessary to fully payoff the existing financing plus pay any cost of issuance needed to finalize the new financing transaction. The term of the financing will be for approximately 10 years with a final maturity of 8/1/2026 which matches that of the existing financing being refinanced at an interest rate of 2.45% which will result in total present value savings of approximately \$981,000 compared with the current financing. The County Debt Advisory Committee unanimously approved the proposal to refinance the 2009 financing at the October 27, 2016 meeting.

The proposed financing has a number of advantages over the existing financing. The proposed financing rate of 2.45% is over 50% lower than existing financing rate, resulting in total present value savings of approximately \$981,000. The new transaction will be solely secured by the Sheriff’s building. The existing financing was secured by both the fuel cell and the Sheriff’s building. As part of the terms of the new transaction the County will maintain the right to prepay the remaining balance due at any time during the first 5 years with a premium of 1%. Thereafter, the County may prepay the balance owed at no premium. This opportunity was not afforded in the existing financing. These terms were the most favorable available from the RFP respondents and most closely align with potential future financing needs of the County.

**Prior Board Actions:**

On March 24, 2009 your Board adopted a Resolution of the County of Sonoma Public Financing Corporation and authorized the execution of a site and facility lease, a lease agreement, a trust agreement, and an assignment agreement relating to the execution and delivery of not to exceed \$25,000,000 County of Sonoma 2009 Certificates of Participation (Comprehensive Energy Efficiency Project) and providing for other matters properly relating thereto.

On March 24, 2009 your Board of Supervisors adopted a Resolution authorizing the execution and delivery of not to exceed \$25,000,000 County of Sonoma 2009 Certificates of Participation (Comprehensive Energy Efficiency Project), authorizing and directing the execution of a site and facility lease, a lease agreement, a trust agreement, and an assignment agreement relating thereto, authorizing the negotiated sale of such Certificates and the execution and delivery of a purchase contract, approving an Official Statement and providing for other matters properly relating thereto.

On December 16, 2008 your Board of Supervisors approved a plan of finance through a direct placement with the Bank of America Capital Corporation for \$18,900,000 as an equipment only secured lease purchase financing at 4.98% interest.

On September 19, 2006 your Board of Supervisors approved the concept of a Comprehensive Energy Project (CEP) and the use of an energy services company (ESCO) to be selected through a Request for Proposals process.

**Strategic Plan Alignment**      Goal 3: Invest in the Future

**Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses	1,873,214	1,767,392	1,868,219
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>1,873,214</b>	<b>1,767,392</b>	<b>1,868,219</b>
<b>Funding Sources</b>			
General Fund/WA GF	1,873,214	1,767,392	1,868,219
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>1,873,214</b>	<b>1,767,392</b>	<b>1,868,219</b>

**Narrative Explanation of Fiscal Impacts:**

Due to improving financial terms the anticipated annual debt service will be approximately \$100,000 lower than the current scheduled debt service in each fiscal year through fiscal year 2026/2027. The structure of the proposed refunding of the 2009 Lease Agreement is intended to generate a consistent amount of savings each year and as such mirrors the structure of the prior debt service.

<b>Staffing Impacts</b>			
<b>Position Title</b> (Payroll Classification)	<b>Monthly Salary Range</b> (A – I Step)	<b>Additions</b> (Number)	<b>Deletions</b> (Number)
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
Attachment 1: Resolution of the Board of Directors of the Sonoma County Public Financing Corporation Attachment 2: Resolution of the Board of Supervisors of the County of Sonoma Attachment 3: Site and Facility Lease Attachment 4: Lease Agreement Attachment 5: Assignment Agreement Attachment 6: Escrow Deposit and Trust Agreement Attachment 7: Termination Agreement Attachment 8: Supplemental Agreement Attachment 9: KNN Contract Amendment Attachment 10: LaSalle Term Agreement			
<b>Related Items “On File” with the Clerk of the Board:</b>			

COUNTY OF SONOMA PUBLIC FINANCING CORPORATION

RESOLUTION OF THE BOARD OF DIRECTORS OF THE COUNTY OF SONOMA PUBLIC FINANCING CORPORATION AUTHORIZING AND DIRECTING THE EXECUTION OF A SITE AND FACILITY LEASE, A LEASE AGREEMENT, AN ASSIGNMENT AGREEMENT AND AN ESCROW DEPOSIT AND TRUST AGREEMENT IN ORDER TO REFINANCE THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN ENERGY EFFICIENCY PROJECTS IN AN AMOUNT NOT TO EXCEED \$18,000,000, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the County of Sonoma (the "County") has heretofore financed the acquisition, construction and installation of certain energy efficiency projects located on County-owned property (the "2009 Project") through the execution and delivery of (i) a Site, Facility and Equipment Lease dated as of April 1, 2009, (the "2009 Site Lease"), between the County, as lessor, and the County of Sonoma Public Financing Corporation (the "Corporation"), as lessee, (ii) a Lease Agreement dated as of April 1, 2009, (the "2009 Lease Agreement"), between the Corporation, as lessor, and the County, as lessee, (iii) an Assignment Agreement dated as of April 1, 2009 (the "2009 Assignment Agreement" and, together with the 2009 Site Lease and the 2009 Lease Agreement, the "2009 Lease Documents"), between the Corporation, as assignor, and Banc of America Public Capital Corp, a corporation duly organized and existing under the laws of the State of Kansas (the "2009 Bank");

WHEREAS, the 2009 Lease Agreement is subject to prepayment on October 16, 2018, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payments required to be paid on such date, without prepayment premium, and in order to realize debt service savings the County has determined to refinance the 2009 Lease Agreement;

WHEREAS, in order to provide funds to refinance the 2009 Lease Agreement, the County has agreed to lease to the Corporation the land and improvements which constitute the County's Sheriff's Building, which is more particularly described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property") under a Site and Facility Lease, which is expected to be dated as of March 10, 2017 (the "Site Lease"), between the County, as lessor, and the Corporation, as lessee;

WHEREAS, the Corporation has agreed to lease the Leased Property back to the County under the Lease Agreement, which is expected to be dated as of March 10, 2017 (the "Lease"), between the Corporation, as lessor, and the County, as lessee;

WHEREAS, the Corporation has further agreed to assign its right to receive lease payments under this Lease to Bank of the West (the "Assignee") under an

Assignment Agreement, which is expected to be dated as of March 10, 2017 (the "Assignment Agreement"), between the Corporation, as assignor, and the Assignee, as assignee;

WHEREAS, in connection with its execution and delivery of the Assignment Agreement, the Assignee is requiring the County to enter into a Supplemental Agreement, which is expected to be dated as of March 10, 2017 (the "Assignment Agreement");

WHEREAS, in order to discharge the County's obligations under the 2009 Lease Agreement, the County and the Corporation will enter into an Escrow Deposit and Trust Agreement, which is expected to be dated as of March 10, 2017 (the "Escrow Agreement"), with The Bank of New York Mellon Trust Company, N.A., as escrow agent thereunder;

WHEREAS, it is necessary for the Board of the Corporation to approve the forms of and to authorize the execution and delivery of the Lease, the Site Lease, the Assignment Agreement and the Escrow Agreement, and to authorize various other actions in connection therewith; and

WHEREAS, the Board of the Corporation wishes at this time to authorize all proceedings relating to the execution and delivery of the documents described above and the lease and leaseback of the Leased Property for the purpose of refinancing the 2009 Project;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COUNTY OF SONOMA PUBLIC FINANCING CORPORATION AS FOLLOWS:**

Section 1. Approval of Lease of Leased Property From The County; Site Lease. The Board of the Corporation hereby approves the lease of the Leased Property by the Corporation from the County pursuant to the Site Lease, in substantially the form on file with the Secretary of the Corporation, together with any changes therein or additions thereto deemed advisable by the President or Treasurer of the Corporation. The Board of the Corporation hereby authorizes and directs the President or Treasurer to execute said form of the Site Lease for and in the name of the Corporation.

Section 2. Approval of Lease of Leased Property Back To The County; Lease. The Board of the Corporation hereby approves the lease of the Leased Property by the Corporation back to the County in the aggregate principal amount of not to exceed \$18,000,000 pursuant to and in accordance with the terms and provisions of the Lease, in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the President or Treasurer. The Board of the Corporation hereby authorizes and directs the President or Treasurer to execute said form of the Lease for and in the name of the Corporation. The lease of the Leased Property shall be upon the terms and conditions set forth in the Lease, which is hereby incorporated in this resolution by this reference.

Section 3. Assignment Agreement. The Board of the Corporation hereby approves the assignment of its rights in the Lease to the Assignee pursuant to the Assignment Agreement, in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the President or Treasurer. The Board of the Corporation hereby approves the Assignment Agreement and authorizes and directs the President or Treasurer to execute the final form of the Assignment Agreement for and in the name of the Corporation.

Section 4. Escrow Agreement. The Board of the Corporation hereby approves the Escrow Agreement, in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by the President or Treasurer. The Board of the Corporation hereby authorizes and directs the President or Treasurer to execute the final form of the Escrow Agreement for and in the name of the Corporation.

Section 5. Termination Agreement. The Board of the Corporation hereby approves the Termination Agreement among the County, the Corporation and the 2009 Bank relating to the 2009 Lease Documents, in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by the President or Treasurer. The Board of the Corporation hereby authorizes and directs the President or Treasurer to execute the final form of the Termination Agreement for and in the name of the Corporation.

Section 6. Official Actions. The President, the Treasurer, the Secretary and any and all other officers of the Corporation are hereby authorized and directed, for and in the name and on behalf of the Corporation, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate any of the transactions contemplated by the documents approved pursuant to this resolution. Whenever in this resolution any action is authorized to be taken by an officer of the Corporation and such officer is absent or unavailable, such action may be taken on behalf of the Corporation by any designee of such officer.

Section 7. Effective Date. This resolution shall take effect from and after the date of its passage and adoption.

DIRECTORS:

GORIN \_\_\_\_\_ RABBITT \_\_\_\_\_ GORE \_\_\_\_\_ HOPKINS \_\_\_\_\_ ZANE \_\_\_\_\_

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSTAIN \_\_\_\_\_ ABSENT \_\_\_\_\_

SO ORDERED

RESOLUTION NO. \_\_\_\_\_

Sonoma County Administration Building  
Santa Rosa, California

Date: \_\_\_\_\_

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT IN ORDER TO REFINANCE THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN ENERGY EFFICIENCY PROJECTS IN AN AMOUNT NOT TO EXCEED \$18,000,000, AUTHORIZING AND DIRECTING EXECUTION OF A SITE AND FACILITY LEASE, A LEASE AGREEMENT, AN ESCROW DEPOSIT AND TRUST AGREEMENT AND A SUPPLEMENTAL AGREEMENT, AUTHORIZING THE PRIVATE PLACEMENT THEREOF WITH THE BANK OF THE WEST, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the County of Sonoma (the "County") has heretofore financed the acquisition, construction and installation of certain energy efficiency projects located on County-owned property (the "2009 Project") through the execution and delivery of (i) a Site, Facility and Equipment Lease dated as of April 1, 2009, (the "2009 Site Lease"), between the County, as lessor, and the County of Sonoma Public Financing Corporation (the "Corporation"), as lessee, (ii) a Lease Agreement dated as of April 1, 2009, (the "2009 Lease Agreement"), between the Corporation, as lessor, and the County, as lessee, (iii) an Assignment Agreement dated as of April 1, 2009 (the "2009 Assignment Agreement" and, together with the 2009 Site Lease and the 2009 Lease Agreement, the "2009 Lease Documents"), between the Corporation, as assignor, and Banc of America Public Capital Corp, a corporation duly organized and existing under the laws of the State of Kansas (the "2009 Bank");

WHEREAS, the 2009 Lease Agreement is subject to prepayment on October 16, 2018, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payments required to be paid on such date, without prepayment premium, and in order to realize debt service savings the County has determined to refinance the 2009 Lease Agreement;

WHEREAS, in order to provide funds to refinance the 2009 Lease Agreement, the County has agreed to lease to the Corporation the land and improvements which constitute the County's Sheriff's Building, which is more particularly described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property") under a Site and Facility Lease, which is expected to be dated as of March

10, 2017 (the "Site Lease"), between the County, as lessor, and the Corporation, as lessee;

WHEREAS, the Corporation has agreed to lease the Leased Property back to the County under the Lease Agreement, which is expected to be dated as of March 10, 2017 (the "Lease"), between the Corporation, as lessor, and the County, as lessee;

WHEREAS, the Corporation has further agreed to assign its right to receive lease payments under this Lease to Bank of the West (the "Assignee") under an Assignment Agreement, which is expected to be dated as of March 10, 2017 (the "Assignment Agreement"), between the Corporation, as assignor, and the Assignee, as assignee;

WHEREAS, in connection with its execution and delivery of the Assignment Agreement, the Assignee is requiring the County to enter into a Supplemental Agreement, which is expected to be dated as of March 10, 2017 (the "Assignment Agreement");

WHEREAS, in order to discharge the County's obligations under the 2009 Lease Agreement, the County and the Corporation will enter into an Escrow Deposit and Trust Agreement, which is expected to be dated as of March 10, 2017 (the "Escrow Agreement"), with The Bank of New York Mellon Trust Company, N.A., as escrow agent thereunder;

WHEREAS, it is necessary for the Board to approve the forms of, and to authorize the execution and delivery of, the Lease, the Site Lease, the Escrow Agreement and the Supplemental Agreement, and to authorize various other actions in connection therewith;

WHEREAS, the County desires to employ a financial advisor to advise the County on the structuring of the refinancing, and there has been submitted to County and on file with the Clerk of the Board the proposed form of agreement with KNN Public Finance, LLC, for financial advisory services;

WHEREAS, it will be necessary for the County to employ special counsel and disclosure counsel and to incur costs and expenses in preparing the proceedings for the refinancing, and there has been submitted to Board and on file with Clerk of the Board the proposed form of agreement with Jones Hall, A Professional Law Corporation, for special counsel and disclosure counsel services;

WHEREAS, the County is authorized to enter into the lease-leaseback arrangement with the Corporation to provide refinancing for the 2009 Project under Sections 25521 and 25526 of the California Government Code; and

WHEREAS, the Board wishes at this time to authorize all proceedings relating to the execution and delivery of the documents described above and the lease and leaseback of the Leased Property for the purpose of refinancing the 2009 Project;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA AS FOLLOWS:**

Section 1. Approval of Financing Proposal and Documents. The Board hereby approves the financing proposal from the Assignee providing for the refinancing of the 2009 Lease Agreement, in the aggregate principal amount of not to exceed \$18,000,000, and the execution and delivery of the agreements (collectively, the "Agreements"):

- (a) the Site and Facility Lease;
- (b) the Lease (and the lease of the Leased Property from the Corporation pursuant thereto);
- (c) the Supplemental Agreement;
- (d) the Escrow Agreement; and
- (e) the Termination Agreement among the County, the Corporation and the 2009 Bank relating to the 2009 Lease Documents.

The Board hereby approves and separately authorizes the Auditor-Controller-Treasurer-Tax Collector (the "Auditor-Controller"), the Assistant Treasurer and the Revenue & Debt Division Manager of the Auditor-Controller-Treasurer-Tax Collector's Office of the County (each, a "Designated Representative") to execute the Agreements, and the Clerk of the Board is hereby authorized and directed, if required, to attest and affix the seal of the County to said Agreements, in substantially the forms on file with the Clerk of the Board, together with any changes therein or additions thereto deemed advisable by the Designated Representatives, whose execution thereof shall be conclusive evidence of approval of any such additions and changes.

Section 2. Appointment of Financial Advisor, Special Counsel and Disclosure Counsel. (a) The firm of KNN Public Finance, LLC (the "Financial Advisor"), shall be, and such firm is, hereby appointed financial advisor to County in connection with the refinancing of the 2009 Project, in accordance with the terms and conditions set forth in the proposed form of agreement for financial advisory services on file with Clerk of the Board, and the Designated Officers are hereby authorized to execute and deliver said agreement with the Financial Advisor, with such modifications and conditions as shall be acceptable to the Auditor-Controller and the County Counsel, such approval to be conclusively evidenced by such execution and delivery.

(b) The firm of Jones Hall, (the "Special Counsel") shall be, and such firm is, hereby appointed special counsel to the County in connection with the in connection with the refinancing of the 2009 Project, in accordance with the terms and conditions set forth in the proposed form of agreement for special counsel services on file with Clerk of the Board, and the Designated Officers are hereby authorized to execute and deliver said agreement with Special Counsel, with such modifications and conditions as shall be acceptable to the Auditor-Controller and the County Counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 3. Official Actions. The Designated Representative and the Clerk of the Board, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the County, to do any and all things and take any and all actions, including execution and delivery of any and all document revisions, assignments, certificates, requisitions, agreements (including, but not limited to, agreements in customary form providing for investment of the proceeds of the Lease, as further provided in the Trust Agreement), notices, consents, instruments of conveyance, certificates of acceptance, termination agreements, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, execution and delivery of the Certificates. Whenever in this Resolution any officer of the County is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 4. Effective Date. This resolution shall take effect immediately upon its adoption.

SUPERVISORS:

GORIN \_\_\_\_\_ RABBITT \_\_\_\_\_ GORE \_\_\_\_\_ HOPKINS \_\_\_\_\_ ZANE \_\_\_\_\_

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSTAIN \_\_\_\_\_ ABSENT \_\_\_\_\_

SO ORDERED

TO BE RECORDED AND WHEN RECORDED  
RETURN TO:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Stephen G. Melikian, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

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## **SITE AND FACILITY LEASE**

This SITE AND FACILITY LEASE (this "Site Lease"), dated for convenience as of March 10, 2017, is between the COUNTY OF SONOMA, a general law county duly organized and existing under the laws of the State of California, as lessor (the "County"), and the COUNTY OF SONOMA PUBLIC FINANCING CORPORATION, a nonprofit corporation duly organized and existing under the laws of the State of California, as lessee (the "Corporation");

### *BACKGROUND:*

1. The County has heretofore financed the acquisition, construction and installation of certain energy efficiency projects located on County-owned property (the "2009 Project") through the execution and delivery of (i) a Site, Facility and Equipment Lease dated as of April 1, 2009, (the "2009 Site Lease"), between the County, as lessor, and the Corporation, as lessee, (ii) a Lease Agreement dated as of April 1, 2009, (the "2009 Lease Agreement"), between the Corporation, as sublessor, and the County, as sublessee, (iii) an Assignment Agreement dated as of April 1, 2009 (the "2009 Assignment Agreement" and, together with the 2009 Site Lease and the 2009 Lease Agreement, the "2009 Lease Documents"), between the Corporation, as assignor, and Banc of America Public Capital Corp, a corporation duly organized and existing under the laws of the State of Kansas (the "2009 Bank").

2. The 2009 Lease Agreement is subject to prepayment on October 16, 2018, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payments required to be paid on such date, without prepayment premium, and in order to realize debt service savings the County has determined to refinance the 2009 Lease Agreement.

3. In order to provide funds to refinance the 2009 Lease Agreement, the County has agreed to lease to the Corporation the land and improvements which constitute the County's

Sheriff's Building, which is more particularly described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property") under this Site Lease.

4. The Corporation has agreed to lease the Leased Property back to the County under the Lease Agreement dated as of March 10, 2017 (the "Lease"), and recorded concurrently herewith, between the Corporation, as lessor, and the County, as lessee.

5. The Corporation has further agreed to assign its right to receive lease payments under this Lease to Bank of the West, and its successors and assigns (the "Assignee") under an Assignment Agreement dated as of March 10, 2017 (the "Assignment Agreement"), between the Corporation, as assignor, and the Assignee, as assignee, and recorded concurrently herewith.

6. The Corporation will apply amounts received from the Assignee under the Assignment Agreement to make the Site Lease Payment (as defined to the Site Lease) to the County, and the County will cause such amounts to be applied to prepay and discharge the 2009 Lease Agreement pursuant to Section 9.1 thereof.

7. The County is authorized to enter into a lease-leaseback arrangement with the Corporation to provide refinancing for the 2009 Project under Sections 25521 and 25536(c) of the California Government Code.

#### A G R E E M E N T :

In consideration of the foregoing and the material covenants hereinafter contained, the County and the Corporation formally covenant, agree and bind themselves as follows:

SECTION 1. *Lease of Leased Property.* The County hereby leases to the Corporation, and the Corporation hereby leases from the County, the Leased Property as described more fully in Appendix A hereto on the terms and conditions hereinafter set forth.

SECTION 2. *Term; Possession.* The term of this Site Lease commences, and the Corporation becomes entitled to possession of the Leased Property, as of the date of recordation hereof. This Site Lease ends, and the right of the Corporation hereunder to possession of the Leased Property thereupon ceases, on the date on which all of the lease payments under the Lease are paid in full, or provision is made for such payment in accordance with the Lease, and the Lease has been discharged, but under any circumstances not later than August 1, 2031.

SECTION 3. *Rental.* The Corporation shall pay to the County as and for rental of the Leased Property hereunder, the sum of \$\_\_\_\_\_ (the "Site Lease Payment"). The Corporation and the County hereby find and determine that the total amount of the Site Lease Payment does not exceed the fair market value of the leasehold interest in the Leased Property which is conveyed hereunder by the County to the Corporation. The Corporation will ensure that the Site Lease Payment will be deposited with the Escrow Agent, as set forth in Section 4 of the Assignment Agreement, and the County acknowledges that the deposit of such moneys will constitute the Site Lease Payment. No other amount of rental is due and payable by the Corporation for the use and occupancy of the Leased Property under this Site Lease.

SECTION 4. *Purpose.* The purpose for which the County agrees to lease the Leased Property to the Corporation hereunder is to enable the Corporation to refinance the 2009 Project.

SECTION 5. *Assignments and Subleases.* Unless the County is in default under the Lease, the Corporation may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property, except as provided in the Lease and the Assignment Agreement, without the prior written consent of the County. If the County is in default under the Lease, the successor in interest to the Corporation may fully and freely assign and sublease the Leased Property or any portion thereof, subject to this Site Lease

SECTION 6. *Right of Entry.* The County reserves the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 7. *Termination.* The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property will remain thereon and the Corporation's leasehold estate in the Leased Property will automatically terminate. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the County to consummate the termination of its leasehold estate under this Section.

SECTION 8. *Default.* If the Corporation is in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Corporation, the County may exercise any and all remedies granted by law, which do not adversely affect the interests of the Assignee, except that no merger of this Site Lease and of the Lease will be deemed to occur as a result thereof and this Site Lease may not be terminated by the County as a remedy for such default. Notwithstanding the foregoing, so long as the Lease remains in effect, the County will continue to pay the Lease Payments to the Assignee.

In the event of the occurrence of an Event of Default under the Lease, the Corporation, upon the written direction of the Assignee or with the prior written consent of the Assignee, may (i) exercise the remedies provided in the Lease, (ii) use the Leased Property for any lawful purpose, subject to any applicable legal limitations or restrictions, and (iii) exercise all options provided herein.

SECTION 9. *Amendments.* The Corporation and the County may at any time amend or modify any of the provisions of this Site Lease, but only with the prior written consent of the Assignee.

SECTION 10. *Quiet Enjoyment.* The Corporation at all times during the term of this Site Lease will peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the Lease and subject only to Permitted Encumbrances.

SECTION 11. *Waiver of Personal Liability.* All liabilities under this Site Lease on the part of the Corporation are solely corporate liabilities of the Corporation as a nonprofit corporation, and the County hereby release each and every member and officer of the Corporation of and

from any personal or individual liability under this Site Lease. No member or officer of the Corporation or its governing board is at any time or under any circumstances individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

SECTION 12. *Taxes.* The County will pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and any improvements thereon.

SECTION 13. *Eminent Domain.* If the whole or any part of the Leased Property, or any improvements thereon, are taken by eminent domain proceedings, the interest of the Corporation will be the aggregate amount of the then unpaid principal components of the Lease Payments payable under the Lease and the balance of the award, if any, will be paid to the County. The County hereby waives any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Leased Property through the eminent domain powers of the County. However, the County hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the County with respect to the Leased Property located thereon shall be in an amount not less than the total unpaid principal component of Lease Payments plus the interest component of Lease Payments accrued to the date of payment of all Lease Payments under the Lease.

SECTION 14. *Partial Invalidity.* If any one or more of the terms, provisions, covenants or conditions of this Site Lease are to any extent declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease will be affected thereby, and each provision of this Site Lease will be valid and enforceable to the fullest extent permitted by law.

SECTION 15. *Notices.* Any notice, request, complaint, demand or other communication under this Site Lease must be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice will be effective either (a) upon transmission by telecopy, telex or other form of telecommunication, (b) 72 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The County, the Corporation and the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the Corporation:* County of Sonoma Public Financing Corporation  
585 Fiscal Drive, Room 101F  
Santa Rosa, CA 95403  
Fax: 707-565-2683

*If to the County:* County of Sonoma  
585 Fiscal Drive, Room 101F  
Santa Rosa, CA 95403  
Fax: 707-565-2683

*If to the Assignee:* Bank of the West  
180 Montgomery Street  
San Francisco, CA 94104  
Attention: Ted Neu  
Phone: (415) 765-4938  
Fax: (866) 235-9308

SECTION 16. *Governing Law.* This Site Lease is governed by the laws of the State of California.

SECTION 17. *Third Party Beneficiary.* The Assignee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

SECTION 18. *Binding Effect.* This Site Lease inures to the benefit of and is binding upon the Corporation, the County and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 19. *Severability of Invalid Provisions.* If any one or more of the provisions contained in this Site Lease are for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions will be deemed severable from the remaining provisions contained in this Site Lease and such invalidity, illegality or unenforceability will not affect any other provision of this Site Lease, and this Site Lease will be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Corporation and the County each hereby declares that it would have entered into this Site Lease and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Site Lease may be held illegal, invalid or unenforceable.

SECTION 20. *No Merger.* Neither this Site Lease, the Lease nor any provisions hereof or thereof shall be construed to effect a merger of the title of the County to the Leased Property under this Site Lease and the County's leasehold interest therein under the Lease

SECTION 21. *Section Headings.* All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 22. *Execution in Counterparts.* This Site Lease may be executed in any number of counterparts, each of which is an original but all together constitute one and the same instrument. It is also agreed that separate counterparts of this Site Lease may be

separately executed by the Corporation and the County, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the County.

SECTION 23. *Defined Terms.* All capitalized terms used herein and not otherwise defined have the respective meanings given those terms in the Lease.

IN WITNESS WHEREOF, the County and the Corporation have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**COUNTY OF SONOMA, as lessor**

By \_\_\_\_\_  
Assistant Auditor-Controller-Treasurer-Tax  
Collector

Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

**COUNTY OF SONOMA PUBLIC  
FINANCING CORPORATION, as lessee**

By \_\_\_\_\_  
Treasurer

## APPENDIX A

### DESCRIPTION OF THE LEASED PROPERTY

The property constituting the Leased Property consists of the land located in the unincorporated area of the County of Sonoma, State of California, which is described as follows, including all buildings, improvements and facilities at any time situated thereon:

All that certain real property situated in the County of Sonoma, State of California, being a portion of the lands of the County of Sonoma, a political subdivision of the State of California, as described in that Grant Deed recorded December 16, 1991 under Document No. 1991 0126155, Sonoma County Records, and the County of Sonoma, as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records, and being more particularly described as follows:

Beginning at a 1/2", iron pipe, tagged LS 5927, shown marking the Northwest corner of the lands of the County of Sonoma as shown on that Record of Survey file in Book 630 of Maps at Page 14, Sonoma County Records; thence from said point of beginning, along the Northerly line of said lands, South 89° 48' 46" East, 303.52 feet to the Northeast corner of said lands marked by a 1/2", iron pipe tagged LS 5927; thence along the Easterly line of said lands, South 20° 14' 34" East, 114.86 feet to an angle point marked by a 3/4" iron pipe tagged S.C.W.A.; thence along the Easterly line of said lands, South 28° 07' 01" East, 218.36 feet; thence, leaving said Easterly line N 89° 49' 31" W, 669.59 feet; thence N 00° 54" E, 316.92 feet to the Northerly line of the lands of the County of Sonoma as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records; thence along said Northerly line S 89° 35' 00" E, 222.51 feet to the Westerly line of the lands of the State of California as shown on said Record of Survey; thence along said Westerly line S 00° 37' 27" W, 16.00 feet to the point of beginning.

Basis of Bearings: Record of Survey of the lands of the County of Sonoma, filed in Book 630 of Maps at Page 14, Sonoma County Records.

**TO BE RECORDED AND WHEN RECORDED**

**RETURN TO:**

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Stephen G. Melikian, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX UNDER SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

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**LEASE AGREEMENT**

Dated as of March 10, 2017

between the

**COUNTY OF SONOMA PUBLIC FINANCING CORPORATION**  
*as lessor*

and the

**COUNTY OF SONOMA**  
*as lessee*

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## LEASE AGREEMENT

This LEASE AGREEMENT (this "Lease"), dated as of March 10, 2017, is between the COUNTY OF SONOMA PUBLIC FINANCING CORPORATION, a nonprofit corporation duly organized and existing under the laws of the State of California (the "Corporation"), as lessor, and the COUNTY OF SONOMA, a general law county duly organized and existing under the laws of the State of California (the "County"), as lessee.

### *BACKGROUND:*

1. The County has heretofore financed the acquisition, construction and installation of certain energy efficiency projects located on County-owned property (as more fully described and as defined herein, the "2009 Project") through the execution and delivery of (i) a Site, Facility and Equipment Lease dated as of April 1, 2009, (the "2009 Site Lease"), between the County, as lessor, and the Corporation, as lessee, (ii) a Lease Agreement dated as of April 1, 2009, (the "2009 Lease Agreement"), between the Corporation, as lessor, and the County, as lessee, (iii) an Assignment Agreement dated as of April 1, 2009 (the "2009 Assignment Agreement" and, together with the 2009 Site Lease and the 2009 Lease Agreement, the "2009 Lease Documents"), between the Corporation, as assignor, and Banc of America Public Capital Corp, a corporation duly organized and existing under the laws of the State of Kansas (the "2009 Bank").

2. The 2009 Lease Agreement is subject to prepayment on or after October 16, 2018, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payments required to be paid on such date, without prepayment premium, and in order to realize debt service savings the County has determined to refinance the 2009 Lease Agreement.

3. In order to provide funds to refinance the 2009 Lease Agreement, the County has agreed to lease to the Corporation the land and improvements which constitute the County's Sheriff's Building, which is more particularly described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property") under a Site and Facility Lease dated as of March 10, 2017 (the "Site Lease"), and recorded concurrently herewith, between the County, as lessor, and the Corporation, as lessee.

4. The Corporation, as lessor, has agreed to lease the Leased Property back to the County, as lessee, under this Lease.

5. The Corporation has further agreed to assign its right to receive lease payments under this Lease and certain other rights to Bank of the West, and its successors and assigns (the "Assignee") under an Assignment Agreement dated as of March 10, 2017 (the "Assignment Agreement"), between the Corporation, as assignor, and the Assignee, as assignee, and recorded concurrently herewith.

6. The Corporation will apply amounts received from the Assignee under the Assignment Agreement to make the Site Lease Payment (as defined to the Site Lease) to the County, and the County will cause such amounts to be applied to prepay and discharge the 2009 Lease Agreement pursuant to Section 9.1 thereof.

7. The County is authorized to enter into a lease-leaseback arrangement with the Corporation to provide refinancing for the 2009 Project under Sections 25521 and 25536(c) of the California Government Code.

## A G R E E M E N T :

In consideration of the foregoing and the material covenants hereinafter contained, the County and the Corporation formally covenant, agree and bind themselves as follows:

### ARTICLE I

#### DEFINITIONS; RULES OF INTERPRETATION

SECTION 1.1. *Definitions.* All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Lease.

"Additional Rental Payments" means the amounts specified as such in Section 4.4.

"Assignee" means (a) initially, Bank of the West, and its successors and assigns, as assignee of certain rights of the Corporation hereunder, and (b) any other entity to whom the rights of the Corporation hereunder are assigned.

"Assignment" means the Assignment Agreement dated as of March 10, 2017, between the Corporation as assignor and the Assignee as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys acceptable to the Assignee of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

"Business Day" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California.

"Closing Date" means the date of execution and delivery of this Lease by the parties hereto, being March \_\_, 2017.

"Corporation" means County of Sonoma Public Financing Corporation, a nonprofit corporation duly organized and existing under the laws of the State of California.

"County" means the County of Sonoma, a general law county duly organized and existing under the laws of the State of California.

"Default Rate" shall have the meaning set forth in the Supplemental Agreement.

"Escrow Agent" means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow Deposit and Trust Agreement dated as of March 10, 2017, among the Corporation, the County and the Escrow Agent, relating to the payment and prepayment of the 2009 Lease Agreement and the discharge of the Corporation's and the County's obligations relating thereto and to the 2009 Lease Documents.

"Event of Default" means any of the events of default as defined in Section 8.1.

"Excess Amounts" shall have the meaning set forth in Section 4.3(c).

"Fiscal Year" means each twelve-month period during the Term of this Lease commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the County as its fiscal year period.

"Lease" means this Lease Agreement, dated as of March 10, 2017, between the Corporation, as lessor, and the County, as lessee.

"Lease Payments" means all payments required to be paid by the County under Section 4.3, including any prepayment thereof under Sections 9.2 or 9.3.

"Lease Payment Date" means each February 1 and August 1, commencing August 1, 2017, and continuing to and including the date on which the Lease Payments are paid in full.

"Leased Property" means the real property that is more particularly described in Appendix A and all improvements thereon. In the event of the substitution of any property under Section 4.6 or the release of any property under Section 4.7, the description of the Leased Property will be modified to reflect such release.

"Net Proceeds" means any eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers) or any insurance award under Section 5.4, paid with respect to the Leased Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"Permitted Encumbrances" means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may permit to remain unpaid under Article V of this Lease; (b) this Lease, the Site Lease and the Assignment; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy issued with respect to the Leased Property issued as of the Closing Date; (e) the Prior Site Lease and the Prior Lease; and (f) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions or any other encumbrances which exist of record with respect to the Leased Property to which the County and the Assignee consent in writing and which the County certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

"Rental Period" means, initially, the period beginning on the Closing Date and ending on July 31, 2017, and, thereafter, each six-month period starting on a Lease Payment Date and ending on the date prior to the next Lease Payment Date.

"Site Lease" means the Site and Facility Lease dated as of March 10, 2017, between the County as lessor and the Corporation as lessee of the Leased Property, as originally executed

or as thereafter amended under any duly authorized and executed amendments and supplements thereto.

"Supplemental Agreement" means that certain Supplemental Agreement, dated as of March 10, 2017, by and between the County and the Assignee, including any amendments or supplements thereto.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

"Term of this Lease" or "Term" means the time during which this Lease is in effect, as provided in Section 4.2.

"2009 Assignment" means the Assignment Agreement dated as of April 1, 2009, between the Corporation, as assignor, and the 2009 Bank, as assignee, and recorded as Document 2009-034754 with the Sonoma County Recorder's Office.

"2009 Lease Agreement" means the Lease Agreement, dated as of April 1, 2009, between the Corporation, as lessor, and the County, as lessee, and recorded as Document 2009-034753 with the Sonoma County Recorder's Office.

"2009 Project" means certain energy-related infrastructure upgrades, including but not limited to: the 1.4 megawatt fuel cell generating facility to be acquired and installed by the County at 2680 Ventura Drive, Santa Rosa, California 95403, improvements and replacement equipment at the central utility plant, lighting retrofits, chiller replacements, and water conservation measures to be installed on County-owned property under the Agreement between Vidortx, Inc., a California corporation dba Aircon Energy Inc. and the County .

"2009 Site Lease" means the Site, Facility and Equipment Lease dated as of April 1, 2009, between the County, as lessor, and the Corporation, as lessee, and recorded as Document 2009-034752 with the Sonoma County Recorder's Office.

#### SECTION 1.2. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or subdivision hereof.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

SECTION 2.1. *Covenants, Representations and Warranties of the County.* The County makes the following covenants, representations and warranties to the Corporation as of the Closing Date:

- (a) Due Organization and Existence. The County is a general law county duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into this Lease, the Site Lease, the Escrow Agreement and the Supplemental Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the County has duly authorized the execution and delivery of this Lease, the Site Lease, the Escrow Agreement and the Supplemental Agreement.
- (b) Due Execution. The representatives of the County executing this Lease, the Site Lease, the Escrow Agreement and the Supplemental Agreement have been fully authorized to execute the same under a resolution duly adopted by the Board of Supervisors of the County.
- (c) Valid, Binding and Enforceable Obligations. This Lease, the Site Lease, the Escrow Agreement and the Supplemental Agreement have been duly authorized, executed and delivered by the County and constitute the legal, valid and binding agreements of the County enforceable against the County in accordance with their respective terms.
- (d) No Conflicts. The execution and delivery of this Lease, the Site Lease, the Escrow Agreement and the Supplemental Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the County is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the County, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Escrow Agreement and the Supplemental Agreement, or the financial condition, assets, properties or operations of the County.
- (e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the County or of the voters of the County, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection

with the execution and delivery of this Lease, the Site Lease, the Escrow Agreement and the Supplemental Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

- (f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the best knowledge of the County, threatened against or affecting the County or the assets, properties or operations of the County which, if determined adversely to the County or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease, the Site Lease, the Escrow Agreement or the Supplemental Agreement, or upon the financial condition, assets, properties or operations of the County, and the County is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Escrow Agreement or the Supplemental Agreement or the financial conditions, assets, properties or operations of the County.
- (g) Essential Use. The Leased Property is essential to the proper, efficient and economic operation of County and serves an essential governmental function of County

SECTION 2.2. *Covenants, Representations and Warranties of the Corporation*. The Corporation makes the following covenants, representations and warranties to the County as of the Closing Date:

- (a) Due Organization and Existence. The Corporation is a nonprofit corporation duly organized and existing under the laws of the State of California, has full legal right, power and authority to enter into this Lease, the Site Lease, the Assignment and the Escrow Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery of this Lease, the Site Lease, the Assignment and the Escrow Agreement.
- (b) Due Execution. The representatives of the Corporation executing this Lease, the Site Lease, the Assignment and the Escrow Agreement are fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.
- (c) Valid, Binding and Enforceable Obligations. This Lease, the Site Lease, the Assignment and the Escrow Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

- (d) No Conflicts. The execution and delivery of this Lease, the Site Lease, the Assignment, and the Escrow Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Assignment and the Escrow Agreement or the financial condition, assets, properties or operations of the Corporation.
- (e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease, the Site Lease, the Assignment and the Escrow Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.
- (f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the best knowledge of the Corporation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease, the Site Lease, the Assignment or the Escrow Agreement, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Assignment or the Escrow Agreement or the financial conditions, assets, properties or operations of the Corporation.

## ARTICLE III

### DEPOSIT AND APPLICATION OF FUNDS; 2009 PROJECT

SECTION 3.1. *Deposit of Moneys.* Pursuant to the Site Lease and the Assignment Agreement, the Assignee shall transfer the proceeds of the Site Lease Payment Lease on the Closing Date to the Escrow Agent, to be deposited and applied as provided in the Escrow Agreement.

Section 3.2. *2009 Project.* The County hereby acknowledges and agrees that its obligation to make the Lease Payments and Additional Rental Payments due hereunder do not depend on the County's use and occupancy of the 2009 Project. Such Lease Payments and Additional Rental Payments are due and payable in accordance with the terms of this Lease notwithstanding of the status of the 2009 Project.

## ARTICLE IV

### LEASE PAYMENTS; SUBSTITUTION AND RELEASE OF PROPERTY

SECTION 4.1. *Lease of Leased Property.* The Corporation hereby leases the Leased Property to the County, and the County hereby leases the Leased Property from the Corporation, upon the terms and conditions set forth in this Lease.

SECTION 4.2. *Term.* The Term of this Lease commences on the date of execution and delivery hereof and ends on the date on which all of the Lease Payments and Additional Rental Payments have been paid in full, but under any circumstances not later than August 1, 2036. The provisions of this Section 4.2 are subject to the provisions of Section 4.6 relating to the substitution of property, the provisions of Section 4.7 relating to the release of property, and the provisions of Section 6.2 relating to the taking in eminent domain of the Leased Property or any portion thereof. The County may not terminate this Lease as a remedy for a default by the Corporation.

SECTION 4.3. *Lease Payments.*

(a) Obligation to Pay. Subject to the provisions of Sections 6.2 and 6.3 and the provisions of Article IX, the County agrees to pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Appendix B attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on the Lease Payment Dates specified in Appendix B. The Lease Payments payable in any Rental Period are for the use of the Leased Property during such Rental Period. The interest components of the Lease Payments have been calculated based on an interest rate of 2.45% per annum, on the basis of a 360-day year.

(b) Effect of Prepayment. If the County prepays all Lease Payments in full under Sections 9.2 or 9.3, the County's obligations under this Section will thereupon cease and terminate. If the County prepays the Lease Payments in part but not in whole under Sections 9.2 or 9.3, the principal components of the remaining Lease Payments will be reduced on a pro

rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis.

(c) Rate Following an Event of Default. Following an event of default under Section 8.1 hereof and so long as such event of default continues, in addition to paying the Lease Payments set forth in Exhibit B, the County shall pay to the Assignee on each Lease Payment Date an amount equal to the difference between the interest paid on such date and the amount determined by paying the Default Rate on the unpaid principal amount of this Lease (the "Excess Amounts").

(d) Fair Rental Value. The Lease Payments and Additional Rental Payments coming due and payable during each Rental Period constitute the total rental for the Leased Property for such Rental Period, and the County will pay the Lease Payments and Additional Rental Payments in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Rental Period. The Corporation and the County have agreed and determined that the total Lease Payments represent the fair rental value of the Leased Property. In making that determination, consideration has been given to the estimated fair market value of the Leased Property as of the Closing Date, other obligations of the County and the Corporation under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the County and the general public.

(e) Source of Payments; Budget and Appropriation. The Lease Payments and Additional Rental Payments are payable from any source of legally available funds of the County, subject to the provisions of Section 3.3 and Articles VI and IX.

The County covenants to take such action as may be necessary to include all estimated Lease Payments and Additional Rental Payments due hereunder in each of its final approved budgets. The County further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the County for the Lease Payments and Additional Rental Payments that come due and payable during the period covered by each such budget. The covenants on the part of the County contained herein are duties imposed by law and it is the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the County. The County reasonably believes that sufficient funds will be obtained to make all Lease Payments and Additional Rental Payments and other amounts required to be paid by the Lease Agreement.

(f) Assignment. The County acknowledges that all Lease Payments and Additional Rental Payments and the other rights of the Corporation under this Lease and the Site Lease (subject to certain limited exceptions as provided in the Assignment) have been assigned by the Corporation to the Assignee in trust under the Assignment, and the County consents to such assignment. By virtue of such assignment, the Assignee may enforce any right, remedy or claim conferred, given or granted to the Corporation hereunder (subject to certain exceptions as provided in the Assignment). The Corporation directs the County, and the County agrees to pay to the Assignee, all payments payable by the County under this Section 4.3 and all amounts payable by the County under Article IX. Further, the County and the Corporation hereby acknowledge and agree that the Assignee may further assign its rights under the Assignment Agreement with notice to but not consent of the County, except that unless otherwise agreed to by the County, (i) the County shall not be required to pay Lease Payments or pay prepayments

to more than one individual or entity or send notices or otherwise deal with respect to matters arising under this Lease with or to more than one individual or entity and (ii) any such assignment, transfer or conveyance shall be made only pursuant to Section 5 of the Assignment Agreement. Any such assignment, transfer or conveyance may be to a trustee for the benefit of owners of certificates of participation or to a servicer in connection with a participation arrangement so long as the conditions provided in the next preceding sentence are satisfied.

To the extent that Assignee assigns, transfers or conveys its interests in a manner that results in more than one owner of all interests in this Lease, the County hereby appoints Assignee and Assignee hereby agrees, to act as a registration agent to keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Tax Code.

In the event of any sale, assignment or transfer of Assignee's interest under this Lease or in the Leased Property, the County shall attorn to Assignee's successor and shall recognize such successor as Assignee under this Lease, said attornment to be effective and self-operative without the execution of any other instruments on the part of either party hereto immediately upon such successor succeeding to the interest of Assignee hereunder, and this Lease shall continue in accordance with its terms between the County, as lessee, and such successor, as the Corporation.

SECTION 4.4. *Additional Rental Payments.* In addition to the Lease Payments, the County shall pay when due the following amounts of Additional Rental Payments in consideration of the lease of the Leased Property by the County from the Corporation hereunder:

(a) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Leased Property or upon any interest of the Assignee therein or in this Lease; provided, however, the County may, at the County's expense and in its name, in good faith contest any such taxes and assessments and, in the event of such contest, may permit such taxes and assessments to remain unpaid during the period of such contest and appeal therefrom unless such nonpayment will adversely affect the interest of the Assignee hereunder;

(b) insurance premiums, if any, on all insurance required under the provisions of Article V;

(c) any other reasonable fees, costs or expenses incurred by the Assignee in connection with the execution, performance or enforcement of this Lease or any of the transactions contemplated hereby or related to the Leased Property, including, without limitation, any amounts which may become due; provided, however, the County shall not be responsible for any costs incurred by the Assignee associated with any assignment of this Lease;

(d) all fees and expenses incurred by the Corporation in connection with or by reason of its leasehold estate in the Leased Property, when due,

(e) the reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged to prepare audits, financial statements, reports, opinions or provide such other services required under this Lease,

(f) amounts coming due and payable as excess investment earnings in accordance with Section 7.6(c),

(g) the reasonable out-of-pocket expenses of the Corporation in connection with the execution and delivery of this Lease, or incurred by the Corporation in connection with any litigation which may at any time be instituted involving this Lease or any of the other documents contemplated hereby, or otherwise incurred in connection with the administration of this Lease,

(h) any Excess Amounts, and

(i) any other amount owing to the Assignee under the Supplemental Agreement.

SECTION 4.5. *Title.* At all times during the Term of this Lease, the County will hold title to the Leased Property, subject to the Site Lease and other Permitted Encumbrances, including all additions which comprise fixtures, repairs, replacements or modifications thereto, and subject to the provisions of Section 5.2.

Upon the termination or expiration of this Lease (other than under Section 8.2(b) hereof), the Corporation's leasehold estate in the Leased Property will automatically terminate. Upon the payment in full of all Lease Payments, or upon the deposit by the County of security for such Lease Payments as provided in Section 9.1, the Corporation's leasehold estate in the Leased Property will automatically terminate. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the County to consummate the termination of its leasehold estate under this Section.

SECTION 4.6. *Substitution of Property.* The County has, and is hereby granted, the option at any time and from time to time thereafter to substitute other real property similar in nature and characteristics to the Leased Property (the "Substitute Property") for the Leased Property or any portion thereof (the "Former Property"), provided that the County must satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(a) No Event of Default has occurred and is continuing.

(b) The County has filed with the Corporation and the Assignee, and caused to be recorded in the office of the Sonoma County Recorder sufficient memorialization of, an amendment hereof which adds to Appendix A hereto a description of such Substitute Property and deletes therefrom the description of such Former Property.

(c) The County has obtained a CLTA policy of title insurance insuring the County's leasehold estate hereunder in the Leased Property after substitution, subject only to Permitted Encumbrances, satisfying the requirements of Section 5.6 hereof.

(d) The County has certified in writing to the Corporation and the Assignee that such Substitute Property constitutes property which the County is permitted to lease under the laws of the State of California, and has been determined to be essential to the proper, efficient and economic operation of the County and to serve an essential governmental function of the County.

- (e) The County has obtained the prior written consent of the Assignee.
- (f) The County has filed with the Corporation and the Assignee an appraisal or other written documentation prepared by a mutually agreeable third party that establishes that the fair market value of the Leased Property after substitution is at least equal to the aggregate outstanding principal amount of the Lease Payments, that the fair rental value of the Leased Property after substitution is at least equal to the Lease Payments thereafter coming due and payable hereunder, and that the useful life of the Leased Property after substitution at least equals the final Lease Payment Date of the Lease Payments allocable thereto.
- (g) The County has filed with the Assignee all other documents and opinions reasonably requested by the Assignee.

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The County is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution. The Corporation and the County will execute, deliver and cause to be recorded all documents required to discharge this Lease against the Former Property.

SECTION 4.7. *Release of Property.* The County has the option at any time and from time to time thereafter to release any portion of the Leased Property from this Lease and the Site Lease (the "Released Property") provided that the County has satisfied all of the following requirements that are hereby declared to be conditions precedent to such release:

- (a) No Event of Default has occurred and is continuing.
- (b) The County has filed with the Corporation and the Assignee, and caused to be recorded in the office of the Sonoma County Recorder, if applicable, sufficient memorialization of, an amendment hereof which removes the Released Property from this Lease and the Site Lease.
- (c) The County has filed with the Corporation and the Assignee an appraisal or other written documentation prepared by a mutually agreeable third party that establishes that the fair market value of the property which remains subject to this Lease and the Site Lease following such removal is at least equal to the aggregate outstanding principal amount of the Lease Payments, and the fair rental value of the property which remains subject to this Lease and the Site Lease following such removal is at least equal to the Lease Payments thereafter coming due and payable hereunder.
- (d) The County has obtained the prior written consent of the Assignee.

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Released Property. The County is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the County will execute, deliver and cause to be recorded

all documents, if any, required to discharge this Lease and the Site Lease of record against the Released Property.

SECTION 4.8. *No Merger.* It is the express intention of the Corporation and the County that this Lease and the obligations of the parties hereunder are separate and distinct from the Site Lease and the obligations of the parties thereunder, and that during the term of the Site Lease and this Lease no merger of title or interest may occur or be deemed to occur as a result of the respective positions of the Corporation and the County thereunder and hereunder.

## ARTICLE V

### MAINTENANCE, TAXES, INSURANCE AND OTHER MATTERS

SECTION 5.1. *Maintenance, Utilities, Taxes and Assessments.* Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, and in order to ensure that the County maintain the Leased Property in proper working order so that it may be used for its intended purpose, all improvement, repair and maintenance of the Leased Property are the sole responsibility of the County, and the County will pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Leased Property, as hereinbefore more specifically set forth. The County waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the County under the terms of this Lease.

The County will also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation, the Assignee or the County affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County is obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation or the Assignee notifies the County that, in its reasonable opinion, by nonpayment of any such items the interest of the Corporation or the Assignee in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the County will promptly pay such taxes, assessments or charges or provide the Corporation or the Assignee, as applicable, with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Assignee.

SECTION 5.2. *Modification of Leased Property.* The County has the right, at its own expense, to make additions, modifications and improvements to the Leased Property

constituting real property or any portion thereof. All such additions, modifications and improvements will thereafter comprise part of the Leased Property and become subject to the provisions of this Lease. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. The County will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the County under this Section; provided that if any such lien is established and the County first notifies the Corporation and the Assignee of the County's intention to do so, the County may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and will provide the Corporation and the Assignee with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation and the Assignee. The Corporation and the Assignee will cooperate fully in any such contest, upon the request and at the expense of the County.

SECTION 5.3. *Public Liability and Property Damage Insurance.* The County will maintain or cause to be maintained, throughout the Term of this Lease, comprehensive general insurance in protection of the Corporation, the Assignee, the County and their respective members, officers, agents, employees and assigns. Such insurance must provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such insurance must provide coverage of at least \$1,000,000 per occurrence, \$3,000,000 in aggregate, and \$5,000,000 excess liability and be subject to such deductibles as the County deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the County, and may be maintained in whole or in part in the form of a program of self-insurance by the County, or in the form of the participation by the County in a joint powers authority or other program providing pooled insurance. The County will apply the proceeds of such insurance toward extinguishment or satisfaction of the liability with respect to which the net proceeds are paid.

SECTION 5.4. *Casualty Insurance.* The County will procure and maintain, or cause to be procured and maintained, at all times throughout the Term of this Lease, casualty insurance against loss or damage to the insured buildings, facilities and other improvements constituting any part of the Leased Property, in an amount at least equal to the greater of (a) the replacement value of such buildings, facilities and improvements, or (b) the aggregate principal amount of the Lease Payments outstanding. Such insurance must, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, and must include earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the reasonable determination of the County, whose determination is final and conclusive. In the event the County delivers Substitute Property pursuant to Section 4.6 hereof, such coverage shall also include flood coverage if the County would normally procure and maintain flood coverage for the Substitute Property and flood coverage is available at reasonable cost from reputable insurers in the reasonable judgment of the County. Such insurance may be subject to such deductibles as the County deems prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the County, and may be

maintained in whole or in part in the form of the participation by the County in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the County in the form of self-insurance. The County will apply the Net Proceeds of such insurance as provided in Section 6.1.

SECTION 5.5. *Rental Interruption Insurance.* The County will procure and maintain, or cause to be procured and maintained, at all times throughout the Term of this Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the buildings, facilities and other improvements constituting any part of the Leased Property, as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments and Excess Amounts coming due and payable during any two consecutive Fiscal Years during the remaining Term of this Lease. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the County, and may be maintained in whole or in part in the form of the participation by the County in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the County in the form of self-insurance. The Net Proceeds of such insurance, if any, will be credited towards the payment of the Lease Payments and the Excess Amounts allocable to the insured improvements as the same become due and payable.

In the event Excess Amounts begin to accrue under Section 4.1(c) hereof, the County shall have 30 days to increase the amount of the rental interruption insurance to cover the Excess Amounts.

SECTION 5.6. *Recordation Hereof; Title Insurance.* The County will, at its expense, cause the Site Lease, the Assignment and this Lease to be recorded in the office of the Sonoma County Recorder on or before the Closing Date. Concurrent with such recordation, the County will obtain a CLTA title insurance policy insuring the County's leasehold estate in the Leased Property hereunder, in an amount at least equal to the aggregate principal amount of the Lease Payments, and in form satisfactory to the Corporation and the Assignee. All Net Proceeds received under such title insurance policy will be credited towards the prepayment of the Lease Payments under Section 9.3.

SECTION 5.7. *Insurance Net Proceeds; Form of Policies.* Each policy of insurance maintained under Sections 5.4, 5.5 and 5.6 must name the Assignee as loss payee and each policy of insurance maintained under Sections 5.3, 5.4, 5.5 and 5.6 must name the Assignee as additional insured so as to provide that all proceeds thereunder (except under proceeds of the insurance required by Section 5.3) are payable to the Assignee. The County will pay or cause to be paid when due the premiums for all insurance policies required by this Lease. All such policies will provide that the Assignee is given 30 days' notice of each alteration or expiration of coverage, any intended cancellation thereof or reduction of the coverage provided thereby. The Assignee is not responsible for the sufficiency, adequacy or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. Annually not later than April 1 in each year during the Term hereof, the County must furnish or cause to be furnished to the Assignee evidence of all insurance policies required to be maintained by this Article V, which may consist of a certificate describing material terms of such policies.

SECTION 5.8. *Installation of County's Personal Property.* The County may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property.

All such items will remain the sole property of the County, in which neither the Corporation nor the Assignee has any interest, and may be modified or removed by the County at any time, provided that the County must repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease prevents the County from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest attaches to any part of the Leased Property.

SECTION 5.9. *Liens.* The County may not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, deed of trust, security interest, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property (including the charge upon property purchased under conditional sales or other title retention agreements), other than as herein contemplated. Except as expressly provided in this Article, the County will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same will arise at any time. The County will reimburse the Corporation and the Assignee for any expense incurred by either in order to discharge or remove any such mortgage, deed of trust, security interest, pledge, lien, charge, encumbrance or claim. Notwithstanding the foregoing provisions, the County may create, assume or suffer to exist Permitted Encumbrances. The County may not sell or otherwise dispose of or abandon the Leased Property or any other property essential to the proper operation of the Leased Property.

SECTION 5.10. *Environmental Covenants.*

(a) The Corporation shall not be obligated to monitor compliance of the Leased Property with applicable environmental or other laws. The Corporation shall not have any obligations or responsibility to foreclose or otherwise further involve itself with the Leased Property under any circumstance, including any instance where either the Corporation is notified of any non-compliance of the Leased Property with applicable environmental or other laws. The County represents that the Lease Property is currently in full compliance with all applicable federal, state and local environmental laws. It is expressly understood that the Corporation shall not have the right or the obligation to monitor the County's compliance with environmental laws. The County hereby further represents and warrants to the Corporation that the County, its officers, employees or agents have neither ever caused or permitted and shall neither ever cause or permit Hazardous Substances (as defined below) to be generated, placed, housed, located or disposed of on, under or in the Leased Property, nor ever use the Leased Property as a dump site, permanent or temporary storage site or transfer station for any Hazardous Substance, except as otherwise noted in writing by the County delivered to the Assignee. The County further represents and warrants to the Corporation that it shall not allow any actual or alleged violation with respect to the Leased Property of any federal, state or local statute, ordinance, rule regulation or other law pertaining to Hazardous Substances.

(b) To the greatest extent permitted by law, the County agrees to hold harmless, indemnify and defend the Corporation and the Assignee from and against any claim, demand, penalty, fee, lien, damage, loss expense or liability resulting from (i) any breach of the representations and warranties made by it in this Section or any failure, for any reason to comply with environmental laws, rules and regulations, including reasonable attorneys' fees and costs of, or in preparation for, any trial or appellate review, and (ii) any actual or alleged Hazardous Substance contamination, including the clean-up of Hazardous Substances from the Leased Property or any other properties resulting from any activities on the Leased Property

during the County's ownership, possession or control of the Leased Property which directly or indirectly result in the Leased Property or any other property being contaminated with Hazardous Substances. This indemnity shall survive the termination hereof and shall continue to inure to the benefit of the Corporation and the Assignee notwithstanding any assignment by the Corporation of its other rights hereunder, as well as any assignment by any assignee of the Corporation's rights hereunder; *provided, however*, that the obligations of the County under this Section are specifically limited to payment from such moneys of the County as are available at such time from the proceeds of insurance, self-insurance and legally available funds.

(c) The Corporation acknowledges that so long as the County operates the Leased Property for purposes related to providing law enforcement, any Hazardous Substance generated, placed, housed or located on, under or in the Leased Property, in the ordinary course of the County's operation of the Leased Property, shall not violate this Lease or the Site Lease, so long as the County complies with all federal, State or local statutes, ordinances, rules, regulation or other laws applicable to the handling and disposal of such Hazardous Substances.

(d) As used herein, "*Hazardous Substance*" shall mean any hazardous, toxic or dangerous substance, waste, material or underground storage tanks that are or may become regulated under any federal, State or local statute, ordinance, rule, regulation or other law now or hereafter in effect pertaining to environmental protection, contamination or clean-up.

SECTION 5.11. *Advances*. If the County fails to perform any of its obligations under this Article V, the Corporation or the Assignee may take any necessary action to cure the failure, including the advancement of money, and the County will repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.3(c).

## **ARTICLE VI**

### **DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS**

SECTION 6.1. *Application of Net Proceeds*. The Net Proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings, and the Net Proceeds of any insurance award with respect to the Leased Property under Section 5.4, will be paid to the Corporation or the Assignee, as applicable, to be applied as hereinafter set forth in this Section 6.1.

If the Leased Property is taken in eminent domain proceedings at any time during the Term of this Lease, or if the Leased Property is damaged or destroyed, the County shall as soon as practicable after such event, with the prior written consent of the Corporation and the Assignee, apply the Net Proceeds resulting therefrom either to: (a) repair the Leased Property to full use; or (b) replace the Leased Property, at the County's sole cost and expense, with property of equal or greater value to the Leased Property immediately prior to the time of the such destruction or damage, such replacement Leased Property to be subject to the Corporation's and the Assignee's reasonable approval, whereupon such replacement shall be substituted in this Lease by appropriate endorsement. The County will notify the Corporation and the Assignee of which course of action it desires to take within 15 days after the occurrence of such destruction or damage. The Corporation or the Assignee may (but is not required to) in its own name or in the County's name execute and deliver proofs of claim, receive all such

moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy, and the County hereby grants to the Corporation and the Assignee a power of attorney coupled with an interest to accomplish all or any of the foregoing. The Net Proceeds of all insurance payable with respect to the Leased Property shall be available to the County and shall be used to discharge the County's obligations under this Section.

SECTION 6.2. *Termination or Abatement Due to Eminent Domain.* If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease will cease with respect thereto as of the day possession is so taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) this Lease will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be determined by the County such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

SECTION 6.3. *Abatement Due to Damage or Destruction.* The amount of Lease Payments will be abated during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy by the County of the Leased Property or any portion thereof. The amount of such abatement will be reasonably determined by the County such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Lease will continue in full force and effect and the County waives any right to terminate this Lease by virtue of any such damage and destruction. Notwithstanding the foregoing, there will be no abatement of Lease Payments under this Section 6.3 to the extent that the proceeds of hazard insurance, rental interruption insurance are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute a special fund for the payment of the Lease Payments.

## ARTICLE VII

### OTHER COVENANTS

SECTION 7.1. *Disclaimer of Warranties.* THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE COUNTY OF THE LEASED PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. THE COUNTY ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE COUNTY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event will the Corporation be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease for the existence, furnishing, functioning or the County's use of the Leased Property.

SECTION 7.2. *Access to the Leased Property.* The County agrees that the Corporation and any Corporation Representative, and the Corporation's successors or assigns, may at all reasonable times enter upon and to examine and inspect the Leased Property or any part thereof. The Corporation and any Corporation Representative and the Corporation's successors or assigns, have such rights of access to the Leased Property or any component thereof as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the County to perform its obligations hereunder; but neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

SECTION 7.3. *Release and Indemnification Covenants.* The County will indemnify the Corporation and the Assignee, and their respective officers, agents, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of any of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the County,
- (b) any breach or default on the part of the County in the performance of any of its obligations under this Lease,
- (c) any negligence, bad faith or willful misconduct of the County or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, or
- (d) any intentional misconduct or negligence of any sublessee of the County with respect to the Leased Property.

No indemnification is made under this Section or elsewhere in this Lease for willful misconduct or negligence under this Lease by the Corporation or for willful misconduct or gross negligence under this Lease by the Assignee, or their respective officers, agents, employees, successors or assigns.

SECTION 7.4. *Assignment and Subleasing by the County.* After the date of recordation of this Lease, the County may sublease the Leased Property, or any portion thereof, with the prior written consent of the Assignee (which will not unreasonably be withheld), and subject to all of the following conditions:

- (a) This Lease and the obligation of the County to make Lease Payments and Additional Rental Payments hereunder must remain obligations of the County.
- (b) The County must, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Assignee a true and complete copy of such sublease.
- (c) No such sublease by the County may cause the Leased Property to be used for a purpose that is not authorized under the provisions of the laws of the State of California.
- (d) The County will furnish the Corporation and the Assignee with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State of California.

SECTION 7.5. *Amendment of Lease Agreement.* This Lease may be amended by the mutual consent of the County and the Corporation, with the prior written consent of the Assignee. Prior to the effective date of any such amendment, and as a condition precedent to the effectiveness thereof, the County at its expense will obtain an opinion of Bond Counsel stating that such amendment will not adversely affect the exclusion from gross income of the interest component of the Lease Payments.

SECTION 7.6. *Tax Covenants.*

(a) Private Activity Bond Limitation. The County shall assure that proceeds of this Lease are not used so as to cause the interest components of the Lease Payments to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The County shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Lease Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) Rebate Requirement. The County shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Lease Payments.

(d) No Arbitrage. The County shall not take, or permit or suffer to be taken by the Assignee or otherwise, any action with respect to the proceeds of this Lease which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of execution of this Lease would have caused this Lease to be "arbitrage bonds" within the meaning of section 148 of the Tax Code.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. *Events of Default Defined.* Each of the following events constitutes an Event of Default hereunder:

- (a) Failure by the County to pay any Lease Payment or Excess Amount within two Business Days of the applicable Lease Payment Date in full at the time specified herein.
- (b) Failure by the County to pay any Additional Rental Payment (other than Excess Amounts) within thirty days of the payment time specified herein.
- (c) Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed herein, other than as referred to in the preceding subsection (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Corporation or the Assignee. However, if the County notifies the Corporation and the Assignee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 30 day period, the failure will not constitute an Event of Default if the County commences to cure the failure within such 30 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time.
- (d) The filing by the County of a voluntary petition in bankruptcy, or failure by the County promptly to lift any execution, garnishment or attachment, or adjudication of the County as a bankrupt, or assignment by the County for the benefit of creditors, or the entry by the County into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the County in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.
- (e) Failure by the County to make, or cause to be made, any lease payment due under the Prior Lease from the security deposit made by the County pursuant to the Escrow Agreement.
- (f) Any representation or warranty made by the County herein proves to have been false, incorrect, misleading, or breached in any material respect on the date when made.
- (g) Any Event of Default as set forth in Section 6.01 of the Supplemental Agreement exists of which County has been given notice by the Assignee.

SECTION 8.2. *Remedies on Default.* Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease. Notwithstanding anything herein to the contrary, there is no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable.

Each and every covenant hereof to be kept and performed by the County is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; provided, that no termination of this Lease will be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise each and every one of the following remedies, subject in all respects to the limitations set forth in Section 8.3:

- (a) Enforcement of Payments Without Termination. If the Corporation does not elect to terminate this Lease in the manner hereinafter provided for in subsection (b) of this Section, the County agrees to remain liable for the payment of all Lease Payments and the performance of all conditions herein contained, and the Corporation may take whatever action at law or in equity may appear necessary or desirable, to collect each Lease Payment as it becomes due hereunder. The County will reimburse the Corporation for any deficiency arising out of the re-leasing or sale of the Leased Property or portion thereof, or, if the Corporation is unable to re-lease or sell the Leased Property, then for the full amount of all Lease Payments to the end of the Term of this Lease, but said Lease Payments and/or deficiency will be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Leased Property or portion thereof or the exercise of any other remedy by the Corporation.

The County hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the County to enter upon and re-lease the Leased Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Leased Property, to place such property in storage or other suitable place in the County of Sonoma for the account of and at the expense of the County, and the County hereby agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Leased Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The County agrees that the terms of this Lease constitute full and sufficient notice of the right of the Corporation to re-lease the Leased Property in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Corporation in effecting such re-leasing constitute a surrender or termination of this Lease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the County the right to

terminate this Lease will vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subsection (b) of this Section. The County agrees to surrender and quit possession of the Leased Property upon demand of the Corporation for the purpose of enabling the Leased Property to be re-let under this paragraph. Any rental obtained by the Corporation in excess of the unpaid Lease Payments will be applied as a credit against future Lease Payments.

- (b) Termination of Lease. If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease and re-lease all or any portion of the Leased Property. If the Corporation terminates this Lease at its option and in the manner hereinafter provided on account of default by the County (and notwithstanding any re-entry upon the Leased Property by the Corporation in any manner whatsoever or the re-leasing of the Leased Property), the County nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments. Any surplus received by the Corporation from such re-leasing will be applied as a credit against future Lease Payments. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation will of itself operate to terminate this Lease, and no termination of this Lease on account of default by the County will be or become effective by operation of law, or otherwise, unless and until the Corporation has given written notice to the County of the election on the part of the Corporation to terminate this Lease. The County agrees that no surrender of the Leased Property, or of the remainder of the Term hereof or any termination of this Lease will be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.
- (c) Proceedings at Law or In Equity. If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.
- (d) Remedies under the Site Lease. If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

SECTION 8.3. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy is cumulative and in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it is not necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

SECTION 8.4. *Agreement to Pay Attorneys' Fees and Expenses.* If either party to this Lease defaults under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 8.5. *No Additional Waiver Implied by One Waiver.* If any agreement contained in this Lease is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not constitute a waiver of any other breach hereunder.

SECTION 8.6. *Assignee to Exercise Rights.* Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Assignee under the Assignment, to which assignment the County hereby consents. Such rights and remedies shall be exercised solely by the Assignee.

## ARTICLE IX

### PREPAYMENT OF LEASE PAYMENTS

SECTION 9.1. *Security Deposit.* Notwithstanding any other provision of this Lease, the County may on any date secure the payment of the Lease Payments in whole or in part by depositing with a fiduciary an amount of cash which is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, no later than seven (7) days from the date such cash is so deposited, or (b) invested in whole or in part in non-callable Federal Securities in such amount as will, in the opinion of an independent certified public accountant, (which opinion must be addressed and delivered to the Assignee), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments no later than seven (7) days from the date such cash is so deposited as the County instructs at the time of said deposit.

If the County posts a security deposit under this Section with respect to all unpaid Lease Payments, and notwithstanding the provisions of Section 4.2, (a) the Term of this Lease will continue, (b) all obligations of the County under this Lease, and all security provided by this Lease for said obligations, will thereupon cease and terminate, excepting only the obligation of the County to make, or cause to be made all of the Lease Payments from such security deposit, and (c) under Section 4.6, the Corporation's leasehold interest in the Leased Property will terminate on the date of said deposit automatically and without further action by the County or the Corporation. Said security deposit constitutes a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

SECTION 9.2. *Optional Prepayment.* (a) The County may exercise its option to prepay the principal components of the Lease Payments in whole, or in part, (i) on any date prior to or on February 1, 2022, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payment accrued thereon and remaining unpaid, plus a prepayment premium equal to one percent (1%) of the principal component being prepaid, and (ii) on any date after February 1, 2022, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payment accrued thereon and remaining unpaid, without prepayment premium, plus any Additional Rental Payment due as of the prepayment date. The County will give the Assignee written notice of its intention to exercise its option not less than 45 days in advance of the date of exercise. (b) The County may also exercise its option to prepay the principal components of the Lease Payments in whole on any date following the date on which the Default Rate is applicable in an amount equal to 100% of the principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payment accrued thereon and remaining unpaid, plus any Additional Rental Payment due as of the prepayment date.

SECTION 9.3. *Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain.* The County is obligated to prepay the principal components of the Lease Payments, in whole on any date or in part on any Lease Payment Date, from and to the extent of any Net Proceeds of insurance award or eminent domain award with respect to the Leased Property theretofore deposited in the Lease Payment Fund for such purpose under Article VI and to pay any Additional Rental Payment due as of the date of prepayment. The County and the Corporation hereby agree that such Net Proceeds, to the extent remaining after payment of any

delinquent Lease Payments, will be credited towards the County's obligations under this Section 9.3.

SECTION 9.4. *Credit for Amounts on Deposit.* If the County prepays the principal components of the Lease Payments in full under Sections 9.2 or 9.3, such that this Lease is discharged by its terms as a result of such prepayment, at the written election of the County filed with the Assignee any or all amounts then on deposit in the Lease Payment Fund will be credited towards the amounts then required to be so prepaid.

## ARTICLE X

### MISCELLANEOUS

SECTION 10.1. *Notices.* Any notice, request, complaint, demand or other communication under this Lease may be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice is effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 72 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the County or the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the Corporation:* County of Sonoma Public Financing Corporation  
585 Fiscal Drive, Room 101F  
Santa Rosa, CA 95403  
Fax: 707-565-2683

*If to the County:* County of Sonoma  
585 Fiscal Drive, Room 101F  
Santa Rosa, CA 95403  
Fax: 707-565-2683

*If to the Assignee:* Bank of the West  
180 Montgomery Street  
San Francisco, CA 94104  
Attention: Ted Neu  
Phone: (415) 765-4938  
Fax: (866) 235-9308

SECTION 10.2. *Binding Effect.* This Lease inures to the benefit of and is binding upon the Corporation, the County and their respective successors and assigns.

SECTION 10.3. *Severability.* If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, such holding does not invalidate or render unenforceable any other provision hereof.

SECTION 10.4. *Net-net-net Lease.* This Lease is a “net-net-net lease” and the County hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.5. *Third Party Beneficiary.* The Assignee is made a party beneficiary hereunder with all rights of a third party beneficiary.

SECTION 10.6. *Further Assurances and Corrective Instruments.* The Corporation and the County will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

SECTION 10.7. *Execution in Counterparts.* This Lease may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

SECTION 10.8. *Applicable Law.* This Lease is governed by and construed in accordance with the laws of the State of California.

SECTION 10.9. *Corporation and County Representatives.* Whenever under the provisions of this Lease the approval of the Corporation or the County is required, or the Corporation or the County is required to take some action at the request of the other, such approval or such request will be given for the Corporation by a Corporation Representative and for the County by a County Representative, and any party hereto will be authorized to rely upon any such approval or request.

SECTION 10.10. *Waiver of Jury Trial by the Corporation.* The Corporation, to the fullest extent permitted by law, hereby waives its right to a trial by jury in any legal proceeding arising out of or relating to this Lease, the Supplemental Agreement or any other Lease Document (as such term is defined in the Supplemental Agreement) or the transactions contemplated hereby or thereby. The Corporation warrants and represents that such waiver has been intentionally, knowingly and voluntarily made, following consultation with its legal counsel. If the waiver of jury trial as set forth in this Section shall be declared void or unenforceable, the Corporation agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure.

SECTION 10.11. *Captions.* The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

IN WITNESS WHEREOF, the Corporation and the County have caused this Lease to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**COUNTY OF SONOMA PUBLIC FINANCING CORPORATION, as Lessor**

By \_\_\_\_\_  
President

**COUNTY OF SONOMA, as Lessee**

By \_\_\_\_\_  
Assistant Auditor-Controller-Treasurer-Tax  
Collector

Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

## APPENDIX A

### DESCRIPTION OF THE LEASED PROPERTY

The property constituting the Leased Property consists of the land located in the unincorporated area of the County of Sonoma, State of California, which is described as follows, including all buildings, improvements and facilities at any time situated thereon:

All that certain real property situated in the County of Sonoma, State of California, being a portion of the lands of the County of Sonoma, a political subdivision of the State of California, as described in that Grant Deed recorded December 16, 1991 under Document No. 1991 0126155, Sonoma County Records, and the County of Sonoma, as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records, and being more particularly described as follows:

Beginning at a 1/2", iron pipe, tagged LS 5927, shown marking the Northwest corner of the lands of the County of Sonoma as shown on that Record of Survey file in Book 630 of Maps at Page 14, Sonoma County Records; thence from said point of beginning, along the Northerly line of said lands, South 89° 48' 46" East, 303.52 feet to the Northeast corner of said lands marked by a 1/2", iron pipe tagged LS 5927; thence along the Easterly line of said lands, South 20° 14' 34" East, 114.86 feet to an angle point marked by a 3/4" iron pipe tagged S.C.W.A.; thence along the Easterly line of said lands, South 28° 07' 01" East, 218.36 feet; thence, leaving said Easterly line N 89° 49' 31" W, 669.59 feet; thence N 00° 54" E, 316.92 feet to the Northerly line of the lands of the County of Sonoma as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records; thence along said Northerly line S 89° 35' 00" E, 222.51 feet to the Westerly line of the lands of the State of California as shown on said Record of Survey; thence along said Westerly line S 00° 37' 27" W, 16.00 feet to the point of beginning.

Basis of Bearings: Record of Survey of the lands of the County of Sonoma, filed in Book 630 of Maps at Page 14, Sonoma County Records.

## APPENDIX B

### SCHEDULE OF LEASE PAYMENTS

<b>Pmt. No.</b>	<b>Payment Date</b>	<b>Payment Amount</b>	<b>Interest Portion</b>	<b>Principal Portion</b>	<b>Purchase Price</b>	<b>Outstanding Balance</b>
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TO BE RECORDED AND WHEN RECORDED  
RETURN TO:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Stephen G. Melikian, Esq.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

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## **ASSIGNMENT AGREEMENT**

This ASSIGNMENT AGREEMENT (this "Assignment Agreement"), made and entered into as of March 10, 2017, is between the COUNTY OF SONOMA PUBLIC FINANCING CORPORATION, a nonprofit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and BANK OF THE WEST, and its successors and assigns, as assignee (the "Assignee").

### *BACKGROUND:*

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

1. The County has heretofore financed the acquisition, construction and installation of certain energy efficiency projects located on County-owned property (the "2009 Project") through the execution and delivery of (i) a Site, Facility and Equipment Lease dated as of April 1, 2009, (the "2009 Site Lease"), between the County, as lessor, and the Corporation, as lessee, (ii) a Lease Agreement dated as of April 1, 2009, (the "2009 Lease Agreement"), between the Corporation, as lessor, and the County, as lessee, (iii) an Assignment Agreement dated as of April 1, 2009 (the "2009 Assignment Agreement" and, together with the 2009 Site Lease and the 2009 Lease Agreement, the "2009 Lease Documents"), between the Corporation, as assignor, and Banc of America Public Capital Corp, a corporation duly organized and existing under the laws of the State of Kansas (the "2009 Bank").

2. The 2009 Lease Agreement is subject to prepayment on October 16, 2018, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payments required to be paid on such date, without prepayment premium, and in order to realize debt service savings the County has determined to refinance the 2009 Lease Agreement.

3. In order to provide funds to refinance the 2009 Lease Agreement, the County has leased to the Corporation the land and improvements which constitute the County's Sheriff's Building, which is more particularly described in Appendix A attached hereto and by this

reference incorporated herein (the "Leased Property") under a Site and Facility Lease dated as of March 10, 2017 (the "Site Lease"), and recorded concurrently herewith, between the County, as lessor, and the Corporation, as lessee.

4. The Corporation has leased the Leased Property back to the County under the Lease Agreement dated as of March 10, 2017 (the "Lease"), and recorded concurrently herewith, between the Corporation, as lessor, and the County, as lessee.

5. The Corporation wishes to assign its rights under the Lease, as lessor of the Leased Property, including but not limited to its right to receive and enforce the Lease Payments, and under the Site Lease, as lessee of the Leased Property, to the Assignee for the purpose of providing the funds required for the refinancing of the 2009 Lease Agreement.

6. Each of the parties has authority to enter into this Assignment Agreement, and has taken all actions necessary to authorize its officers to execute it.

#### AGREEMENT:

In consideration of the material covenants contained in this Assignment Agreement, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Covenants, Representations and Warranties of the Corporation.* The Corporation makes the following covenants, representations and warranties to the Assignee as of the date of this Assignment Agreement:

- (a) Due Organization and Existence. The Corporation is a nonprofit corporation duly organized and existing under the laws of the State of California, has full legal right, power and authority to enter into this Lease, the Site Lease, the Assignment and the Escrow Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery of this Lease, the Site Lease, the Assignment and the Escrow Agreement.
- (b) Due Execution. The representatives of the Corporation executing this Lease, the Site Lease, the Assignment and the Escrow Agreement are fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.
- (c) Valid, Binding and Enforceable Obligations. This Lease, the Site Lease, the Assignment and the Escrow Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.
- (d) The execution and delivery of this Lease, the Site Lease, the Assignment, and the Escrow Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any

applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Assignment and the Escrow Agreement or the financial condition, assets, properties or operations of the Corporation.

- (e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease, the Site Lease, the Assignment and the Escrow Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.
  
- (f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Corporation after reasonable investigation, threatened against the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease, the Site Lease, the Assignment or the Escrow Agreement, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Assignment or the Escrow Agreement or the financial conditions, assets, properties or operations of the Corporation.

SECTION 2. *Assignment.* The Corporation hereby assigns to the Assignee all of the Corporation's rights under the Lease, as lessor of the Leased Property (excepting only the Corporation's rights under Sections 5.10, 5.11, 7.3 and 8.4 of the Lease), and under the Site Lease, as lessee of the Leased Property, including but not limited to:

- (a) the right to receive and collect all of the Lease Payments and Additional Rental Payments, as applicable, from the County under the Lease,
  
- (b) the right to receive and collect any proceeds of any insurance maintained thereunder with respect to the Leased Property, or any eminent domain award (or proceeds of sale under threat of eminent domain) paid with respect to the Leased Property, and

- (c) the right to exercise such rights and remedies conferred on the Corporation under the Lease as may be necessary or convenient (i) to enforce payment of the Lease Payments and any amounts required to be applied to the prepayment of the Lease Payments, or (ii) otherwise to protect the interests of the Assignee in the event of a default by the County under the Lease.

The assignment made under this Section 2 is absolute and irrevocable, and without recourse to the Corporation.

SECTION 3. *Acceptance.* The Assignee hereby accepts the assignments made herein.

SECTION 4. *Consideration; Deposit of Funds.* In consideration of the assignment to the Assignee of the Lease Payments and certain other rights of the Corporation as described under Section 2, the Assignee hereby agrees to deposit or cause to be deposited on the Closing Date the amount of \$\_\_\_\_\_ with \_\_\_\_\_, as the escrow agent (the "Escrow Agent") under that certain Escrow Deposit and Trust Agreement dated as of March 10, 2017 (the "Escrow Agreement"), among the Corporation, the County and the Escrow Agent. Of this amount, the Escrow Agent will deposit \$\_\_\_\_\_ in the Escrow Fund and use \$\_\_\_\_\_ to pay costs of the refinancing, all in accordance with the Escrow Agreement.

SECTION 5. *Subsequent Assignment by the Assignee.* (a) The Assignee's right, title and interest in and to this Assignment Agreement may be assigned and reassigned in whole by the Assignee, without the necessity of obtaining the consent of Corporation or the County; provided, that any such assignment, transfer or conveyance shall be made only to an investor that delivers to the County an investor letter substantially in the form delivered by the Assignee to the County and which is a "qualified institutional buyer" as defined in Rule 144A(a)(I) promulgated under the Securities Act of 1933, as amended, and is purchasing the Assignment Agreement for its own account with no present intention to resell or distribute the Assignment Agreement, subject to such investor's right at any time to dispose of the Assignment Agreement as it determines to be in its best interests (subject to compliance with the provisions of this Section 5). The Corporation and the Assignee hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 5 shall apply to the first and subsequent assignees and sub-assignees of any of Assignee's right, title and interest in, to and under this Assignment Agreement.

(b) This Assignment Agreement is a continuing obligation and shall be binding upon the Corporation, its permitted successors and assigns and shall inure to the benefit of the Assignee and its permitted successors, transferees and assigns pursuant to Section 5(a) above.

(c) No assignment, transfer or conveyance permitted by this Section 5 shall be effective until the Corporation and County shall have received a written notice of assignment that discloses the name and address of such assignee and the investor letter referenced in Section 5(a) above.

SECTION 6. *Execution in Counterparts.* This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same agreement. It is also agreed that separate counterparts of this Assignment may be separately executed by the Assignee and the Corporation, both with the same force and effect as though the same counterpart had been executed by the Assignee and the Corporation.

SECTION 7. *Defined Terms.* All capitalized terms used in this Assignment Agreement and not otherwise defined have the respective meanings given those terms in the Lease.

SECTION 8. *Binding Effect.* This Assignment Agreement inures to the benefit of and binds the Corporation and the Assignee, and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 9. *Governing Law.* This Assignment Agreement shall be construed in accordance with and governed by the Constitution and laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

**COUNTY OF SONOMA PUBLIC FINANCING CORPORATION, as Lessor**

By \_\_\_\_\_  
President

**BANK OF THE WEST, as Assignee**

By \_\_\_\_\_  
Authorized Officer

## APPENDIX A

### DESCRIPTION OF THE LEASED PROPERTY

The real property constituting the Leased Real Property consists of the land located in the unincorporated area of the County of Sonoma, State of California, which is described as follows, including all buildings, improvements and facilities at any time situated thereon:

All that certain real property situated in the County of Sonoma, State of California, being a portion of the lands of the County of Sonoma, a political subdivision of the State of California, as described in that Grant Deed recorded December 16, 1991 under Document No. 1991 0126155, Sonoma County Records, and the County of Sonoma, as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records, and being more particularly described as follows:

Beginning at a 1/2", iron pipe, tagged LS 5927, shown marking the Northwest corner of the lands of the County of Sonoma as shown on that Record of Survey file in Book 630 of Maps at Page 14, Sonoma County Records; thence from said point of beginning, along the Northerly line of said lands, South 89° 48' 46" East, 303.52 feet to the Northeast corner of said lands marked by a 1/2", iron pipe tagged LS 5927; thence along the Easterly line of said lands, South 20° 14' 34" East, 114.86 feet to an angle point marked by a 3/4" iron pipe tagged S.C.W.A.; thence along the Easterly line of said lands, South 28° 07' 01" East, 218.36 feet; thence, leaving said Easterly line N 89° 49' 31" W, 669.59 feet; thence N 00° 54" E, 316.92 feet to the Northerly line of the lands of the County of Sonoma as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records; thence along said Northerly line S 89° 35' 00" E, 222.51 feet to the Westerly line of the lands of the State of California as shown on said Record of Survey; thence along said Westerly line S 00° 37' 27" W, 16.00 feet to the point of beginning.

Basis of Bearings: Record of Survey of the lands of the County of Sonoma, filed in Book 630 of Maps at Page 14, Sonoma County Records.

## ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (this "Agreement"), dated as of March 10, 2017, is among the COUNTY OF SONOMA, a general law county duly organized and existing under the laws of the State of California (the "County"), the COUNTY OF SONOMA PUBLIC FINANCING CORPORATION, a nonprofit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as escrow agent hereunder and as trustee for the 2009 Lease Agreement described below (the "Escrow Agent").

### *BACKGROUND:*

1. The County has heretofore financed the acquisition, construction and installation of certain energy efficiency projects located on County-owned property (the "2009 Project") through the execution and delivery of (i) a Site, Facility and Equipment Lease dated as of April 1, 2009, (the "2009 Site Lease"), between the County, as lessor, and the Corporation, as lessee, (ii) a Lease Agreement dated as of April 1, 2009, (the "2009 Lease Agreement"), between the Corporation, as lessor, and the County, as lessee, (iii) an Assignment Agreement dated as of April 1, 2009 (the "2009 Assignment Agreement" and, together with the 2009 Site Lease and the 2009 Lease Agreement, the "2009 Lease Documents"), between the Corporation, as assignor, and Banc of America Public Capital Corp, a corporation duly organized and existing under the laws of the State of Kansas (the "2009 Assignee").

2. The 2009 Lease Agreement is subject to prepayment on October 16, 2018, by paying a prepayment price equal to the aggregate principal components of the Lease Payments (as defined in the 2009 Lease Agreement) to be prepaid, together with the interest component of the Lease Payments required to be paid on such date, without prepayment premium, and, in order to realize debt service savings, the County has determined to refinance the 2009 Lease Agreement.

3. In order to provide funds to refinance the 2009 Lease Agreement, the County has agreed to lease to the Corporation the land and improvements which constitute the County's Sheriff's Building, which is more particularly described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property") under a Site and Facility Lease dated as of March 10, 2017 (the "Site Lease").

4. The Corporation has leased the Leased Property back to the County under the Lease Agreement dated as of March 10, 2017 (the "Lease"), between the Corporation, as lessor, and the County, as lessee.

5. The Corporation has further agreed to assign its right to receive lease payments under this Lease to the Bank of the West (the "Assignee") under an Assignment Agreement dated as of March 10, 2017 (the "Assignment Agreement"), between the Corporation, as assignor, and the Assignee, as assignee.

6. The Corporation will apply amounts received from the Assignee under the Assignment Agreement to make the Site Lease Payment (as defined to the Site Lease) to the County, and the County will cause such amounts under this Agreement to be applied to prepay and discharge the 2009 Lease Agreement pursuant to Section 9.1 thereof.

#### A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the County, the Corporation and the Escrow Agent hereby agree as follows:

SECTION 1. *Appointment of Escrow Agent; Establishment of Escrow Fund.* The County and the Corporation hereby appoint the Escrow Agent to act as escrow agent for purposes of administering the funds required to pay and prepay the 2009 Lease Agreement in full in accordance with Section 9.1 thereof.

The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") to be held by the Escrow Agent as an irrevocable escrow securing the payment and prepayment of the 2009 Lease Agreement and to be held in the custody of the Escrow Agent as a trust fund separate and apart from all other funds of the County, the Corporation and the Escrow Agent for the sole benefit of the 2009 Assignee.

By making the deposits described herein and prepaying the 2009 Lease Agreement as described herein, the County is discharging its payment obligations under the 2009 Lease Agreement.

Each of the County, the Corporation and the Escrow Agent hereby represents and warrants (a) that this Agreement has been duly authorized, executed and delivered on its behalf and constitutes its legal, valid and binding obligation and (b) that the execution, delivery and performance of this Agreement by it does not and will not violate any applicable law or regulation.

SECTION 2. *Deposit of Amounts in Escrow Fund.* On March \_\_, 2017 (the "Closing Date"), the County shall cause to be transferred to the Escrow Agent the amount of \$\_\_\_\_\_ in immediately available funds, to be derived from the payment made by the Assignee under the Assignment Agreement.

\$\_\_\_\_\_ of such amount will be deposited in the Escrow Fund and invested and applied as provided below, and \$\_\_\_\_\_ of such amount shall be used to pay the costs of the refinancing of the 2009 Project as set forth in Schedule I hereto.

SECTION 3. *Investment of Amounts in Escrow Fund.* The Escrow Agent shall invest \$\_\_\_\_\_ on deposit in the Escrow Fund in non-callable Federal Securities (as defined in the 2009 Lease Agreement) set forth on Exhibit A hereto. The Escrow Agent shall send a confirmation of such purchases to the County, the Corporation and the 2009 Assignee as soon as practicable. The remaining \$\_\_ will be held uninvested in cash. Prior to investing amounts on deposit in the Escrow Fund as provided above, the Escrow Agent shall hold such amounts uninvested, in cash. The cash and Federal Securities so deposited and invested shall be held in the Escrow Fund, an irrevocable trust fund account, for the benefit of the 2009 Assignee in accordance with the terms of this Agreement. The Escrow Agent shall hold balances not so invested in the Escrow

Fund on demand and in trust for the purposes hereof and shall secure the same in accordance with applicable California law for the securing of public funds.

Each of the County, the Corporation and the Escrow Agent and the 2009 Assignee have each received a report of Causey Demgen & Moore P.C., independent certified public accountants, attached hereto as *Exhibit B* (the "Verification Report"), that the principal of and income and profit to be received from the non-callable Federal Securities, when paid at maturity, and the cash held in accordance with this Section 3, will be fully sufficient, at all times pending the payment to the 2009 Assignee on October 16, 2018, to pay outstanding Lease Payments (as defined in the 2009 Lease Agreement) as evidenced by the Verification Report.

SECTION 4. *Application of Amounts in Escrow Fund.* The Escrow Agent shall apply the amounts on deposit in the Escrow Fund to pay the regularly scheduled Lease Payments due under the 2009 Lease Agreement through and including October 16, 2018:

Payment Date	Payment Amount	Interest Portion	Principal Portion
3/16/17	\$150,574.33	\$68,539.16	\$82,035.17
4/16/17	150,574.33	68,198.71	82,375.61
5/16/17	150,574.33	67,856.86	82,717.47
6/16/17	150,574.33	67,513.58	83,060.75
7/16/17	150,574.33	67,168.88	83,405.45
8/16/17	150,574.33	66,822.74	83,751.59
9/16/17	150,574.33	66,475.17	84,099.15
10/16/17	150,574.33	66,126.16	84,448.17
11/16/17	158,864.63	65,775.70	93,088.93
12/16/17	158,864.63	65,389.38	93,475.25
1/16/18	158,864.63	65,001.46	93,863.17
2/16/18	158,864.63	64,611.93	94,252.70
3/16/18	158,864.63	64,220.78	94,643.85
4/16/18	158,864.63	63,828.01	95,036.62
5/16/18	158,864.63	63,433.61	95,431.03
6/16/18	158,864.63	63,037.57	95,827.07
7/16/18	158,864.63	62,639.89	96,224.75
8/16/18	158,864.63	62,240.55	96,624.08
9/16/18	158,864.63	61,839.56	97,025.07
10/16/18	158,864.63	61,436.91	97,427.72

On October 16, 2018, the Escrow Agent shall use the remaining amounts on deposit in the Escrow Fund to prepay the outstanding principal portion of the Lease Payments, being \$14,706,646.62.

SECTION 5. *Irrevocable Election to Prepay 2009 Lease Agreement.* The County has hereby irrevocably elects to prepay the principal portion of the 2009 Lease Payments on October 16, 2018. All payments to be made by, and all acts and things required to be done by, the Escrow Agent under the terms and provisions hereof shall be made and done by the Escrow Agent without any further direction or authority of the County or the Corporation.

The County will take no action regarding the 2009 Lease Agreement or the Escrow Fund that would cause the 2009 Lease Agreement to be classified as “arbitrage bond” under the Code, and County will take any and all further action necessary to ensure that adequate provision is made for the payment of Lease Payments and that the 2009 Lease Agreement is not classified as an “arbitrage bond” under the Code.

SECTION 6. *Compensation to Escrow Agent.* The County shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent does not have any interest in the Escrow Fund deposited hereunder but is serving as escrow agent only and having only possession thereof. The Escrow Agent shall have no lien upon or right of set off against the cash at any time on deposit in the Escrow Fund and shall look only to the County for payment. In the event of the Escrow Agent’s

failure to account for any of the Escrow Fund or any funds received by it pursuant to the terms of this Agreement, said Escrow Fund or other funds shall be and shall remain the property of the County in trust for the 2009 Assignee.

The County shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's negligence or willful misconduct. The provisions of this Section 6 shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 7. *Immunities and Liability of Escrow Agent.* The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its gross negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages. The Escrow Agent shall not be liable for any loss from any investment made by it in accordance with the terms of this Agreement. The Escrow Agent may consult with legal counsel of its own choice and the Escrow Agent shall not be liable for any action taken or not taken by it in good faith in reliance upon the opinion or advice of such counsel. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys on deposit therein to pay the principal component or the interest component of the 2009 Lease Agreement.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the County and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the duties or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall

not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Escrow Agent may at any time resign by giving 30 days written notice of resignation to the County and such resignation shall take effect upon the appointment of a successor Escrow Agent by the County. The County may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$75,000,000 and having a corporate trust office within the State of California, and which is authorized to maintain trust accounts for municipal corporations in California under applicable law and which is acceptable to the 2009 Assignee. . Upon receiving such notice of resignation, the County shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the County, the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition, at the expense of the County, any court of competent jurisdiction for the appointment of a successor.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the County elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including

without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 8. *Amendment; Termination of Agreement.* This Agreement shall not be waived, altered, amended or supplemented in whole or in part without the prior written consent of the 2009 Assignee. Upon payment and prepayment in full of the 2009 Lease Agreement, and upon payment of all fees, expenses and charges of the Escrow Agent as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

SECTION 9. *Execution in Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California. Each of the parties hereby waives the right to trial by jury.

Section 11. *Severability.* If any one or more of the covenants or agreements provided in this Agreement on the part of County, the Corporation or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 12. *Third Party Beneficiary.* The 2009 Assignee is made a third party beneficiary hereunder with all rights of a third party beneficiary.

**COUNTY OF SONOMA**

By: \_\_\_\_\_  
Assistant Auditor-Controller-Treasurer-Tax  
Collector

**COUNTY OF SONOMA PUBLIC  
FINANCING CORPORATION, as Lessor**

By: \_\_\_\_\_  
President

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Escrow  
Agent**

By \_\_\_\_\_  
Authorized Officer

**Schedule I**

**Costs of the Refinancing**

**Exhibit A**

**Non-Callable Federal Securities**

[to come]

**Exhibit B**  
**Verification Report**

TO BE RECORDED AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Stephen G. Melikian, Esq.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

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## TERMINATION AGREEMENT

This TERMINATION AGREEMENT (this "Termination Agreement"), dated as of March 10, 2017, is among COUNTY OF SONOMA, a general law county duly organized and existing under the laws of the State of California, as lessor (the "County"), the COUNTY OF SONOMA PUBLIC FINANCING CORPORATION, a nonprofit corporation duly organized and existing under the laws of the State of California, as lessee (the "Corporation"), and BANC OF AMERICA PUBLIC CAPITAL CORP, a corporation duly organized and existing under the laws of the State of Kansas (the "2009 Assignee").

### *BACKGROUND:*

1. The County and the Corporation (and the 2009 Assignee, where applicable) have entered into the following documents (collectively, the "2009 Financing Agreements") in connection with the financing of the acquisition, construction and installation of certain energy efficiency projects in the aggregate original principal amount of \$19,000,000 (the "2009 Financing"), which 2009 Financing Agreements related to the real property described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property"), and the Project (as defined in the 2009 Financing Agreements):

- (a) Site, Facility and Equipment Lease dated as of April 1, 2009 (the "2009 Site Lease"), between the County, as lessor of the Leased Property, and the Corporation, as lessee of the Leased Property, which was recorded on April 16, 2009, in the Office of the Sonoma County Recorder as Instrument No. 2009-034752;
- (b) Lease Agreement dated as of April 1, 2009 (the "2009 Lease Agreement"), between the Corporation, as lessor of the Leased Property, and the County, as lessee of the Leased Property, which was recorded on April 16, 2009, in the Office of the Sonoma County Recorder as Instrument No. 2009-034753; and

- (c) Assignment Agreement dated as of April 1, 2009 (the "2009 Assignment Agreement") between the Corporation and the 2009 Assignee, which was recorded on April 16, 2009, in the Office of the Sonoma County Recorder as Instrument No. 2009-034754.

2. The County's payment obligations under the 2009 Lease Agreement have been fully discharged pursuant to Section 9.1 thereof, and, as a result, the 2009 Site Lease has, accordingly, terminated in accordance with the provisions of the 2009 Lease Agreement.

3. The Corporation, the County and the 2009 Assignee are entering into this Termination Agreement for the purpose of evidencing the termination of the 2009 Site Lease and of the 2009 Assignee acknowledging that the County has made a security deposit pursuant to Section 9.1 of the 2009 Lease Agreement to pay all Lease Payments (as such term is defined in the 2009 Lease Agreement) through and including October 16, 2018, and to prepay in full the remaining Lease Payments on October 16, 2018.

#### A G R E E M E N T :

*In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:*

SECTION 1. *Termination.* Pursuant to the Escrow Deposit and Trust Agreement dated as of March 10, 2017 (the "Escrow Agreement") among the County, the Corporation and The Bank of New York Mellon Trust Company, N.A., as escrow agent, pursuant to Section 9.1 of the 2009 Lease Agreement, the County represents and warrants that it has made a security deposit of an amount of cash which is either (a) sufficient to pay all Lease Payments due under the 2009 Lease Agreement, including the principal and interest components, through and including October 16, 2018, and to prepay in full the remaining Lease Payments on October 16, 2018 or (b) invested in whole or in part in non-callable Federal Securities in such amount as will, in the opinion of an independent public accountant (which opinion must be addressed and delivered to the 2009 Assignee) together with interest to accrue thereon and together with any cash which is so deposited, is fully sufficient to pay all Lease Payments due under the 2009 Lease Agreement, including the principal and interest components thereof, through and including October 16, 2018, and to prepay in full the remaining Lease Payments on October 16, 2018. The County, the Corporation and the 2009 Assignee agree that the 2009 Assignee is entitled to receive the payments and prepayment from such security deposit made by the County as set forth in the Escrow Agreement and Section 9.1 of the 2009 Lease Agreement. Pursuant to Section 9.1 of the 2009 Lease Agreement, as a result of the County's making of such security deposit in compliance with the terms thereof, (a) the Term (as defined in the 2009 Lease Agreement) of the 2009 Lease Agreement will continue, (b) all obligations of the County under the 2009 Lease Agreement, and all security provided by the 2009 Lease Agreement for said obligations, will thereupon cease and terminate, excepting only the obligation of the County to make, or cause to be made all of the Lease Payments from such security deposit, and (c) under Section 4.5(a) of the 2009 Lease Agreement, the Corporation's leasehold interest in the Leased Property will terminate on the date of said security deposit automatically

and without further action by the County or the Corporation. Said security deposit constitutes a special fund for the payment of the Lease Payments in accordance with the provisions of the 2009 Lease Agreement. Accordingly, the County, the Corporation and the 2009 Assignee each hereby terminate the 2009 Site Lease with respect to the Leased Property. Further, the County, the Corporation and the 2009 Assignee each hereby agree that upon the prepayment of all Lease Payments due under the 2009 Lease Agreement, including the principal and interest components thereof, on October 16, 2018, pursuant to the terms of the Escrow Agreement, the 2009 Lease Agreement and the 2009 Assignment Agreement will automatically terminate without any further action by the County, the Corporation or the 2009 Assignee.

The 2009 Assignee hereby acknowledges that upon satisfaction of the conditions to the security deposit described in Section 9.1 of the 2009 Lease Agreement the County's only obligation under the 2009 Lease Agreement that shall remain after the County's making of such security deposit is the obligation of the County to make, or cause to be made all of the Lease Payments from such security deposit, and as a result, the 2009 Assignee's only remaining rights under the 2009 Lease Agreement will be to collect each Lease Payment from such security deposit as it becomes due and enforce the payment of such Lease Payment as it becomes due from such security deposit pursuant to the Escrow Agreement. The 2009 Assignee hereby further acknowledges that as a result of the termination of the Corporation's leasehold interest in the Leased Property upon the County's making of such security deposit, the 2009 Assignee will no longer have any interest in the Leased Property pursuant to the 2009 Lease Agreement and the 2009 Assignment Agreement. The 2009 Assignee hereby further acknowledges that upon satisfaction of the conditions to the security deposit described in Section 9.1 of the 2009 Lease Agreement all obligations of the County under the 2009 Lease Agreement and all security provided by the 2009 Lease Agreement for said obligations shall cease and terminate, excepting only the obligation of the County to make, or cause to be made all of the Lease Payments from such security deposit.

SECTION 2. *Recordation Hereof; Further Assurances.* The County shall cause an executed copy of this Termination Agreement to be filed in the Office of the Sonoma County Recorder. The County, the Corporation and the 2009 Assignee agree that they will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the other party to carry out the intention or to facilitate the performance of this Termination Agreement.

SECTION 3. *Execution in Counterparts.* This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4. *Governing Law.* This Termination Agreement shall be construed in accordance with and governed by the Constitution and laws of the State of California.

SECTION 5. *Third Party Beneficiary.* Bank of the West is made a third party beneficiary hereunder with all rights of a third party beneficiary.

IN WITNESS WHEREOF, the parties have executed this Termination Agreement by their duly authorized officers as of the day and year first written above.

**COUNTY OF SONOMA PUBLIC  
FINANCING CORPORATION**

By \_\_\_\_\_  
President

**COUNTY OF SONOMA**

By \_\_\_\_\_  
Assistant Auditor-Controller-Treasurer-Tax  
Collector

**BANC OF AMERICA PUBLIC CAPITAL  
CORP, as 2009 Assignee**

By \_\_\_\_\_  
\_\_\_\_\_

## APPENDIX A

### DESCRIPTION OF THE LEASED PROPERTY

The real property constituting the Leased Real Property consists of the land located in the unincorporated area of the County of Sonoma, State of California, which is described as follows, including all buildings, improvements and facilities at any time situated thereon:

All that certain real property situated in the County of Sonoma, State of California, being a portion of the lands of the County of Sonoma, a political subdivision of the State of California, as described in that Grant Deed recorded December 16, 1991 under Document No. 1991 0126155, Sonoma County Records, and the County of Sonoma, as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records, and being more particularly described as follows:

Beginning at a 1/2", iron pipe, tagged LS 5927, shown marking the Northwest corner of the lands of the County of Sonoma as shown on that Record of Survey file in Book 630 of Maps at Page 14, Sonoma County Records; thence from said point of beginning, along the Northerly line of said lands, South 89° 48' 46" East, 303.52 feet to the Northeast corner of said lands marked by a 1/2", iron pipe tagged LS 5927; thence along the Easterly line of said lands, South 20° 14' 34" East, 114.86 feet to an angle point marked by a 3/4" iron pipe tagged S.C.W.A.; thence along the Easterly line of said lands, South 28° 07' 01" East, 218.36 feet; thence, leaving said Easterly line N 89° 49' 31" W, 669.59 feet; thence N 00° 54" E, 316.92 feet to the Northerly line of the lands of the County of Sonoma as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records; thence along said Northerly line S 89° 35' 00" E, 222.51 feet to the Westerly line of the lands of the State of California as shown on said Record of Survey; thence along said Westerly line S 00° 37' 27" W, 16.00 feet to the point of beginning.

Basis of Bearings: Record of Survey of the lands of the County of Sonoma, filed in Book 630 of Maps at Page 14, Sonoma County Records.

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**SUPPLEMENTAL AGREEMENT**

**dated as of March 10, 2017,**

**between**

**COUNTY OF SONOMA**

**and**

**BANK OF THE WEST**

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## **SUPPLEMENTAL AGREEMENT**

**THIS SUPPLEMENTAL AGREEMENT**, dated as of March 10, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, this “Supplemental Agreement”), between **COUNTY OF SONOMA**, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California (the “County”) and **BANK OF THE WEST**, and its successors and assigns (the “Bank”).

### **RECITALS**

WHEREAS, in order to finance the acquisition, construction and installation of certain energy efficiency projects located on County-owned property (the “Project”), the County leased certain real property and improvements thereto constituting the County’s Sheriff’s Building (the “Leased Property”) and the Project to the County of Sonoma Public Financing Corporation, a nonprofit corporation duly organized and existing under the laws of the State of California (as more particularly defined in the Lease, the “Corporation”) pursuant to a Site, Facility and Equipment Lease, dated as of April 1, 2009, and the County subleased the Leased Property and the Project from the Corporation pursuant to a Lease Agreement, dated as of April 1, 2009 (the “Prior Lease”);

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to refinance the Prior Lease;

WHEREAS, in order to provide funds to refinance the Prior Lease, the County will lease the Leased Property to the Corporation pursuant to a Site and Facility Lease, dated as of March 10, 2017 (as more particularly defined in the Lease, the “Site Lease”), and the County will sublease the Leased Property from the Corporation pursuant to a Lease Agreement, dated as of March 10, 2017 (as more particularly defined herein, the “Lease”);

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to provide the funds to finance the Prior Lease in consideration of the assignment by the Corporation of all rights to receive Lease Payments and Additional Rental Payments to be paid under the Lease pursuant to an Assignment Agreement, dated as of March 10, 2017 (as more particularly defined in the Lease, the “Assignment Agreement”); and

WHEREAS, in consideration of such assignment, the Bank has agreed to provide the funds to refinance the Prior Lease, and as a condition to such funding, the Bank has required the County to enter into this Supplemental Agreement.

NOW, THEREFORE, to induce the Bank to provide the funds to refinance the Prior Lease, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the County and the Bank hereby agree as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.01. Certain Defined Terms.** Capitalized terms used herein but not otherwise defined shall have the meanings ascribed thereto in the Lease. In addition to the terms defined in the recitals and elsewhere in this Supplemental Agreement and the Lease, the following terms shall have the following meanings:

“Applicable Environmental Laws” means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 et seq.; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 1300 et seq.; the Air Resources Act, California Health & Safety Code Sections 3900 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern (1) the existence, cleanup, and/or remedy of contamination on property, (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination, (3) the control of hazardous wastes, or (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

“Bank” means Bank of the West, and its successors and assigns.

“Base Rate” means a fluctuating rate per annum equal to the higher of (i) the Prime Rate and (ii) the Federal Funds Rate plus 0.5% per annum, calculated on the basis of a 360-day year and actual days elapsed.

“Closing Date” means March 10, 2017.

“Contract” means any indenture, contract, agreement (other than this Supplemental Agreement), lease, mortgage, instrument, guaranty, certificate of incorporation, charter or by-law.

“County Long-Term Borrowing General Fund Obligation” means any long-term obligations to third parties in respect of borrowed moneys payable from the general fund of the County, including without limitation lease payments in connection with certificates of participation, pension obligation bonds and lease revenue bonds, but excluding equipment leases. The County Long-Term Borrowing General Fund Obligations outstanding as of the Closing Date are listed on Exhibit B hereto.

“County Long-Term Borrowing General Fund Obligation Issuing Document” means any Contract or resolution authorizing or evidencing the issuance or incurrence of any County Long-Term Borrowing General Fund Obligation.

“Cross-Default County Long-Term Borrowing General Fund Obligation” means (i) any County Long-Term Borrowing General Fund Obligation in respect of securities, including without limitation certificates of participation, pension obligation bonds and lease revenue bonds, sold to investors in a public offering or (ii) any County Long-Term Borrowing General Fund Obligation (not otherwise described in clause (i) above) outstanding in an aggregate principal amount of \$5,000,000 or more.

“Default” means any event or condition which with notice, passage of time or any combination of the foregoing would constitute an Event of Default.

“Default Rate” means a fluctuating rate per annum equal to the Base Rate; provided that at no time shall the Default Rate exceed 12% per annum. The Default Rate shall be calculated on the basis of a 360-day year and actual days elapsed.

“Escrow Agent” means [\_\_\_\_\_] and its successors and assigns.

“Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of March 10, 2017, by and among the Corporation, the County and the Escrow Agent, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Event of Insolvency” means, with respect to the County or the Corporation, respectively, the occurrence of one or more of the following events:

(a) the issuance, under the laws of the State of California or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of the County or the Corporation, as applicable;

(b) the commencement by or against the County or the Corporation, as applicable, of a case or other proceeding seeking liquidation, reorganization or other relief with respect to the County or the Corporation, as applicable, or its respective debts under any bankruptcy, insolvency or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for the County or the Corporation, as applicable, or any substantial part of its respective property or there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;

(c) the making of an assignment for the benefit of creditors by the County or the Corporation, as applicable;

(d) the failure of the County or the Corporation, as applicable, to generally pay its respective debts as they become due;

(e) a debt moratorium, debt adjustment, debt restructuring or comparable restriction with respect to the payment of any indebtedness of the County or the Corporation, as applicable, is declared or imposed by the County or the Corporation, as applicable, or by any governmental authority having jurisdiction over the County or the Corporation, as applicable;

(f) the County or the Corporation, as applicable, shall admit in writing its inability to pay its debts when due; or

(g) the initiation of any actions to authorize any of the foregoing by or on behalf of the County or the Corporation, as applicable.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average (rounded upwards, if necessary to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Bank from three Federal funds brokers of recognized standing selected by it.

“Generally Accepted Accounting Principles” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the County.

“Hazardous Substance” any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the facilities, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.).

“Lease” means the Lease Agreement, dated as of March 10, 2017, by and between the Corporation, as lessor, and the County, as lessee, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Lease Documents” means this Supplemental Agreement, the Site Lease, the Lease, the Assignment Agreement, the Escrow Agreement, the Termination Agreement and the Tax Certificate.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business or operations of the County, (b) the ability of the County to carry out its business as of the Closing Date or as proposed herein to be conducted or to meet or perform its obligations under this Supplemental Agreement or any of the other Lease Documents in accordance with its respective terms, (c) the validity or enforceability of this Supplemental Agreement or any other Lease

Document, or (d) the rights or remedies of the Bank under this Supplemental Agreement or any other Lease Document.

“Material Litigation” has the meaning assigned to such term in Section 4.05(a) of this Supplemental Agreement.

“Person” means an individual, partnership, corporation (including a business trust), limited liability company, trust, unincorporated association, joint venture, governmental unit or other entity.

“Prime Rate” means an index for a variable interest rate which is quoted, published or announced by the Bank as its prime rate and as to which loans may be made by the Bank at, above or below such rate.

“Prior Bank” means Banc of America Public Capital Corp.

“State” means the State of California.

“Tax Certificate” means, collectively, the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds, both executed by the County and dated March 10, 2017.

“Taxable Date” means the date as of which the interest components of Lease Payments is first includable in the gross income of the holders (including, without limitation, any previous holders) thereof as a result of any act or omission on the part of the County, including any use of the Project by the County or a third party, as determined pursuant to either (a) an opinion of Bond Counsel, or (b) a final decree or judgment of any federal court or a final action by the Internal Revenue Service that is delivered to the County.

“Termination Agreement” means the Termination Agreement, dated as of March 10, 2017, by and among the County, the Corporation and the Prior Bank, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Transactions” means the execution and delivery of the Lease Documents, the providing of funds by the Bank to refinance the Prior Lease, the execution and delivery by the County of this Supplemental Agreement and the other Lease Documents, the lease of the Leased Property, the performance by the County of its obligations (including payment obligations) hereunder and thereunder.

**Section 1.02. Construction.** Unless the context of this Supplemental Agreement otherwise clearly requires, references to the plural include the singular, to the singular include the plural and to the part include the whole. The word “including” shall be deemed to mean “including but not limited to,” and “or” has the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereunder” and similar terms in this Supplemental Agreement refer to this Supplemental Agreement as a whole and not to any particular provision of this Supplemental Agreement. The Section headings contained in this Supplemental Agreement and the table of contents preceding this Supplemental Agreement are for reference purposes only and shall not control or affect the construction of this Supplemental Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this

Supplemental Agreement unless otherwise specified. Each exhibit, schedule and annex attached hereto is incorporated by reference herein and is a constituent part of this Supplemental Agreement.

**Section 1.03. Incorporation of Certain Definitions by Reference.** Any capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Lease.

**Section 1.04. Accounting Terms and Determinations.** Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with Generally Accepted Accounting Principles consistently applied. In the event of changes to Generally Accepted Accounting Principles which become effective after the Closing Date, the County and the Bank agree to negotiate in good faith appropriate revisions of this Supplemental Agreement so as to perpetuate the meaning and effect of such provisions as originally negotiated and agreed upon.

## **ARTICLE II THE FUNDING**

**Section 2.01. Funding.** Upon the terms and conditions set forth herein, subject to fulfillment of each of the conditions precedent set forth in Article III hereof, and upon the basis of the representations set forth herein, the Bank hereby agrees to provide funds to the Corporation in an aggregate principal amount of \$17,300,000 (the "Funding Amount"), which amounts will be paid by the Corporation to the County as an advance rental payment pursuant to the Site Lease in consideration of the assignment by the County to the Bank of all rights to receive Lease Payments and Additional Rental Payments to be paid under the Lease pursuant to the Assignment Agreement. The Bank shall deposit the Funding Amount with the Escrow Agent on or before the Closing Date pursuant to the Escrow Agreement and shall authorize release of such funds upon the terms and conditions set forth herein, subject to fulfillment of each of the conditions precedent set forth in Article III hereof, and upon the basis of the representations set forth herein.

**Section 2.02. Calculations.** Computations of any interest rates hereunder shall be made by the Bank on the basis of a 360-day year and actual days elapsed. Any change in the Base Rate or the Default Rate resulting from a change in the Prime Rate, the Federal Funds Rate or the Base Rate shall become effective as of the opening of business on the day on which such change in the Prime Rate, the Federal Funds Rate or the Base Rate shall become effective. Each determination by the Bank of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

## **ARTICLE III CONDITIONS PRECEDENT**

**Section 3.01. Closing Conditions.** The Bank has agreed to provide funds to refinance the Prior Lease in reliance upon the representations, warranties and agreements of the County

contained herein, and in reliance upon the representations, warranties and agreements of the County and the Corporation to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the County of its obligations hereunder as of the Closing Date. Accordingly, the Bank's obligations under this Supplemental Agreement to provide funds to refinance the Prior Lease shall be conditioned upon the performance by the County of its obligations to be performed hereunder and under such documents and instruments on or prior to the Closing Date, and shall also be subject to the following additional conditions, including the delivery by the County of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Bank and its counsel; *provided that*, unless set forth in a separate section of this Supplemental Agreement or in a Lease Document other than this Supplemental Agreement, the County's obligation to satisfy any condition under this Section 3.01 shall exist only until the Closing Date and shall cease thereafter:

(a) The following Corporation documents:

(i) A copy of the resolution of the Corporation approving the execution and delivery of the Lease Documents to which the Corporation is a party, approving the form of the Lease Documents to which it is not a party and the other matters contemplated hereby and thereby, certified by the Secretary of the Corporation as being true and complete and in full force and effect on the Closing Date.

(ii) Certified copies of the Corporation's articles of incorporation filed with the California Secretary of State and a copy of the Corporation's by-laws certified by the Secretary of the Corporation as being true and complete and in full force and effect on the Closing Date and a Certificate of Status issued by the California Secretary of State indicating that the Corporation is authorized to exercise all of its powers, rights and privileges in the State and a Letter of Good Standing of the Corporation from the California Franchise Tax Board.

(iii) A certificate by the Secretary of the Corporation certifying the names and signatures of the persons authorized to sign, on behalf of the Corporation, the Lease Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(b) The following County documents:

(i) A copy of the resolution of Board of Supervisors of the County approving the execution and delivery of the Lease Documents to which the County is a party and the other matters contemplated hereby and thereby, certified by the Clerk of the Board of Supervisors of the County as being true and complete and in full force and effect on the Closing Date.

(ii) A certificate by the Clerk of the Board of Supervisors of the County certifying the names and signatures of the persons authorized to sign, on behalf of the County, the Lease Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(c) The following financing documents:

(i) An executed original of each of the Lease Documents (including without limitation a Lease and an Assignment Agreement that include the terms set forth on Exhibit A hereto).

(ii) Recording instructions for the recordation of such of the Lease Documents as may be required by the Bank.

(iii) Certificates signed by an authorized representative of the County and of the Corporation, respectively, stating that on and as of the Closing Date, copies of each of the Lease Documents to which it is a party received by the Bank are true, correct and complete copies of such documents, such documents were duly issued, adopted or executed and delivered, have not been modified, amended or rescinded and are in full force and effect on and as of the Closing Date, and such other customary matters as the Bank may reasonably request.

(iv) A certificate signed by an authorized representative of the County, stating that on and as of the Closing Date (i) all requirements and preconditions to the execution and delivery of the Lease Documents shall have been satisfied; (ii) the County has complied with all agreements and covenants and satisfied all conditions stated in this Supplemental Agreement on its part to be performed or satisfied at or prior to the Closing Date; (iii) each representation and warranty on the part of the County contained in this Supplemental Agreement and the other Lease Documents is true and correct as though made on and as of such date; (iv) no Default or Event of Default has occurred and is continuing or would result from the execution or performance of this Supplemental Agreement or the other Lease Documents to which the County is a party; (v) the expected useful life of the Leased Property is not less than the term of the Lease; and (vi) and such other customary matters as the Bank may reasonably request.

(v) A certificate of the Corporation, signed by an authorized representative of the Corporation, stating that on and as of the Closing Date (i) the representations and warranties of the Corporation contained in the Lease Documents to which the Corporation is a party are true and correct on and as of the Closing Date as though made on and as of such date; (ii) no Default or Event of Default has occurred and is continuing, or would result from the Corporation's execution and performance of any of the Lease Documents to which the Corporation is a party; (iii) all conditions precedent to the execution and delivery of the Lease Documents to which the Corporation is a party have been satisfied; and (iv) and such other customary matters as the Bank may reasonably request.

(vi) Evidence that the Leased Property shall consist of real property and/or improvements constituting the County's Sheriff's Office facility located at 2796 Ventura Avenue, Santa Rosa, California 95403, satisfactory to the Bank on the basis of essentiality, fair rental value and insurance coverage and the existence

of any mortgage, pledge, lien, charge, encumbrance or claim thereon or with respect thereto.

(vii) Evidence that the fair rental value as of the Closing Date is sufficient to fully amortize Lease Payments by August 1, 2026.

(viii) Certificates of insurance evidencing the satisfaction of the insurance requirements as set forth in Sections 5.3, 5.4, 5.5 and 5.7 of the Lease in form and substance satisfactory to the Bank; each policy (other than for worker's compensation) required under Sections 5.3, 5.4, 5.5 and 5.7 of the Lease shall name the Bank as additional insured and loss payee.

(ix) Pro forma CLTA leasehold title insurance policy and a marked-up unconditional binder for such insurance from a title insurance company acceptable to the Bank in respect of the Leased Property (the "Title Policy"), together with evidence satisfactory to the Bank that all premiums in respect of the Title Policy have been paid or provided for; provided that the effectiveness of such commitment shall not be subject to confirmation of recording. The Title Policy shall (i) be in an aggregate amount at least equal to the initial principal components of Lease Payments, (ii) be subject only to such liens and other exceptions as shall be approved by the Bank; (iii) name the Bank as an insured party thereunder; and (iv) contain such endorsements and affirmative insurance as the Bank may request.

(x) The most recent adopted budget of the County and the audited financial statements of the County for the fiscal years ended June 30, 2016, 2015 and 2014.

(xi) True and correct copies of any and all governmental approvals necessary for the County to enter into this Supplemental Agreement and the County and the Corporation to enter into the other Lease Documents to which it is a party and the transactions contemplated hereby and thereby and not otherwise covered by Section 3.01(a)(i) or Section 3.01(b)(i) hereof.

(xii) Evidence that no CUSIP number has been assigned to this financing and that this financing is not rated and that the Bank's right, title and interest in and to the Assignment Agreement shall be in a single denomination and shall not be divisible or transferable except to an investor which is a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended.

(xiii) Such other certifications as to matters of fact, due authorization, execution and delivery by the parties thereto of the Lease Documents, evidence of corporate authority, copies of governmental consents, permits, licenses and approvals, and other documents as shall be reasonably requested by the Bank, and the form and substance of any order or other official action granting any consent, permit, license or approval shall be satisfactory to the Bank.

(d) The following opinions, addressed to the Bank or on which the Bank is otherwise expressly authorized to rely:

(i) From counsel to the Corporation, as to the due authorization, execution and delivery of each of the Lease Documents to which it is a party, their validity, binding effect and enforceability, and such other customary matters as the Bank may reasonably request.

(ii) From counsel to the County, as to the due authorization, execution and delivery of each of the Lease Documents to which it is a party, their validity, binding effect and enforceability, and such other customary matters as the Bank may reasonably request.

(iii) From Bond Counsel, in customary form, an approving opinion to the effect that the Lease Documents have been duly authorized and validly executed and delivered, that interest components of Lease Payments will not be included in gross income of the holders thereof for federal or state tax purposes, and as to such other customary matters as the Bank may reasonably request.

(e) The following conditions relating to the Prior Lease and the Escrow Agreement:

(i) Certificates of authorized representatives of the Escrow Agent certifying as to the authority, incumbency and specimen signatures of the authorized representatives of the Escrow Agent authorized to sign the Escrow Agreement and any other documents to be delivered by them hereunder.

(ii) Certificates of authorized representatives of the Prior Bank certifying as to the authority, incumbency and specimen signatures of the authorized representatives of the Prior Bank authorized to sign the Termination Agreement and any other documents to be delivered by them hereunder.

(iii) Evidence of the recordation of the Termination Agreement and termination of the lien of the site lease related to the Prior Lease.

(iv) An opinion of Bond Counsel, in customary form, as to the defeasance of the Prior Lease.

(f) Other conditions:

(i) Each representation and warranty contained in this Supplemental Agreement and the other Lease Documents is true and correct.

(ii) No Default or Event of Default has occurred and is continuing or would result from the execution or performance of this Supplemental Agreement or the other Lease Documents.

(iii) Since the most current date of the information, financial or otherwise, supplied by the County to the Bank, there has been no change in the assets, liabilities, financial position or results of operations of the County which might reasonably be anticipated to cause a Material Adverse Effect and the County has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(iv) The Bank shall be reasonably satisfied that the fee of the California Debt and Investment Advisory Commission shall have been paid by or on behalf of the County and that payment will be made promptly after demand therefor after the Closing Date of the Bank's fees and expenses (including outside counsel legal fees) incurred in connection with the Transactions.

(v) All other legal matters pertaining to the execution and delivery of each of the Lease Documents shall be reasonably satisfactory to the Bank and its counsel.

(vi) The Bank shall have completed all due diligence with respect to the County, the Leased Property, the Corporation and the Lease Documents in scope and determination satisfactory to the Bank.

(g) Such other instruments, documents and opinions as the Bank shall reasonably require to evidence and secure the obligations of the County hereunder and under the other Lease Documents and to comply with the provisions of this Supplemental Agreement and the other Lease Documents and the requirements of any governmental authority to which the Bank, the County or the Corporation are subject.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

All representations and warranties made herein to the Bank or incorporated hereby for the benefit of the Bank are made with the understanding that the Bank is relying upon the accuracy of such representations and warranties. Notwithstanding that the Bank may conduct its own investigation as to some or all of the matters covered by the representations and warranties in the Lease Documents, and any certificates, information, opinions or documents delivered in connection therewith, the Bank is entitled to rely on all representations and warranties as a material inducement to the Bank's extension of the credit evidenced by the Lease Documents. All representations and warranties made herein to the Bank or incorporated herein for the benefit of the Bank shall survive the making of and shall not be waived by the execution and delivery of this Supplemental Agreement or the other Lease Documents.

**Section 4.01. Existence and Power.** The County is a political subdivision of the State duly organized, validly existing and in good standing under the Constitution and laws of the State and has the corporate power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties

owned or leased by it or in which the transaction of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.

**Section 4.02. Due Authorization.**

(a) The County has the corporate power, and has taken all necessary corporate action to authorize the Lease Documents, to execute, deliver and perform its obligations under this Supplemental Agreement and each of the other Lease Documents to which it is a party in accordance with their respective terms. The County has approved the form of the Lease Documents to which it is not a party.

(b) The County is duly authorized and licensed to own its property (real, personal or mixed) under the laws of all governmental authorities having the jurisdiction to license or regulate such property, and the County has obtained all requisite approvals of all such governmental authorities required to be obtained for such purposes. All authorizations and approvals necessary for the County to enter into this Supplemental Agreement and the other Lease Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other authorization or approval or other action by, and no notice to or filing with, any governmental authority is required for the due execution, delivery and performance by the County of this Supplemental Agreement or the due execution, delivery or performance by the County of the other Lease Documents.

**Section 4.03. Valid and Binding Obligations.** This Supplemental Agreement and each of the Lease Documents to which the County is a party has been duly executed and delivered by one or more duly authorized officers of the County and are legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

**Section 4.04. Noncontravention; Compliance with Law.**

(a) The execution, delivery and performance of this Supplemental Agreement and each of the other Lease Documents in accordance with their respective terms do not and will not (i) require any consent or approval of any creditor of the County, (ii) violate any applicable law, (iii) conflict in any material respect with, result in a material breach of or constitute a material default under any Contract to which the County is a party or by which it or any of its property may be bound or (iv) result in or require the creation or imposition of any lien upon or with respect to any property now owned or hereafter acquired by the County except such liens, if any, expressly created by any Lease Document.

(b) The County is in compliance with all applicable laws, except for noncompliance that, singly or in the aggregate, has not caused and could not reasonably be expected to cause a Material Adverse Effect.

**Section 4.05. Pending Litigation and Other Proceedings.**

(a) There are no actions, suits or proceedings pending nor are there any actions, suits or proceedings threatened against the County or any property of the County in any court or before any arbitrator of any kind or before or by any governmental or nongovernmental body, which, in any case, (i) directly or indirectly relates to the Leased Property or the enforceability of this Supplemental Agreement or any of the other Lease Documents; (ii) involve claims equal to or in excess of \$5,000,000 or (iii) may have a Material Adverse Effect (any of the foregoing being herein referred to as “Material Litigation”).

**Section 4.06. Financial Statements.** The balance sheet of the County as of June 30, 2016 and the related statement of revenues and expenses and changes in financial position for such Fiscal Year and the auditors’ reports with respect thereto, copies of which have heretofore been furnished to the Bank pursuant to Section 5.01(a) hereof, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the County at such date and for such Fiscal Year, and were prepared in accordance with Generally Accepted Accounting Principles consistently applied. Since the period of such statements, there has been no change which would have a Material Adverse Effect.

**Section 4.07. Defaults.** No Event of Default and no Default has occurred and is continuing or exists.

**Section 4.08. Insurance.** The County maintains or causes to be maintained insurance of such type and in such amounts or in excess of such amounts as are required by Section 4.3 of the Lease.

**Section 4.09. Accuracy of Information.** All information, reports and other papers and data furnished by the County to the Bank were, at the time the same were so furnished, complete and correct in all material respects and insofar as necessary to give the Bank a true and accurate knowledge of the subject matter and were provided in expectation of the Bank’s reliance thereon in providing funds to refinance the Prior Lease. No fact is known to the County which has had or, so far as the County can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the budget and financial statements previously furnished to the Bank or in other such information, reports, papers and data or otherwise disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the County or its agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the Closing Date, represent the County’s best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Supplemental Agreement or any of the other Lease Documents contains or will contain any

untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

**Section 4.10. Environmental Matters.** The County has reviewed the effect of Applicable Environmental Laws on the business, operations and properties of the County, and has identified and evaluated associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean up or closure of properties presently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, and related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted there at and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the County has reasonably concluded that it has not failed to comply with any Applicable Environmental Laws in a manner which may reasonably be expected to have a Material Adverse Effect.

**Section 4.11. Essentiality.** The Leased Property is an essential asset of the County necessary to serve the needs of the residents of the County. The County believes that at all times while any Lease Payments or Additional Rental Payments or any obligation of the County hereunder remains unpaid, the Leased Property will remain an essential asset of the County.

**Section 4.12. Tax-Exempt Status.** The County has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest components of Lease Payments from gross income for Federal income tax purposes or the exemption of such interest components from State personal income taxes.

**Section 4.13. Sovereign Immunity.** The County does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Supplemental Agreement or any of the other Lease Documents to which it is a party. To the extent the County has or hereafter may acquire under any applicable law any right to immunity from set-off or legal proceedings on the grounds of sovereignty, the County hereby waives, to the fullest extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Supplemental Agreement or the other Lease Documents to which it is a party.

**Section 4.14. Fair Rental Value; Use and Occupancy.** Lease Payments payable under the Lease do not exceed the fair rental value of the Leased Property for each period for which said rental is to be paid. In making such determination of fair rental value, consideration has been given to the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the County and the general public. The County currently has the use and occupancy of the Leased Property and the County has the legal authority to pay Lease Payments and Additional Rental Payments pursuant to the Lease for the use and occupancy of the Leased Property.

**Section 4.15. Usury.** The terms of this Supplemental Agreement and the Lease Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

**Section 4.16. Title to Leased Property.** The County has a valid and enforceable fee simple interest in the Leased Property, subject only to Permitted Encumbrances.

## ARTICLE V

### COVENANTS OF THE COUNTY

So long as any Lease Payments or Additional Rental Payments or any obligation of the County hereunder or under the Lease Documents remains unpaid or unperformed, the County shall comply with the following covenants hereunder and as additional covenants under the Lease, unless waived in writing by the Bank:

**Section 5.01. Reporting Requirements.** The County shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the County in accordance with Generally Accepted Accounting Principles consistently applied, and will furnish to the Bank each of the following:

(a) As soon as available, and in any event within 270 days after the close of each Fiscal Year of the County, the financial statements of the County which shall be audited and reported on without qualification by independent certified public accountants reasonably acceptable to the Bank and shall be certified to the County by such accountants as (i) having been prepared in accordance with Generally Accepted Accounting Principles consistently applied and (ii) fairly presenting the financial condition of the County as at the end of such Fiscal Year and reflecting its operations during such Fiscal Year and (iii) showing all material liabilities, direct or contingent, and disclosing the existence of any off-balance sheet transactions, and shall include, without limitation, balance sheets, profit and loss statements and statements of cash flows, together with notes and supporting schedules, all on a consolidated and consolidating basis and in reasonable detail and including a copy of any management letter or audit report provided to the County by such auditors.

(b) As soon as available and in any event within 60 days after adoption, the annual operating budget of the County for such Fiscal Year.

(c) As soon as available and in any event within 45 days after the close of each fiscal quarter of the County, such information as of the close of such fiscal quarter as the Bank may from time to time reasonably request regarding the County's general fund in order to demonstrate the County's compliance with Section 5.03 hereof.

(d) As soon as available and in any event promptly after presentation to the Board of Supervisors, a copy of the County of Sonoma Treasury Pool monthly investment report containing a statement as to the sufficiency of cash as at the end of such calendar month to meet the County's historical cash needs for the next six months;

provided that the requirement to provide any such copy to the Bank shall be satisfied if such copy is publicly available on the County's website.

(e) Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the County and the Leased Property as the Bank may from time to time reasonably request.

**Section 5.02. Notices.** The County shall provide to the Bank:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default or Default;

(b) Prompt written notice of any Material Litigation; and

(c) Prompt written notice of any event which has or is reasonably anticipated to have a Material Adverse Effect.

**Section 5.03. Liquidity Covenant.** The County shall maintain adequate liquidity to ensure the payment of scheduled County Long-Term Borrowing General Fund Obligation debt service payments as they come due.

**Section 5.04. Access to Leased Property; Access to Books and Records.** The County shall permit the duly authorized representatives of the Bank, during the County's normal administrative business hours, to enter the Leased Property or any parts thereof, to examine and copy the County's financial and corporate books, records and accounts and to discuss the affairs, finances, business and accounts of the County with the County's officers, directors and employees.

## ARTICLE VI

### EVENTS OF DEFAULT

**Section 6.01. Events of Default.** The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of law) shall be an "Event of Default" hereunder and an additional Event of Default under the Lease entitling the Bank to the rights and remedies available under the Lease, unless waived in writing by the Bank:

(a) Failure of the County to comply with the requirements of Section 5.03 hereof or failure of the County to budget and appropriate as required by Section 4.3(e) of the Lease;

(b) Default by the County in the payment of any amount when due in respect of any Cross-Default County Long-Term Borrowing General Fund Obligation and any such default shall remain unremedied for seven (7) days, or default by the County under any Cross-Default County Long-Term Borrowing General Fund Obligation Issuing Document, and continuance of such default beyond the period of grace, if any, allowed

with respect thereto; or the occurrence of any act or omission by the County under any such Cross-Default County Long-Term Borrowing General Fund Obligation Issuing Document which results in such Cross-Default County Long-Term Borrowing General Fund Obligation becoming, or being capable of becoming, immediately due and payable or being terminated early or being subject to early termination;

(c) This Supplemental Agreement or any of the other Lease Documents or any material provision of this Supplemental Agreement or any of the other Lease Documents shall at any time, for any reason, cease to be the legal, valid and binding obligation of the County or the Corporation or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the County or the Corporation, or the County or the Corporation shall renounce the same or deny that it has any further liability hereunder or thereunder, or any court of competent jurisdiction or other governmental authority with jurisdiction to rule on the validity of any provision of this Supplemental Agreement or any of the other Lease Documents shall find or rule that this Supplemental Agreement or any of the other Lease Documents are not valid or not binding on the County or the Corporation;

(d) Dissolution or termination of existence of the County or the Corporation;

(e) An Event of Insolvency shall occur; or

(f) The long-term unenhanced ratings assigned to any County Long-Term Borrowing General Fund Obligation, or in the absence of any County Long-Term Borrowing General Fund Obligation the issuer credit ratings assigned to the County, shall be withdrawn or suspended or otherwise unavailable for credit-related reasons or reduced below Baa3 by Moody's Investors Service, Inc., BBB- by Standard & Poor's Rating Service or BBB- by Fitch, Inc.; or

(g) The occurrence of a Taxable Date.

## ARTICLE VII

### INDEMNIFICATION; COSTS, EXPENSES AND TAXES

**Section 7.01. Indemnification.** In addition to any and all other rights of reimbursement, indemnification, subrogation and other similar rights pursuant to this Supplemental Agreement, the other Lease Documents or under law or equity, the County hereby covenants and agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless the Bank and its officers, directors, employees, representatives and agents (each, an "Indemnitee") from and against any and all claims, causes of action, judgments, fines, penalties, damages, losses, liabilities, and expenses whatsoever (including reasonable attorneys' fees) which may be incurred by an Indemnitee or which may be claimed against an Indemnitee by any Person whatsoever by reason of or directly or indirectly in connection with any of the Transactions; provided that the County shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused

by the willful misconduct or gross negligence of such Indemnitee as determined in a final, non-appealable judgment. Nothing under this Section 7.01 is intended to limit the County's payment of its obligations hereunder or under the other Lease Documents.

**Section 7.02. Costs, Expenses and Taxes.** The County shall pay to the Bank as Additional Rental Payments under the Lease, within thirty (30) days after demand: (a) the reasonable fees and out of pocket expenses for counsel to the Bank in connection with the execution and delivery of this Supplemental Agreement and the other Lease Documents; (b) if an Event of Default shall have occurred, all costs and expenses of the Bank in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Supplemental Agreement, the other Lease Documents and such other documents which may be delivered in connection therewith; and (c) the reasonable fees and out of pocket expenses for counsel or other reasonably required consultants to the Bank in connection with advising the Bank as to its rights and responsibilities under this Supplemental Agreement and the other Lease Documents or in connection with responding to requests from the County for approvals, consents, amendments and waivers. In addition, if at any time any governmental authority shall require revenue or other documentary stamps or any other tax or fee in connection with the execution or delivery of this Supplemental Agreement or the other Lease Documents, then, if the County lawfully may pay for such stamps, taxes or fees, the County shall pay, when due and payable, for all such stamps, taxes and fees, including interest and penalties thereon, and the County agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay or omission of the County in paying, such stamps, taxes and fees hereunder.

**Section 7.03. Late Payment.** Any Lease Payments or Additional Rental Payments payment which shall not be paid by the County when due and payable under the Lease shall accrue interest until the same shall be paid at a rate equal to the Default Rate, and the County hereby agrees to pay such amounts to the Bank upon demand.

**Section 7.04. Survival.** The obligations of the County under this Article VII shall survive the payment in full of Lease Payments and Additional Rental Payments and the termination of the Lease Documents.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01. Amendments.** No amendment or waiver of any provision of this Supplemental Agreement nor consent to any departure by the parties hereto shall in any event be effective unless the same shall be in writing and signed by such parties, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

**Section 8.02. Severability.** The provisions of this Supplemental Agreement are intended to be severable. If any provision of this Supplemental Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any

manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

**Section 8.03. Governing Law; Consent To Jurisdiction; Waiver Of Jury Trial.**

(a) This Supplemental Agreement shall be governed by, and construed and interpreted in accordance with the laws of the State.

(b) Each of the parties hereto hereby submits to the exclusive jurisdiction of a court of record in the State located in the County or in the United States District Court for the Northern District of the State located in the County for the purpose of any suit, action or other proceeding arising out of or relating to this Supplemental Agreement and the other Lease Documents and hereby waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 10.1 of the Lease.

(c) The County, the Corporation (pursuant to the Lease) and the Bank each, to the fullest extent permitted by law, hereby waives its respective right to a trial by jury in any legal proceeding arising out of or relating to this Supplemental Agreement or any other Lease Document or the transactions contemplated hereby or thereby. The County, the Corporation (pursuant to the Lease) and the Bank each warrants and represents that such waiver has been intentionally, knowingly and voluntarily made, following consultation with its legal counsel. If the waiver of jury trial as set forth in this Section shall be declared void or unenforceable, each of the County, the Corporation (pursuant to the Lease) and the Bank agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure.

**Section 8.04. No Advisory or Fiduciary Responsibility.** In connection with all aspects of the transactions contemplated by this Supplemental Agreement or the other Lease Documents (including in connection with any amendment, waiver or other modification hereof or of any other Lease Document), the County acknowledges and agrees that: (a) (i) the arranging, structuring and other services regarding this Supplemental Agreement or the other Lease Documents provided by the Bank are arm's length commercial transactions between the County on the one hand, and the Bank on the other hand, (ii) the County has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the County is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Supplemental Agreement or the other Lease Documents; (b)(i) the Bank is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the County, or any other Person and (ii) the Bank does not have any obligation to the County with respect to the transactions contemplated by this Supplemental Agreement or the other Lease Documents, except those obligations expressly set forth herein; and (c) the Bank may be engaged in a broad range of transactions that involve interests that differ from those of the County, and the Bank does not have any obligation to disclose any of such interests to the County. To the fullest extent permitted by applicable laws, the County hereby waives and releases any claims that it may have against the Bank with respect

to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated by this Supplemental Agreement or the other Lease Documents.

**Section 8.05. Counterparts.** This Supplemental Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

**Section 8.06. Successors and Assigns.** This Supplemental Agreement is a continuing obligation and shall be binding upon the County, its permitted successors and assigns and shall inure to the benefit of the Bank and its permitted successors, transferees and assigns. The County may not assign or otherwise transfer or delegate any of its rights or obligations hereunder or under the other Lease Documents without the prior written consent of the Bank. The Bank may, in accordance with applicable law, from time to time and without the consent of the County or any other Person assign, sell or transfer in whole or in part, this Supplemental Agreement and any of its rights or interests hereunder and all or any part of its interest in the Lease Documents, subject to the limitations set forth in the Assignment Agreement. In addition, the Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Lease Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

[Signatures begin on the following page.]

[Signature page of Supplemental Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be duly executed and delivered as of the date first above written.

COUNTY OF SONOMA

BANK OF THE WEST

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ATTEST:

By: \_\_\_\_\_  
Name:  
Title: Clerk of the Board of Supervisors

Exhibit A

Lease and Assignment Agreement Terms

1. (a) Closing Date: March 10, 2017
- (b) Funding Amount: \$17,300,000
- (c) Term: Amortization over 10 years, with the final Principal Payment Date on August 1, 2026
- (d) Interest Payment Dates and Principal Payment Dates: Interest and principal shall be payable semi-annually each February 1 and August 1, commencing August 1, 2017, as set forth below. Any such payment due on a day that is not a Business Day shall be paid on the next succeeding Business Day, with interest accruing for the period from such date fixed for payment to such Business Day included in such payment.

Payment Date	Due Date	Principal	Interest	Total Payment
August 1, 2017		\$	\$	\$
February 1, 2018				
August 1, 2018				
February 1, 2019				
August 1, 2019				
February 1, 2020				
August 1, 2020				
February 1, 2021				
August 1, 2021				
February 1, 2022				
August 1, 2022				
February 1, 2023				
August 1, 2023				
February 1, 2024				
August 1, 2024				
February 1, 2025				
August 1, 2026				
February 1, 2026				
August 1, 2026				
Total		\$[17,300,000]	\$	\$

- (e) Interest Rate: 2.45% per annum, calculated on the basis of a 360-day year and actual days elapsed, except upon the occurrence and during the continuance of an Event of Default under the Lease, in which case the Default Rate will apply, calculated on the basis of a 360-day year and actual days elapsed.

- (f) Prepayment: Only (i) mandatory prepayment, without prepayment premium, in accordance with Section 9.3 of the Lease from condemnation awards and insurance proceeds; (ii) optional prepayment on or prior to February 1, 2022, with a prepayment premium (expressed as a percentage of the principal components of Lease Payments being prepaid) of 1%; (iii) optional prepayment, without prepayment premium, after February 1, 2022; and (iv) optional prepayment, without prepayment premium, in accordance with Section [9.2(b)] of the Lease at any time interest is accruing at the Default Rate. Any prepayment shall be made together with payment of any Additional Rental Payments due and payable.
- (g) Events of Default under Lease: Includes Events of Default under this Supplemental Agreement.
- (h) Tax Exemption: An opinion from Bond Counsel as to the exclusion of interest evidenced by the interest components of Lease Payments from gross income of the holders thereof for federal income tax purposes and the exemption of such interest components from State personal income taxes.
- (i) Other Lease Terms: fair rental value sufficient to support payment of default interest; insurance requirements (including 24 months of rental interruption insurance) and repair and replacement of Leased Property; maintenance and operation of Leased Property; payment of taxes and removal of liens; further assurances; no amendment of Site Lease or Lease without Bank consent; no sale or other disposition of, or encumbrance of or lien on Leased Property; budget and appropriation; environmental compliance; no abandonment of Leased Property; Additional Rental Payments includes all amounts (other than Lease Payments) due and payable under this Supplemental Agreement; Excess Amounts payable on Interest Payment Dates; required title insurance shall be in form and substance satisfactory to the Bank; Corporation agreement to waiver of jury trial provisions set forth in this Supplemental Agreement; no CUSIP number and in a single denomination; not rated; no official statement or other offering materials shall be prepared.
- (j) Assignability/Transferability: Not divisible or transferable except to an investor which is a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended.

Exhibit B

County Long-Term Borrowing General Fund Obligations

[\$\_\_\_\_\_] original aggregate principal amount of [\_\_\_\_\_]

**ADDENDUM TO MASTER CONTRACT  
FOR MUNICIPAL FINANCING CONSULTANT'S SERVICES BETWEEN THE COUNTY OF  
SONOMA AND KNN PUBLIC FINANCE**

THIS ADDENDUM (the "Agreement") is made as of the \_\_\_\_\_, 2017, by and between the County of Sonoma, (the "COUNTY"), and KNN Public Finance, LLC, with its principal place of business located at 1300 Clay Street, Suite 1000, Oakland, California 94612 (the "CONSULTANT").

**RECITALS**

**WHEREAS**, COUNTY and CONSULTANT have entered into a Master Contract dated May 13, 2015, under which CONSULTANT provides the COUNTY with general municipal advisory services; and

**WHEREAS**, on February 19, 2016, the Master Contract was assigned by KNN Public Finance, a division of Zions Public Finance, Inc., to KNN Public Finance, LLC, a California Limited Liability Company; and

**WHEREAS**, the COUNTY requires municipal advisory transaction services with respect to the refunding of the COUNTY's Energy Lease (the "Refunding"); and

**WHEREAS**, CONSULTANT is well qualified to provide municipal advisory services to the COUNTY; and

**WHEREAS**, the COUNTY desires to retain the professional services of the CONSULTANT to act as the COUNTY's municipal advisor for the Refunding.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants, terms and conditions herein contained, the parties hereto agree as follows:

A. SERVICES TO BE PROVIDED BY THE CONSULTANT. CONSULTANT shall perform the duties and services specifically set forth in Attachment A hereto for the COUNTY's Refunding.

B. SERVICES TO BE PROVIDED BY THE COUNTY. The COUNTY agrees to provide all information reasonably requested by CONSULTANT and agrees to cooperate in a timely manner with CONSULTANT in connection with the services provided hereunder.

C. EFFECTIVE DATE AND TERM. This Agreement shall be effective on the date first written above and shall be for the same term as the Master Contract.

D. COMPENSATION.

1. Transaction Fees. For the COUNTY's Refunding, The COUNTY shall pay to CONSULTANT a transaction services fee of \$55,000. Payment of the transaction fee is contingent on the sale and closing of the bonds. See KNN's MSRB G-42 letter to the County, dated June 23, 2015, for disclosure regarding contingent compensation.

2. Expenses. Unless otherwise provided, CONSULTANT shall be reimbursed by the COUNTY for expenses incurred by CONSULTANT in performing its services under this

Agreement, in an amount not to exceed \$1,000. Unless otherwise provided, such expenses shall be reimbursed monthly in arrears, upon proof of itemization satisfactory to the COUNTY.

Reimbursable expenses shall include, but are not limited to, the following:

- a. Courier and delivery services; postage; laser, color, photographic or offset printing and reproduction costs; use of company materials and supplies; document production, copying and binding; facsimile transmission; conference calls; online posting and distribution of the POS; data information (fees for data information services such as TM3 and Bloomberg); statistical data from outside sources; and data processing.
- b. Travel costs, including meals, the use of personal automobiles, rental vehicles, lodging, and air travel.
- c. Other reasonable expenses directly related to the satisfactory performance of requested work.

Compensation to CONSULTANT does not include bond counsel fees and expenses, disclosure counsel fees and expenses, rating fees, insurance premiums, trustee charges, title reports, underwriting/placement agent fees and other costs incurred in connection with the COUNTY's Refunding, which shall be paid by the COUNTY.

E. County consents to the assignment of the Master Contract from KNN Public Finance, a division of Zions Public Finance, Inc., to KNN Public Finance, LLC. All other terms and conditions of the Master Contract shall remain in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their respective authorized officers as of the day and year first above written. Signed and certified that a copy of the Agreement has been delivered to the Chairman of the Board of Supervisors of Sonoma County, California.

APPROVED AS TO FORM:  
Office of County Counsel

COUNTY OF SONOMA, CALIFORNIA

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

KNN Public Finance, LLC

By: \_\_\_\_\_  
David Leifer, Senior Managing Director

Date: \_\_\_\_\_

### **MUNICIPAL ADVISOR SCOPE OF SERVICES**

The following summarizes our transaction services for the 2017 Energy Lease Refunding:

- Develop a financing schedule, manage the completion of tasks, and schedule meetings/conference calls in a timely manner.
- Assist in the selection of financing team members as necessary, including bond and disclosure counsel, trustee/escrow agent, verification agent, and placement agent.
- Prepare debt service schedules and debt service savings analyses.
- Design a financing and savings structure tailored to meet the County's objectives.
- Participate in meetings or conference calls with staff and make presentations to the Debt Advisory Committee and Board of Supervisors, as needed.
- Assist in the review of legal and financing documents.
- Evaluate and make recommendations about method of sale, including exploring economics of competitive, negotiated, and direct purchase (including Treasury direct purchase).
- Facilitate pricing process for direct purchase, including assisting the Placement Agent with the preparation of an RFP to be sent to potential lenders.
- Coordinate the closing of the transaction and the funding of the defeasance escrow.
- Prepare Closing Memorandum that summarizes key features of the transaction.

TO BE RECORDED AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation

475 Sansome Street, Suite 1700

San Francisco, California 94111

Attention: Stephen G. Melikian, Esq.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

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## TERMINATION AGREEMENT

This TERMINATION AGREEMENT (this "Termination Agreement"), dated as of March 10, 2017, is among COUNTY OF SONOMA, a general law county duly organized and existing under the laws of the State of California, as lessor (the "County"), and BANC OF AMERICA PUBLIC CAPITAL CORP, a corporation duly organized and existing under the laws of the State of Kansas, as successor in interest to LaSalle National Leasing Corporation (the "Corporation").

### *BACKGROUND:*

1. The County and the Corporation have entered into the following documents (collectively, the "2007 Financing Agreements") in connection with the financing of \_\_\_\_\_ in the aggregate original principal amount of \$\_\_\_\_\_ (the "2007 Financing"), which 2007 Financing Agreements related to the real property described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property"), and the 2007 Project (as defined in the 2007 Financing Agreements):

- (a) Site Lease dated December 17, 2007, between the County, as lessor of the Leased Property, and the Corporation, as lessee of the Leased Property, which was recorded on December 14, 2007, in the Office of the Sonoma County Recorder as Instrument No. 2007-131649;
- (b) Lease Purchase Agreement dated December 17, 2007, between the Corporation, as lessor of the Leased Property, and the County, as lessee of the Leased Property, which was recorded on December 14, 2007, in the Office of the Sonoma County Recorder as Instrument No. 2007-131650 (the "2007 Lease"); and
- (c) First Amendment to Lease Purchase Agreement dated as of April 10, 2008 between the Corporation, as lessor of the Leased Property, and the County, as lessee of the Leased Property, which

was recorded on April 17, 2008, in the Office of the Sonoma County Recorder as Instrument No. 2008- 035209.

2. The County's payment obligations under the 2007 Lease have been fully discharged, and, as a result, each of the other 2007 Financing Agreements has, accordingly, terminated in accordance with its respective provisions.

3. The County and the Corporation are entering into this Termination Agreement for the purpose of evidencing the termination of the 2007 Financing Agreements.

#### A G R E E M E N T :

*In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:*

SECTION 1. *Termination.* The County and the Corporation hereby represent and warrant that the 2007 Lease has been discharged in full and retired, and that as a result thereof the 2007 Financing Agreements have been terminated in accordance with their respective terms. The County and the Corporation both hereby terminate the 2007 Financing Agreements with respect to both the Leased Property.

SECTION 2. *Recordation Hereof; Further Assurances.* The County shall cause an executed copy of this Termination Agreement to be filed in the Office of the Sonoma County Recorder. The County and the Corporation agree that they will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the other party to carry out the intention or to facilitate the performance of this Termination Agreement.

SECTION 3. *Execution in Counterparts.* This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4. *Governing Law.* This Termination Agreement shall be construed in accordance with and governed by the Constitution and laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Termination Agreement by their duly authorized officers as of the day and year first written above.

**COUNTY OF SONOMA**

By \_\_\_\_\_  
Assistant Auditor-Controller-Treasurer-Tax  
Collector

**BANC OF AMERICA PUBLIC CAPITAL  
CORP**, *as successor to LaSalle National  
Leasing Corporation*

By \_\_\_\_\_  
\_\_\_\_\_

## APPENDIX A

### DESCRIPTION OF THE LEASED PROPERTY

The real property constituting the Leased Real Property consists of the land located in the unincorporated area of the County of Sonoma, State of California, which is described as follows, including all buildings, improvements and facilities at any time situated thereon:

All that certain real property situated in the County of Sonoma, State of California, being a portion of the lands of the County of Sonoma, a political subdivision of the State of California, as described in that Grant Deed recorded December 16, 1991 under Document No. 1991 0126155, Sonoma County Records, and the County of Sonoma, as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records, and being more particularly described as follows:

Beginning at a 1/2", iron pipe, tagged LS 5927, shown marking the Northwest corner of the lands of the County of Sonoma as shown on that Record of Survey file in Book 630 of Maps at Page 14, Sonoma County Records; thence from said point of beginning, along the Northerly line of said lands, South 89° 48' 46" East, 303.52 feet to the Northeast corner of said lands marked by a 1/2", iron pipe tagged LS 5927; thence along the Easterly line of said lands, South 20° 14' 34" East, 114.86 feet to an angle point marked by a 3/4" iron pipe tagged S.C.W.A.; thence along the Easterly line of said lands, South 28° 07' 01" East, 218.36 feet; thence, leaving said Easterly line N 89° 49' 31" W, 669.59 feet; thence N 00° 54" E, 316.92 feet to the Northerly line of the lands of the County of Sonoma as described in that Grant Deed recorded February 25, 1969 in Book 2379 of Official Records, at Page 535, Sonoma County Records; thence along said Northerly line S 89° 35' 00" E, 222.51 feet to the Westerly line of the lands of the State of California as shown on said Record of Survey; thence along said Westerly line S 00° 37' 27" W, 16.00 feet to the point of beginning.

Basis of Bearings: Record of Survey of the lands of the County of Sonoma, filed in Book 630 of Maps at Page 14, Sonoma County Records.



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 24**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Directors, Sonoma County Agricultural Preservation & Open Space District

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Sonoma County Agricultural Preservation & Open Space District

**Staff Name and Phone Number:**

Karen Gaffney, 565-7344

**Supervisorial District(s):**

all

**Title:** Sonoma County Agricultural Preservation and Open Space District:  
Comprehensive Plan – Community Outreach and Plan Development

### **Recommended Actions:**

Initiate District Comprehensive Plan community outreach and input process, integrate community input into the District Comprehensive Plan, per the District's Board approved 2014 Management Review.

### **Executive Summary:**

The Sonoma County Agricultural Preservation and Open Space District (District) Board of Directors approved a management review in August 2014 that directed the District to develop an integrated comprehensive plan, and expand its community outreach and engagement. The plan will guide District conservation investments through 2031. Per previous Board direction, data collection and technical analyses are in process to support the prioritization of land conservation actions and strategies. The next phase of the planning process entails robust community outreach and input, including community meetings in each board member's district, thematic workshops, polling, information dissemination via the District website, social media, and print media, one-on-one meetings with experts and attendance at events and meetings of community partners and stakeholders.

### **Discussion:**

The Board of Directors of the Sonoma County Agricultural Preservation and Open Space District initiated an independent management review of the District in 2013, and approved the recommendations from the management review in August 2014. The management review included the recommendation to develop an integrated planning framework that would incorporate all previous District planning and policy documents, tiering off the District's enabling legislation (Measures A, C, F) and expenditure plan. Additionally, the management review recommended that the District enhance its community outreach and engagement programs to more fully share information with the public and gather input from the community.

The District began collecting and updating data in service of the comprehensive plan in late 2014. These datasets include countywide LiDAR and carbon mapping funded by NASA and the Gordon and Betty

Moore Foundation, the Sonoma Vegetation and Habitat Mapping program, as well as information on agricultural crops, wildlife corridors, groundwater recharge areas, downscaled climate data, scenic viewshed and greenbelt analyses, and evaluation of recreational and trail connection opportunities. These datasets are being used to enhance the District's ability to prioritize land for conservation and to share information with the community regarding the state of the Sonoma County landscape.

Per the recommendations in the Board approved District management review, the District has substantially enhanced its community outreach and engagement processes by hiring a Community Relations Specialist, developing a new District website, implementing polling to assess community views, refining District messaging and outreach materials, developing a community relations strategy, and implementing several new social media platforms.

The above mentioned District work on data collection and analysis, information gathering, and enhanced community relations tools and processes will support community outreach and engagement during the development of the comprehensive plan. The District plans to hold a series of board member led community meetings to share information regarding the District's mission, its accomplishments to date, as well as information gathered regarding the Sonoma County landscape. Most importantly, these meetings will provide significant opportunities for the community to provide input on their priorities for the District's land conservation program, and to help the District to refine preliminary ideas about land conservation data, challenges, opportunities, and strategies.

Thematic workshops – focused on agriculture, natural resources, scenic viewsheds, greenbelts and community separators, recreation, and urban open space – will allow interested community members, partners and experts to provide more detailed input in each focus area. Small group and one-on-one meetings with partners, non-profits, agricultural, natural resource and recreation organizations and experts will enhance all elements of the comprehensive plan. The District has identified a series of events and partner meetings to attend in order to gather input from the community on District priorities. The comprehensive plan process will be featured on the District's website, with all meetings advertised there and via direct e-mail, print and social media.

The District will document all input received in the comprehensive plan, including the response to this input and how it was integrated into the planning process. The comprehensive plan will be developed in phases, moving from a draft outline to an annotated outline to a draft plan and final plan. The community and partners will have the opportunity to comment and provide input during all phases of the plan development process. The District anticipates bringing a draft of the comprehensive plan to a Board-led community workshop in July 2017, refining the plan based on that input, and bringing the final plan to the Board in the fall 2017.

**Prior Board Actions:**

July 19, 2016: Approval of contracts for community outreach and technical services related to the District's Comprehensive Plan (Board Action #1)

May 24, 2016: Approval of contracts for community outreach and technical services related to the District's Comprehensive Plan (Board Action #59)

August 19, 2014: Approval of planning, funding, and community relations elements listed in the District Management Review (Board Action #36)

**Strategic Plan Alignment**      Goal 2: Economic and Environmental Stewardship

**Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

There is adequate appropriation in the current budget for the District comprehensive plan

**Staffing Impacts**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

none

**Attachments:**

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

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# Board of Directors Update District Comprehensive Plan

- Founders Film
- District Accomplishments Since 1990
- Comprehensive Plan:
  - Background
  - Work to date
  - Community outreach
  - Next steps



# Founders Film

# Sonoma Ag + Open Space

*Building on a foundation of success*





**111,200**

**Acres Protected Forever**  
*Over 10% of Sonoma County!*



**106,000** acres

**232** easements



**21** fee properties

**5,200** acres

A person stands on a grassy hillside, looking out over a vast, hazy mountain range under a bright sky. The person is silhouetted against the light, with their hands on their head. The landscape is filled with rolling hills and dense evergreen forests, creating a sense of depth and scale. The sky is a pale, hazy blue, suggesting a bright, sunny day.

**\$413 million**

Appraised value of protected lands.

**\$303 million**

Sales tax dollars spent to acquire natural and working lands in Sonoma County.

**\$110 million**

Savings to the taxpayers.



**\$32 million**

**Money pledged toward urban open space projects through Matching Grant Program**

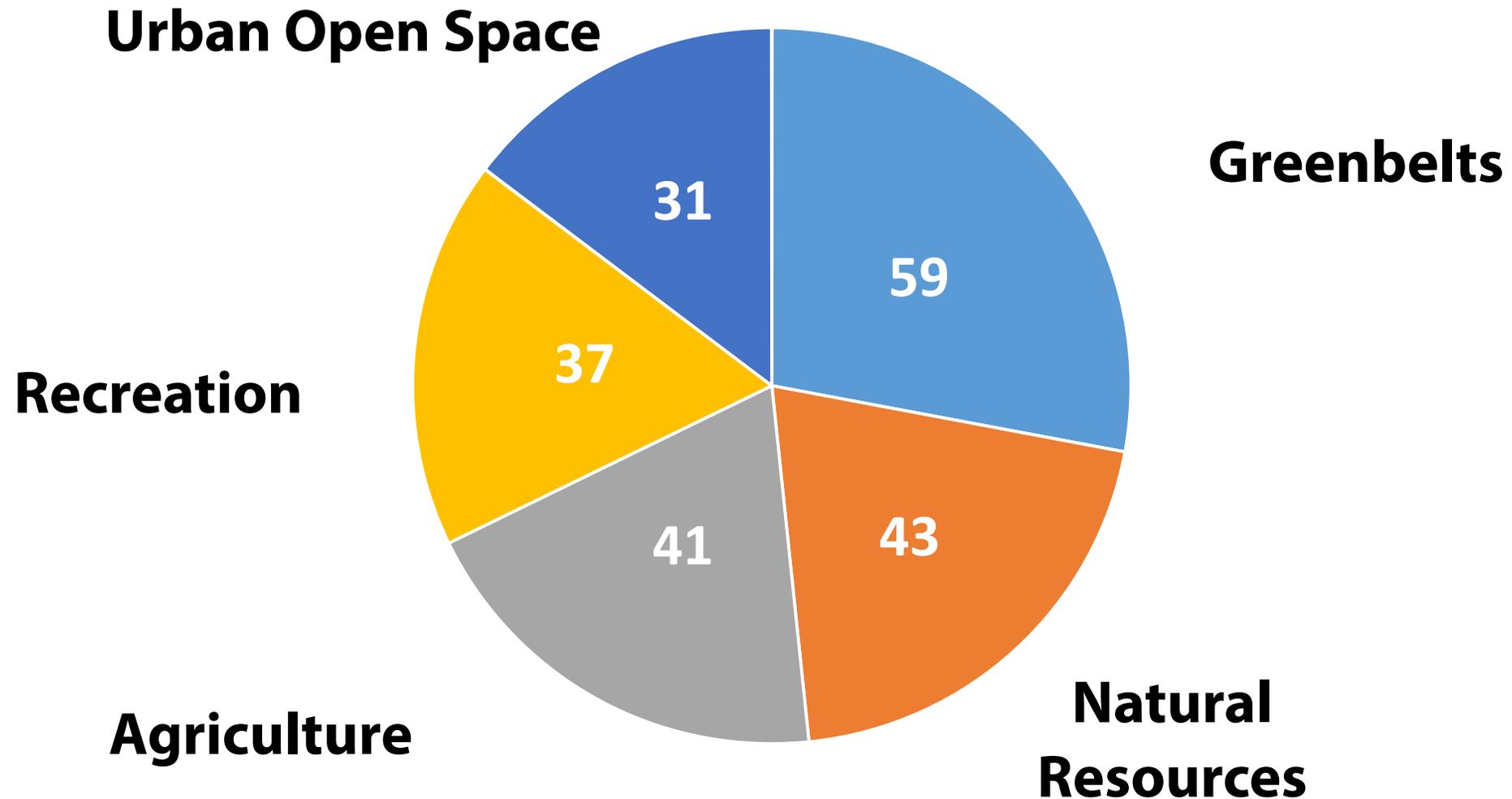
**52**

**Number of projects accepted into the Matching Grant Program**

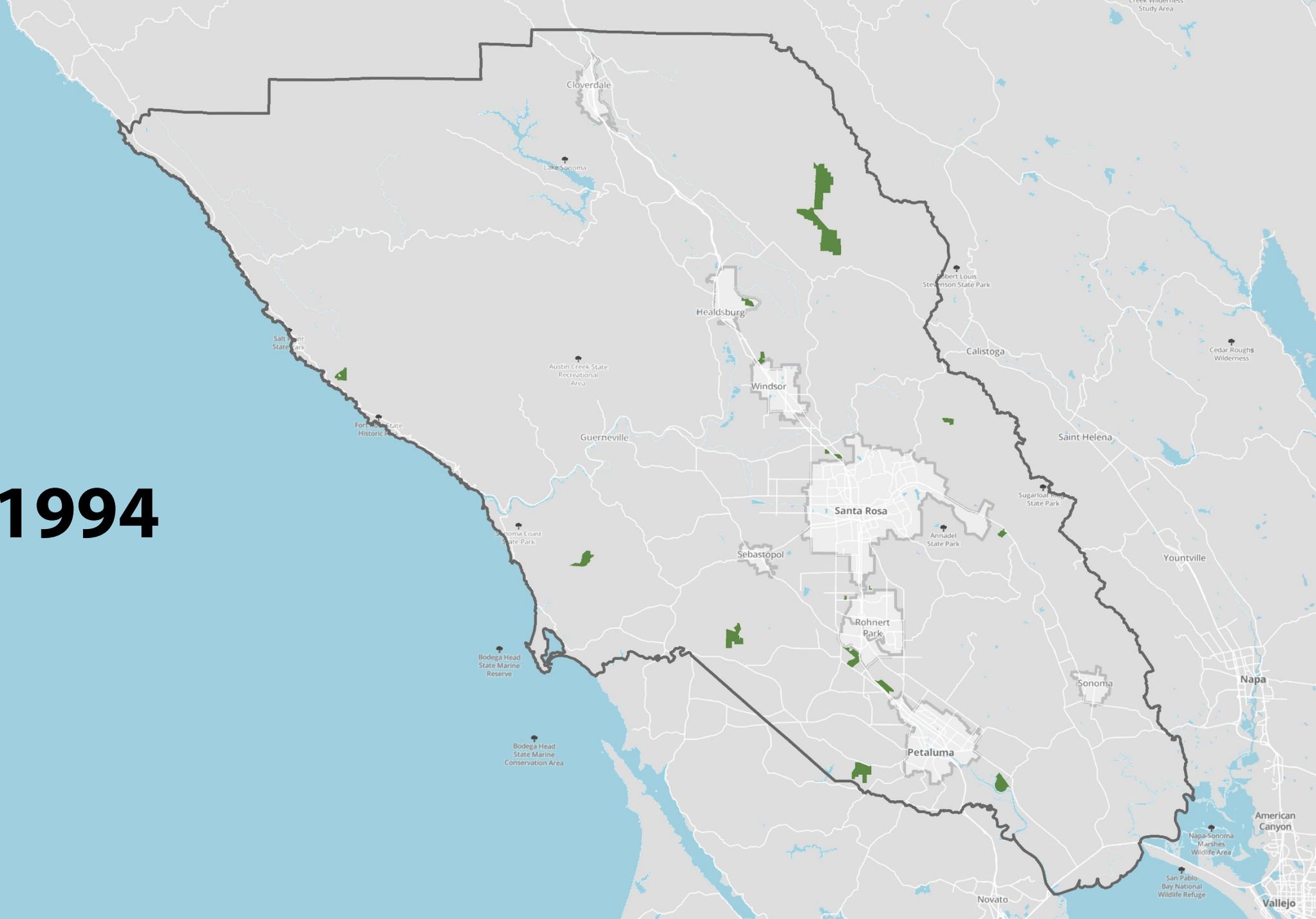
**426**

**Number of acres Matching Grant Program has opened to the public**

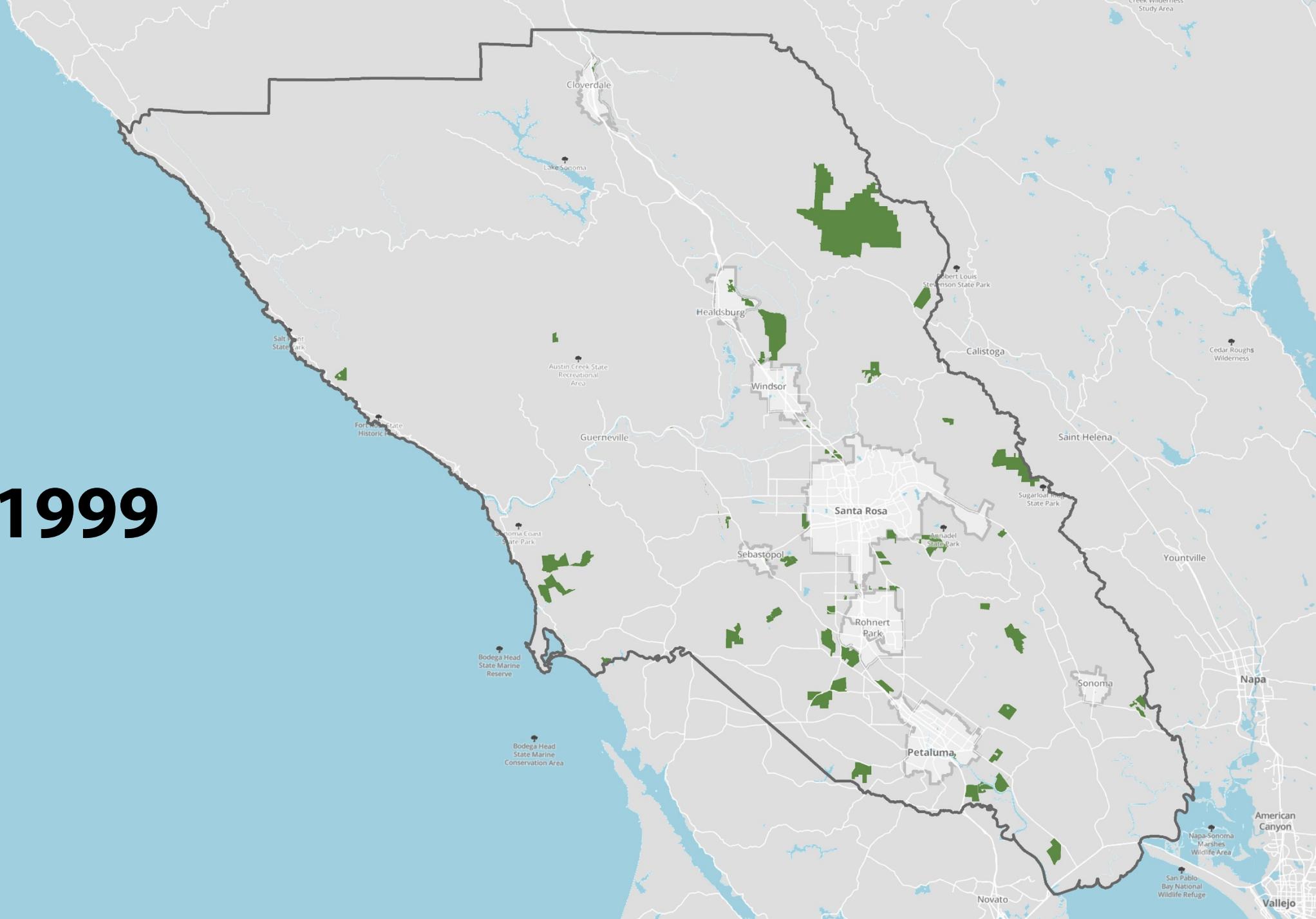
# Number of projects by primary acquisition category



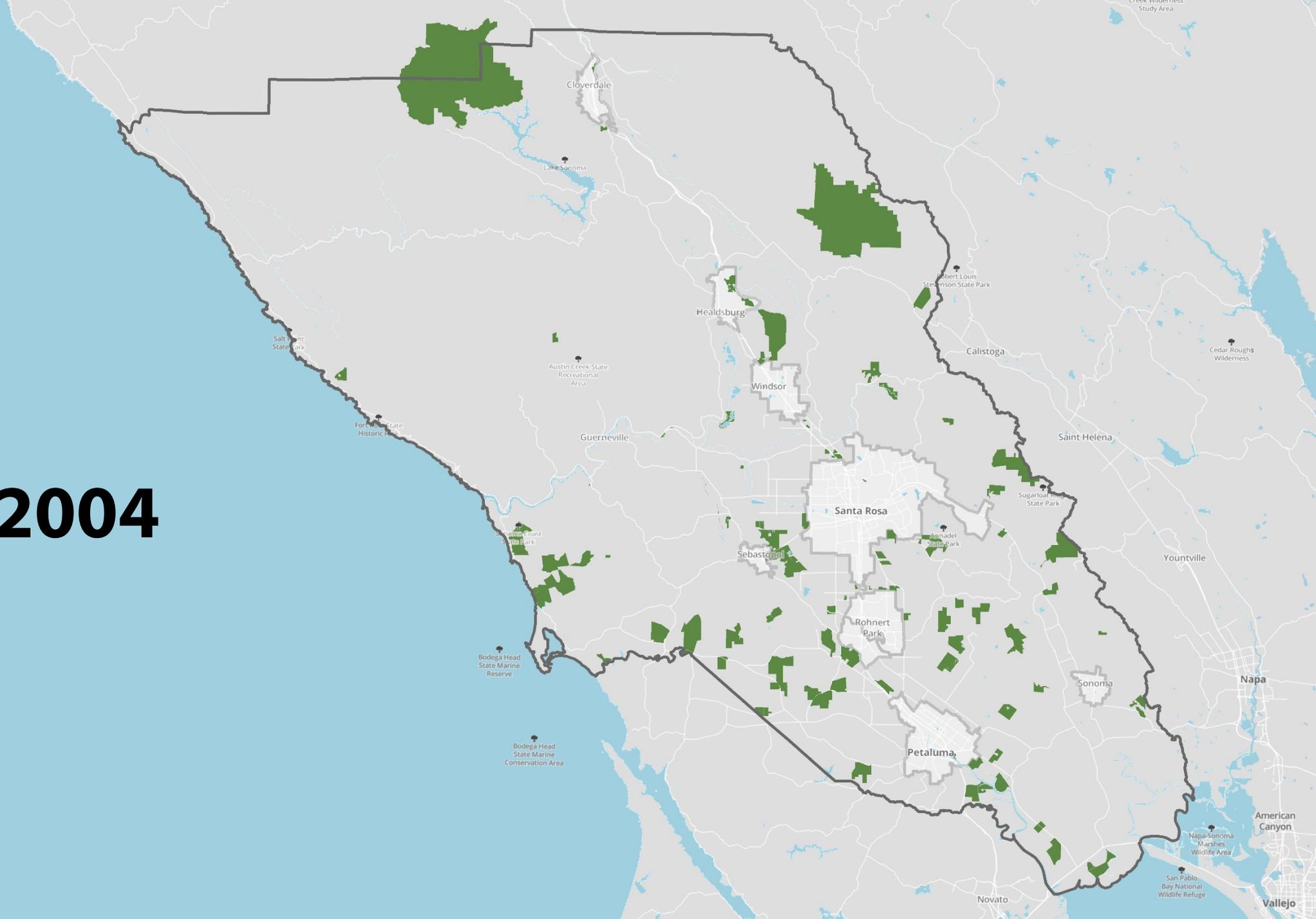
# 1990 - 1994



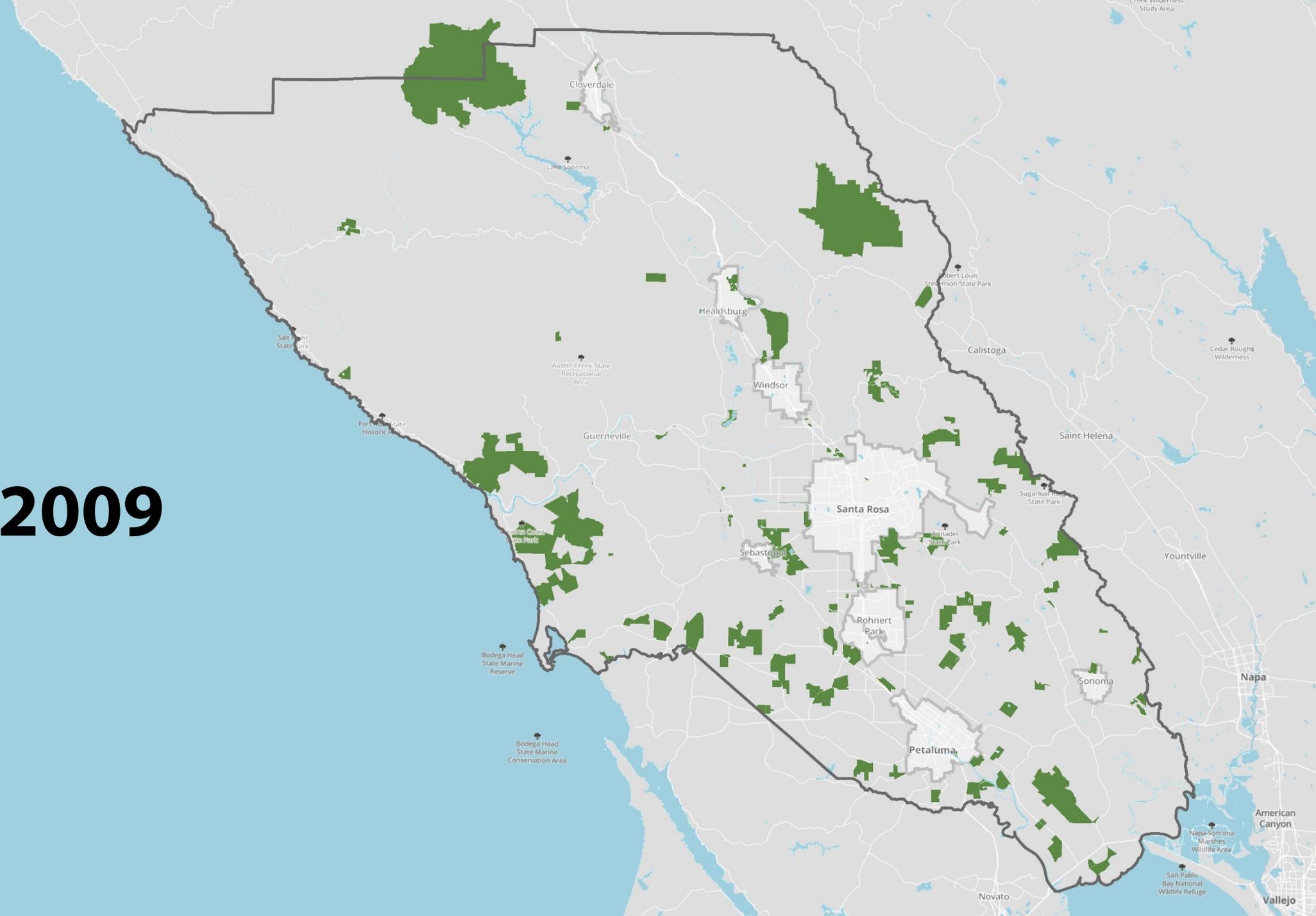
# 1995 - 1999



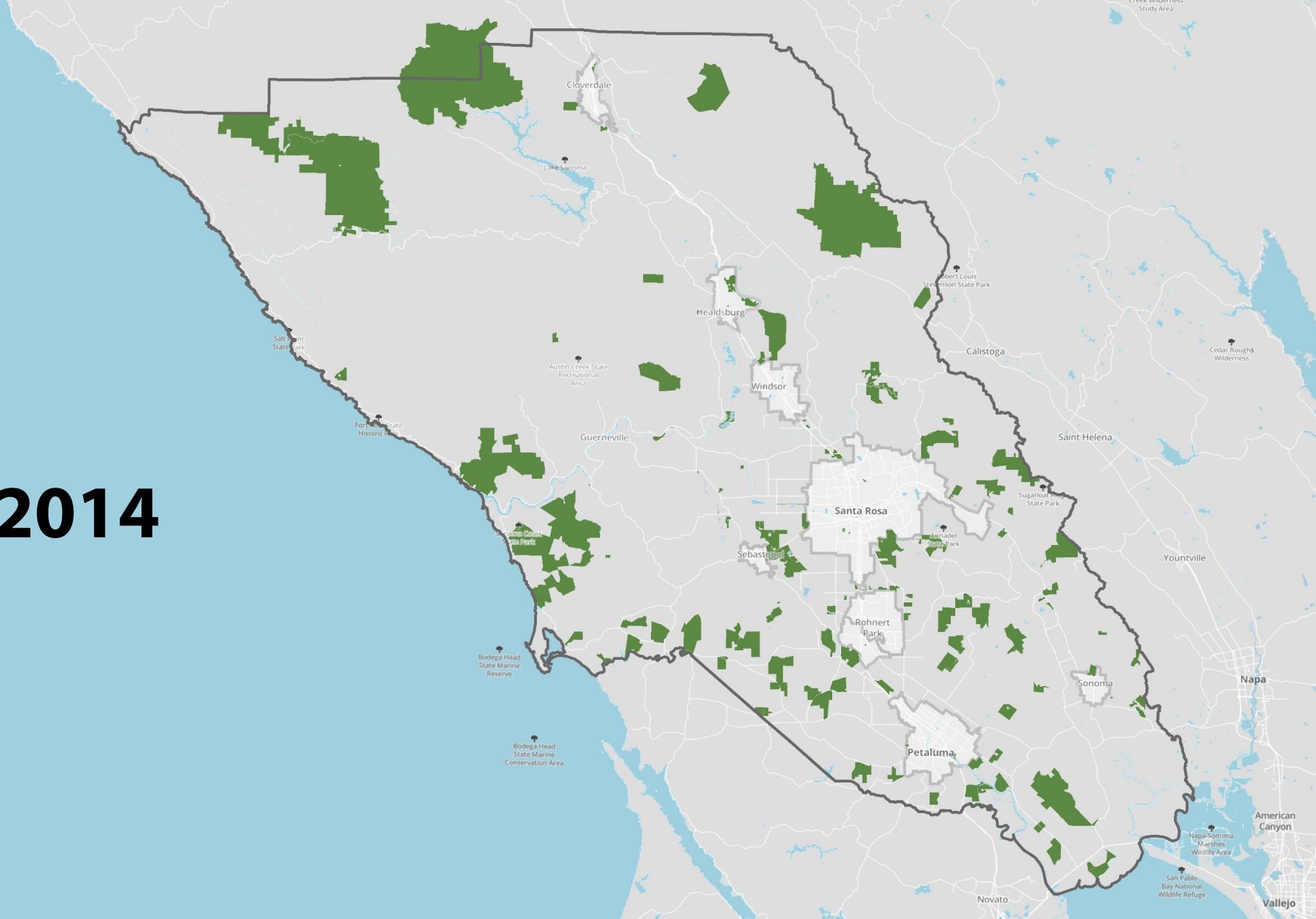
**2000 - 2004**



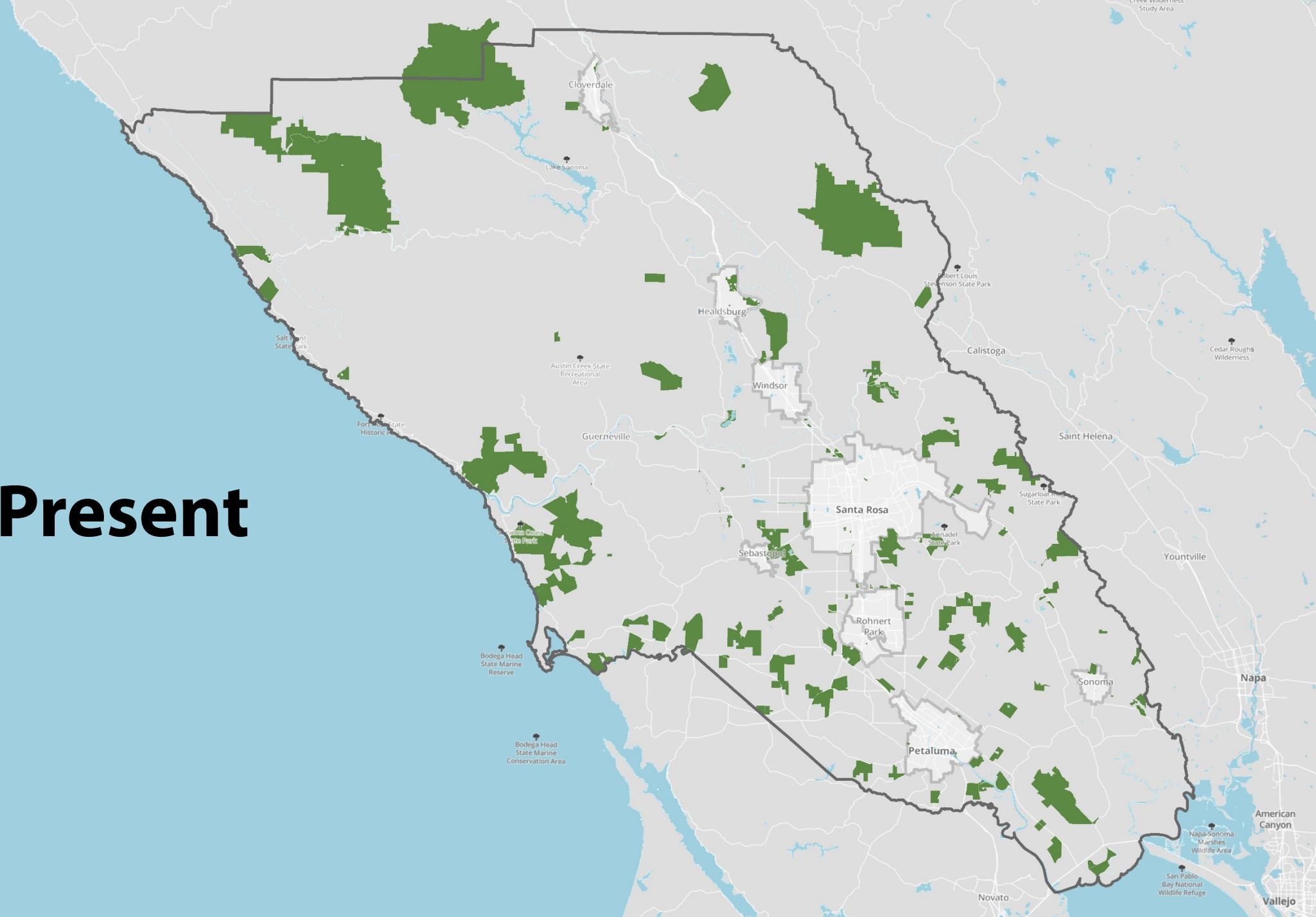
**2004 - 2009**



**2010 - 2014**



# 2015 - Present





**18,658**

**Acres of protected groundwater  
basins or natural recharge areas**



**11,969**

**Acres of District-protected  
land open for public  
recreation**

A person with long hair, wearing a red jacket and dark pants, is sitting on a grassy hillside, looking out over a vast landscape. The landscape features rolling green hills, a dense forest of evergreen trees, and a winding river in the distance. The scene is bathed in soft, natural light, suggesting a clear day. The person's gear, including a backpack and a green bag, is on the ground next to them.

32

**NEW** parks, preserves, and  
public spaces created

**7,350**

**Acres added to existing State and  
Regional Parks**





**2,797**

**Acres of wetlands**



**31,528**

**Acres of  
grazing land**



**11,582**

**Acres of coastal lands protected**



**33,579**

**Acres of redwood forest**



**287**  
**Educational programs  
and outings in 2016**



**4,892**

**Participants in educational programs and outings in 2016**



**76**

**Miles of salmon streams**



**38**

**Properties producing  
local food and wine**



# Explore the Sonoma Marin Cheese Trail

Tour the heart of artisan cheesemaking country in Sonoma and Marin counties—it's been called the Normandy of Northern California after the famous French cheese-producing region. View a beautiful agricultural landscape of family farms and working ranches, much of it protected from development with agricultural conservation easements. Experience historic towns and villages, Point Reyes National Seashore, nearby oyster operations and world-renowned wineries in the 12 wine-growing regions of Sonoma County.



Popular goat breeds include Alpine, Saanen, Nubian and LaMancha.

22,000 acres of land in Marin and Sonoma are dedicated to making cheese and fermented milk products.

## Open for Visits

Not all artisan producers are open to the public, so we've created two tours to sites that welcome visitors. Meet some of the cheesemakers, learn about the animals, and maybe even see cheese being made...and don't forget to ask for a taste! Make sure to call ahead or check company websites listed on the back for hours.



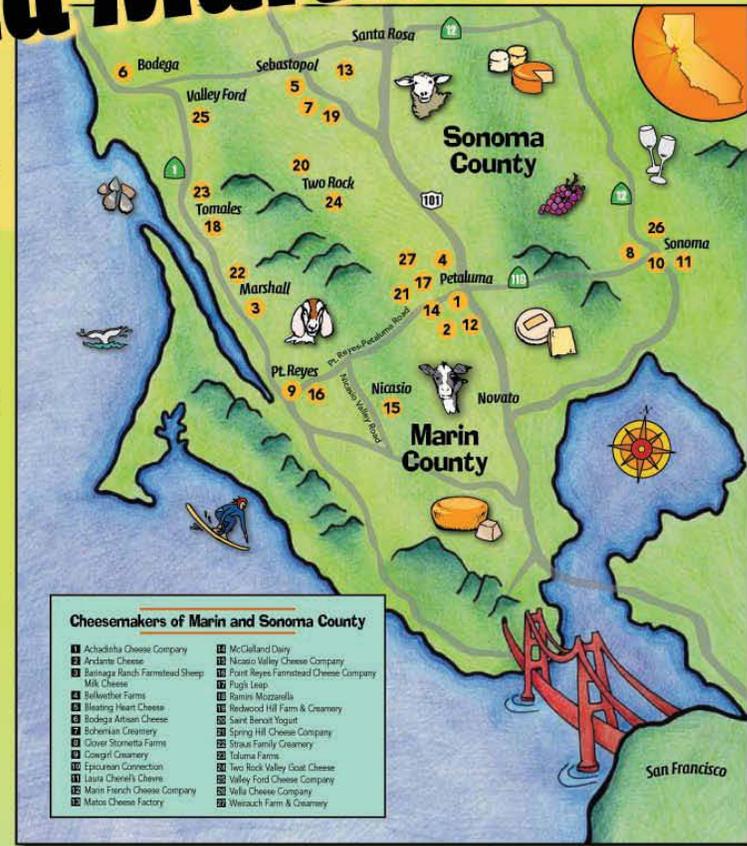
## Follow the Sonoma Marin Cheese Trail

### Marin County Tour

Novato to Nicasio and Point Reyes Station (about 50 miles)

#### Driving Directions

Start at the **Marin French Cheese Company** right outside Novato, where you can take a tour, picnic, and eat at their award-winning Rouge et Noir bistro. Then travel west on the Point Reyes-Petaluma Road, make a quick detour onto Nicasio Valley Road to the quaint village of Nicasio. There you'll find



### Cheesemakers of Marin and Sonoma County

- |                                            |                                         |
|--------------------------------------------|-----------------------------------------|
| 1 Achadsha Cheese Company                  | 11 McCalland Dairy                      |
| 2 Andante Cheese                           | 12 Nicasio Valley Cheese Company        |
| 3 Bodega Ranch Farmstead Sheep Milk Cheese | 13 Point Reyes Farmstead Cheese Company |
| 4 Bellweather Farms                        | 14 Pupki Leap                           |
| 5 Bleating Heart Cheese                    | 15 Ramini Mozarella                     |
| 6 Bodega Artisan Cheese                    | 16 Redwood Hill Farm & Creamery         |
| 7 Echeman Creamery                         | 17 Saint Bern's Yogurt                  |
| 8 Clover Stonetta Farms                    | 18 Spring Hill Cheese Company           |
| 9 Cowgirl Creamery                         | 19 Straus Family Creamery               |
| 10 Epicurean Connection                    | 20 Taluma Farms                         |
| 11 Laura Chenell's Cheere                  | 21 Two Rock Valley Goat Cheese          |
| 12 Marin French Cheese Company             | 22 Valley Ford Cheese Company           |
| 13 Matos Cheese Factory                    | 23 Vella Cheese Company                 |
|                                            | 24 Wenzach Farm & Creamery              |

**Nicasio Valley Cheese Company.** The Lafranchi family produces fantastic farmstead cheeses in the artisanal tradition of their Swiss-Italian cousins in Northern Italy. Then retrace your steps to the Point Reyes-Petaluma Road and into the town of Point Reyes to Tomales Bay Foods (also known as **Cowgirl Creamery**) where you can watch cheesemaking through the window or take a more formal cheese class on Wednesdays (reservations required). At the cheese counter taste Cowgirl cheeses and other local artisan cheeses.

### Sonoma County Tour

Petaluma to Sonoma to Sebastopol (about 50 miles)

#### Driving Directions

Starting in the historic agricultural town of Petaluma, with its charming turn-of-the-century buildings and quaint downtown, stop by the Petaluma Creamery where you can sample **Spring Hill Cheese** (for tours of their dairy, please call ahead). Then head east out of town via Highway 116 and follow signs to Sonoma. To

## A Working Landscape

Cheesemaking has long been a part of world cultures, but in the U.S., it dates back only about 200 years. In Marin and Sonoma counties, Spanish priests first made cheese from the milk of mission livestock in the early 1800s.

During the Gold Rush, European immigrants built dairies on the Point Reyes peninsula to supply butter and cheese to gold miners in San Francisco. The peninsula became known as "cow heaven" for its moderate climate and verdant grasslands, and dairy ranches soon sprang up throughout Marin, making the county the top dairy producer in California for several decades. As demand grew, the story repeated itself in Sonoma County.

Settlers in both counties brought cheesemaking skills with them from Switzerland, Italy, the Azores, Portugal and Ireland, and began producing modest quantities on the farm or through cooperative creameries. But during WWI, small-scale manufacturing gave way to mass production to meet the needs of national defense and a growing population.

Today, artisan cheesemaking is experiencing a renaissance as both long-time dairy families and young, passionate cheese entrepreneurs enter the marketplace to meet an increasing consumer desire for distinctive, handcrafted cheese. Marin and Sonoma counties are home to the largest concentration of artisan cheesemakers in California. In combination with conscientious animal husbandry practices, they emphasize quality over quantity. Like vintners who attribute the distinct characteristics of their wines to the terroir in which they're produced, cheesemakers here say the salt air, cooling fogs and abundant grasslands where their animals graze make their cheeses unlike any others.



Hollenders are the most common and most productive dairy cows here.

To make one pound of cheese, it takes about five pounds of sheep's milk, or seven pounds of goat milk, or 10 pounds of cow's milk.

## Protecting Farmland

This beautiful farmland located so close to San Francisco is under constant threat from sprawl and non-agricultural development. With your help, conservation organizations in Marin and Sonoma can protect at-risk farmland. Visit their websites, listed on the back panel, to learn how.

visit one of the oldest cheesemakers in the area, stop by **Vella Cheese Company**, known for their famous aged dry Jack. While still in Sonoma drop by the **Epicurean Connection** for the flavors of fresh and soft cheeses and more local fare. For more, travel north out of town on Highway 12 to Sebastopol to the **Matos Cheese Factory** to sample their St. George, a buttery semi-hard cheese made in the style of the Azores.

Check the list of cheesemakers on the back that indicate **Tours by Appointment. Plan ahead!**

A landscape photograph of a native oak woodland. The foreground features a low, rustic stone wall made of dark, irregular rocks. Behind the wall is a field of tall, dry, golden-brown grass. Several large, mature oak trees with dense, green and brown foliage are scattered across the middle ground. The background shows a clear blue sky with scattered white clouds.

**58,853**

**Acres native oak woodland & forest**



**5,832**

**Acres habitat for threatened and  
endangered plants & animals**



SONOMA CO  
**VITAL  
LANDS**  
INITIATIVE



# Work to Date

## Data & Analysis

- Existing data
- LiDAR
- Vegetation Mapping
- Carbon
- Natural capital
- Data gaps: groundwater, wildlife corridors



# Community Engagement

- Board led community meetings
- Thematic workshops
- Technical advisors
- One-on-one meetings
- Presentations
- Events
- Website
- Social media



# Planning Process

- **Iterative – community review at each step**
- **Digital – adaptive/new information**
- **Summer - draft & BOD workshop**
- **Fall - final to Board**
- **Work plans - tied to annual budget**
- **Performance metrics - monitoring outcomes**



# Community Meetings



**March 14: Healdsburg - *Healdsburg Community Center***

**March 15: Forestville - *El Molino High School Library***

**March 21: Petaluma - *Petaluma Community Center***

**March 29: Santa Rosa - *Santa Rosa Veterans Building***

**March 30: Sonoma - *Finnish American Heritage Hall***



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 25**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Directors Sonoma County IHSS Public Authority

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Human Services/IHSS Public Authority

**Staff Name and Phone Number:**

Gary Fontenot – 565-5950

**Supervisorial District(s):**

All

**Title:** In Home Support Service Public Authority Employment Contract.

### **Recommended Actions:**

Authorize the Chair of the Sonoma County In Home Support Service Public Authority Board of Directors to sign a renewal employment contract with Michael Humphrey as Public Authority Manager for a three-year term beginning on March 14, 2017.

### **Executive Summary:**

This item authorizes the renewal of an employment contract with Michael Humphrey, Public Authority Manager, for a three-year term beginning on March 14, 2017 and ending March 13, 2020. Staff recommends the “C” step (\$52.71/hr). Fringe benefits are unchanged in the contract renewal, which remain consistent with the Sonoma County Salary Resolution 95-0926, as amended.

### **Discussion:**

The Board of Supervisors established the Sonoma County In-Home Supportive Services (IHSS) Public Authority on June 5, 2001, pursuant to Welfare & Institutions Code § 12301.6(a)(2). The Public Authority is an independent public entity, with the members of the Board of Supervisors serving as the Board of Directors. The purpose of the Public Authority is twofold: (1) to act as the employer of record for individual IHSS care providers for the purpose of collective bargaining over wages, hours, and other conditions of employment and (2) to provide State-mandated functions of referral, registry, screening, and training to IHSS consumers and providers.

To avoid duplication of administrative systems, the Board of Supervisors and the Board of Directors designated the Human Services Department as the administrative liaison to the IHSS Public Authority, and directed the Public Authority to utilize county services through an interagency agreement. The Director of Human Services oversees the Public Authority Manager through this interagency agreement. Operationally, the Public Authority resides in the Adult and Aging Division, and the PA Manager reports to the Division Director.

Michael Humphrey was hired as the first Public Authority Manager through an employment contract, effective March 4, 2002 to March 5, 2005. Mr. Humphrey's employment contract was renewed on March 15, 2005, March 11, 2008, March 3, 2011, and again on February 25, 2014.

Mr. Humphrey has demonstrated effective leadership and competent management of the IHSS Public Authority and has earned the respect of the IHSS Public Authority Advisory Committee. It is recommended that Mr. Humphrey be placed at the "C" step of the salary range for IHSS Public Authority Manager in the attached contract renewal. Consistent with the past contracts, Mr. Humphrey will continue to receive the fringe benefits pursuant to the Sonoma County Salary Resolution 95-0926, as amended.

**Prior Board Actions:**

- 02/25/14 – approved renewal employment contract with Michael Humphrey
- 03/01/11 – approved renewal employment contract with Michael Humphrey
- 03/11/08 – approved renewal employment contract with Michael Humphrey
- 03/15/05 – approved renewal employment contract with Michael Humphrey
- 03/05/02 – approved initial employment contract with Michael Humphrey
- 06/21/01 – approved ordinance to establish the Sonoma County IHSS Public Authority

**Strategic Plan Alignment**      Goal 1: Safe, Healthy, and Caring Community

This program provides services to seniors and persons with disabilities that assist with maintaining health, independence, and ability to remain at home.

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses	\$ 32,087	\$ 110,013	
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$ 32,087</b>	<b>\$ 110,013</b>	
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>0</b>		
<b>Narrative Explanation of Fiscal Impacts:</b>			
Funding is included in the annual IHSS Public Authority budget.			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
N/A			
<b>Attachments:</b>			
M. Humphrey Personal Services Agreement			
<b>Related Items "On File" with the Clerk of the Board:</b>			

**AGREEMENT FOR PERSONAL SERVICES**  
**Sonoma County In-Home Supportive Services (IHSS) Public Authority Manager**

This Agreement is made this 7<sup>th</sup> day of March 2017, by and between the Sonoma County In-Home Supportive Services (IHSS) Public Authority, a public agency of the State of California (“PUBLIC AUTHORITY”) and Michael Humphrey (“EMPLOYEE”).

**WITNESSETH:**

WHEREAS, the PUBLIC AUTHORITY and Michael Humphrey are desirous of entering into an agreement for personal services, as set forth below; and

WHEREAS, EMPLOYEE acknowledges that by accepting the position of Public Authority Manager, he became an at-will employee; and

WHEREAS, the parties desire to continue the employment relationship and execute another contract.

NOW, THEREFORE, BE IT AGREED by and between the parties as follows:

1. Employment. The PUBLIC AUTHORITY employs EMPLOYEE in the position of Public Authority Manager for a period of 3 years commencing on March 14, 2017, and ending on March 13, 2020, subject, however, to termination as provided below.

2. Tenure. EMPLOYEE shall serve at the will and pleasure of the PUBLIC AUTHORITY’s Board of Directors and expressly waives and disclaims any right to any pre-termination or post-termination notice and hearing.

3. Duties. EMPLOYEE shall perform the duties of Public Authority Manager as set forth in the job specification, attached as Exhibit A, as it now provides or may be amended, and such other duties as may be prescribed by the Public Authority.

4. Compensation.

(a) EMPLOYEE’s salary shall be at the “C” step of the salary range for IHSS Public Authority Manager as established in the Sonoma County Salary Resolution 95-0926, as amended.

(b) Except as otherwise provided, EMPLOYEE shall be entitled to the same fringe benefits generally available to COUNTY administrative management, including the County Retirement Plan and retirement health benefits.

1. As part of paragraph 12.4 of the Salary Resolution, EMPLOYEE may be reimbursed for the cost of supplemental insurance for chiropractic and acupuncture services or direct payment for chiropractic and acupuncture services.
2. EMPLOYEE will receive a car allowance of \$150 per bi-weekly pay period. EMPLOYEE may, in addition, receive mileage reimbursement as specified in the Sonoma County

Salary Resolution for mileage driven outside the boundaries of Sonoma County. Travel expenses to destinations served by common air carrier from San Francisco or Oakland International Airports shall be compensated at the lesser of the mileage reimbursement rate or the least expensive airfare to the destination. EMPLOYEE shall file necessary documents in accordance with instructions from the COUNTY Auditor-Controller. EMPLOYEE shall not use COUNTY vehicles on official COUNTY business except as required in extraordinary circumstances.

3. The cost of reasonable accommodations for work related travel, not to exceed \$6,000 per year, will be reimbursed as follows:
  - \$14.00 per hour for an attendant to provide transportation associated with PUBLIC AUTHORITY business.
  - \$14.00 per hour for an attendant to accompany EMPLOYEE to meetings requiring overnight stay.
  - The actual cost of hotel room and meals for the attendant will also be reimbursed in accordance with COUNTY travel policy.
4. The actual cost of hotel room and meals for EMPLOYEE will be reimbursed in accordance with COUNTY travel policy.

(c) EMPLOYEE shall accrue vacation and sick leave at the rate applicable to time in service as set forth in the Sonoma County Salary Resolution.

5. Expiration and Non-Renewal. EMPLOYEE acknowledges, understands and warrants that EMPLOYEE shall have no further right or claim to employment after the expiration of the term of this Agreement, and that no other document, handbook, policy, resolution or oral or written representation, of any nature whatsoever, shall be effective or construed to be effective to extend the term or otherwise grant EMPLOYEE any right or claim to continued employment with the PUBLIC AUTHORITY. This warranty has been relied upon by the PUBLIC AUTHORITY as a material inducement to enter into this Agreement and, in the absence thereof, the PUBLIC AUTHORITY would not have entered into this Agreement. The PUBLIC AUTHORITY agrees to give EMPLOYEE written notice of non-renewal at least sixty (60) days in advance of expiration of the term of this Agreement. Failure to give notice or timely notice shall not cause a renewal of this Agreement.

6. Termination. EMPLOYEE shall serve at the will and pleasure of the PUBLIC AUTHORITY Board of Supervisors and may be terminated at the will of the Board with or without cause as set forth herein. EMPLOYEE expressly waives and disclaims any right to any pre-termination or post termination notice and hearing.

(a) Termination without cause: Termination of EMPLOYEE's employment without cause may be effected by the PUBLIC AUTHORITY giving sixty (60) days' prior written notice to EMPLOYEE. Upon such termination, EMPLOYEE

shall be entitled to additional salary, and any other compensation allowed under the County of Sonoma Salary Resolution, equal to that which would accrue during sixty (60) calendar days following termination and to be computed by the Auditor-Controller at the rate applicable on the day of termination plus the cash equivalent of all accumulated vacation as of the day of termination. In addition to the foregoing, EMPLOYEE shall also be entitled to be compensated for any floating holiday balance or any other compensation or benefits as allowed by the Sonoma County Salary Resolution, as it may be amended from time to time. EMPLOYEE's health benefits and the PUBLIC AUTHORITY's portion of the premium contribution shall continue to remain in effect for a period of ninety (90) calendar days from date of termination. EMPLOYEE's acceptance of said severance pay shall constitute a full and final settlement and full satisfaction of any or all claims of EMPLOYEE that have been brought or could be brought against the PUBLIC AUTHORITY arising out of or related to his employment.

(b) Termination with cause: PUBLIC AUTHORITY may terminate EMPLOYEE's employment for just cause at any time by giving notice of employment discrepancies and an opportunity to respond to such discrepancies prior to termination. Notice is accomplished by PUBLIC AUTHORITY depositing a written notice in the United States mail that is addressed to EMPLOYEE at EMPLOYEE's last known address or by personal service. After termination for just cause has been affected, EMPLOYEE shall have no further rights under this Agreement or to continued employment with the PUBLIC AUTHORITY. Just cause may include, but is not limited to, unauthorized absence, conviction of a felony or of any criminal act involving moral turpitude; conduct which brings discredit to the County; disorderly conduct; incapacity due to mental or physical disability to the extent permitted by law; willful concealment or misrepresentation of material facts in applying for or securing employment; willful disregard of a lawful order from a duly constituted authority; willful disregard of a departmental policy and/or laws regarding the confidentiality of records; using, being in possession of, or being under the influence of alcohol, narcotics, intoxicants, drugs, or hallucinatory agents while on County property or in vehicles during working hours or reporting to work under such conditions, or abuse of alcohol or drugs while in County uniform (possession and proper use of drugs prescribed by a licensed physician and appropriate possession of unopened alcoholic beverages are not prohibited by this section); negligence or willful damage to public property or waste or theft of public supplies or equipment; refusal to comply with a proper directive to undergo a medical examination as issued by an appointing authority; falsification of any records, such as medical forms, time cards or employment applications, or making material dishonest work-related statement to other employees at work or committing perjury; unauthorized use of County vehicles and equipment; conviction of driving under the influence, reckless driving, or hit-and-run driving whether on or off the job, in a County vehicle; unauthorized possession of weapons or explosives on County premises; willful carelessness or violation of safety rules and regulations which jeopardize the safety of others and/or which could result in bodily injury to others or damage to County property; and sexual harassment of or unlawful discrimination against another employee or applicant for employment. Any other just cause not set forth above, must be of similar egregious conduct.

(c) Statement of Reasons for Termination. The PUBLIC AUTHORITY and EMPLOYEE will, within a reasonable period of time, not to exceed 10 working days, attempt to agree on a mutually acceptable statement as to the reasons

for termination. If the parties cannot mutually agree to an acceptable statement of the reasons for termination within the time period set forth above, the PUBLIC AUTHORITY Board of Directors may, in its sole discretion, publish its reasons for termination. In such event, publication shall consist of filing the reasons with the Clerk of the Board at a regular or special meeting following the disclosure required by Section 54957.1 of the Government Code. A copy of the statement shall be made for EMPLOYEE and kept for her in the office of the Board's Clerk. Within ninety (90) days following the announcement of termination, EMPLOYEE may present a written response to the Board which will be maintained as a public record. The parties agree that other than as provided above, they will not make any other public statement concerning EMPLOYEE's termination.

(d) Administrative Leave. Upon receiving a specific complaint or charge brought against EMPLOYEE by another person or employee, the Chair of the PUBLIC AUTHORITY Board of Directors may place EMPLOYEE on administrative leave when, in the sole opinion of the Chair, EMPLOYEE's temporary removal from their position would be in the best interests of PUBLIC AUTHORITY. The Chair's decision to place EMPLOYEE on administrative leave is subject to ratification by the Board of Directors at its next, legally permissible, noticed Board closed session meeting. The Chair's decision remains subject to review, at any time, by the Board of Directors. The administrative leave will commence on the Chair's delivery to EMPLOYEE's office of a written notice to that effect. The Chair shall also deliver a copy of the notice to the employee, determined by the Chair, to be next in authority as Director of Health Services. Upon the delivery of the notice to EMPLOYEE's office, performance of EMPLOYEE's job duties under this Agreement are suspended but all other provisions of this Agreement shall remain in full force and effect. Thereafter, EMPLOYEE's job duties shall be performed by the employee next in authority until further written notice by the Chair. PUBLIC AUTHORITY and EMPLOYEE agree that PUBLIC AUTHORITY will incur damages, if, during the period of administrative leave, EMPLOYEE performs or attempts to perform any of the duties provided in Section 2 of the Agreement for Personal Services, or in any other way interferes with the administration or operation of the Department of Health Services. PUBLIC AUTHORITY and EMPLOYEE agree that the measurement of these damages would be difficult and speculative and accordingly further agree that if EMPLOYEE performs or attempts to perform any of the duties provided in the attached job specification, or in any other way interferes with the administration or operation of the Department that PUBLIC AUTHORITY's duties to compensate EMPLOYEE under the Agreement are discharged for each day during which EMPLOYEE engages in such non-cooperation and/or interference. The administrative leave and the suspension of job duties shall terminate on the Chair's delivery to EMPLOYEE's office of a written notice to that effect.

7. Discrimination: PUBLIC AUTHORITY shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this agreement are incorporated by this reference.

8. Nonassignability. EMPLOYEE shall not during the term of this Agreement make any assignment or delegation of any of its provisions without the prior written consent of Public Authority's Board of Directors.

9. Compliance with Law. EMPLOYEE shall, during his employment, comply with all laws and regulations applicable to such employment. Any act or omission of EMPLOYEE constituting a public offense involving moral turpitude or a withholding of labor is a material breach of this Agreement relieving the PUBLIC AUTHORITY of any and all obligations in the Agreement. Such act or omission shall constitute sufficient grounds for EMPLOYEE's termination with cause pursuant to Exhibit B, Section 3 of this Agreement.

10. No Representations or Warranties on Tax or Retirement Issues. EMPLOYEE acknowledges and agrees that the Public Authority has not made any representations or warranties regarding tax consequences or retirement compensation pertaining to his salary and benefits. EMPLOYEE further acknowledges and agrees that the Sonoma County Employees' Retirement Association ("SCERA") makes the final determination on what is deemed "final compensation" for purposes of calculating retirement benefits.

11. Conflict of Interest. EMPLOYEE covenants that he presently has no interest and will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of his duties required under this Agreement. EMPLOYEE shall comply with all state and local conflict of interest laws or policies, including, but not limited to, Government Code section 1090, the Political Reform Act and requirements promulgated by the Fair Political Practices Committee, applicable policies on incompatible offices and conflicts of interest, and any Departmental policies on conflicts of interest. EMPLOYEE shall also complete and file a "Statement of Economic Interest" with the County, disclosing EMPLOYEE's financial interests, as required by the County's Conflict of Interest Code.

12. Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Section 1856 of the Code of Civil Procedure. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

ATTEST:

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Clerk of the Board

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Chairman, Board of Directors  
IHSS Public Authority

EMPLOYEE:

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Jeff Berk  
Deputy County Counsel

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Michael Humphrey, Manager  
IHSS Public Authority

## EXHIBIT A

### **Sonoma County In-Home Supportive Services (IHSS) Public Authority Manager Job Description**

#### **DEFINITION:**

Under general direction of the IHSS Public Authority Governing Body (the "Directors"), or their designee; plans, coordinates, directs, and reviews the activities, programs, budgets, functions, and performance of the IHSS Public Authority; is responsible for management and administration of the IHSS Public Authority Interagency Agreement with the County, including developing, interpreting, implementing, managing, and evaluating contracts; liaison to the IHSS Program; provides staff support to the IHSS Advisory Committee; represents the IHSS Public Authority at the local and state level regarding public authority-related issues; is responsible for compliance with all relevant County, State and Federal laws and regulations; and performs related duties, as required.

#### Distinguishing Characteristics:

The incumbent of this single position class manages program development, planning, and performance, including participation in labor negotiations and contract monitoring for the IHSS Public Authority. The incumbent uses considerable independent judgment and discretion in staff supervision; delegated administration and management; and prioritization and coordination of County and State mandates, goals, and objectives. Work is performed with a maximum amount of independence within policies and procedures set forth by the Directors, or their designee, and other relevant laws, ordinances, and regulations.

The incumbent is an at-will employee of a Public Authority under the terms of an employment contract and is not subject to the provisions of the County of Sonoma Civil Service Ordinance.

#### **TYPICAL DUTIES:**

Duties may include, but are not limited to the following:

Contract administration including, but not limited to, negotiation, compliance monitoring, and evaluation.

Manage Public Authority program planning, development, implementation and evaluation.

May supervise and/or train Public Authority staff; evaluate their work performance; may participate in the selection of new employees.

Makes initial recommendations on IHSS Public Authority's budget; reviews and monitors budget; researches existing and potentially new sources of funding; directs and participates in preparation of grant applications and proposals to funding sources.

Represents the IHSS Public Authority Governing Body (the "Directors") in labor negotiations and administration of labor contracts.

Serves as liaison to County of Sonoma IHSS staff on issues of mutual concern that relate directly to IHSS recipients and/or care provider services.

In conjunction with County IHSS staff, coordinates training programs for registry providers, potential providers, and IHSS recipients.

Reviews legislative proposals for content and appropriateness; provides recommendations on necessary changes to approaches to IHSS Public Authority services; analyzes and interprets legislative or legal changes and regulations from federal, state and local agencies which affect the IHSS Public Authority; consults with legal counsel, as needed.

Represents the IHSS Public Authority and explains and interprets policies, procedures, legislation, and regulations for legislative bodies, boards, commissions, and other groups.

Serves as liaison to the California Department of Social Services and other state agencies, as appropriate.

Coordinates with Human Services Department staff to prepare County/IHSS Public Authority Interagency Agreement and other formal agreements (e.g., Memorandum of Understanding) and monitors compliance with requirements of the agreements.

Prepares IHSS Public Authority rate application and documentation.

Prepares reports and regular meeting materials for the IHSS Advisory Committee.

Provides reports to the Directors of the Public Authority.

**KNOWLEDGE, SKILLS, AND ABILITIES:**

Knowledge of: principles, practices, and techniques of human resource administration, outreach recruitment, labor relations and negotiations, supervision, and training; principles, methods, and procedures of community organization, group process and decision making, consultation, and public relations; management data processing applications and computer technology; theory, principles, and practices of governmental financial administration, budgeting, contracts administration, program management, and accounting; elderly and disability issues, the IHSS system in California, IHSS Public Authority, and IHSS laws, regulations, and funding is desirable.

Ability to: develop and maintain positive relationships with employees, public officials, community groups, other agencies, and the general public; represent the Public Authority with other boards, committees, government and community agencies, departments, and officials; facilitate group decision-making process; perform public relations for the IHSS Public Authority; effectively participate in labor negotiations; utilize computer technology for administrative functions; ensure proper compliance with federal, state, and local guidelines, policies, goals, rules, and regulations.

Plan, organize, coordinate, and direct work of professional and support staff; select, train, and supervise staff; develop, evaluate, and analyze operational policies and procedures; analyze and evaluate complex program and administrative problems and recommend effective courses of action; develop short- and long-range budget plans that reflect

program needs; communicate orally and in writing on a variety of issues; understand, interpret, and apply procedures, laws, rules, and regulations as they apply to the IHSS Public Authority.

**MINIMUM QUALIFICATIONS:**

Education: Any combination of education and training, which would provide the opportunity to acquire the above knowledge and abilities. Normally, graduation from a college or university with a degree in business administration, public administration, human resources management, organizational development, social services, health services, or closely related area would provide this opportunity.

Experience: Any combination of training and experience, which would provide an opportunity to acquire the above knowledge and abilities. Four years of full-time experience in a public or private social services agency, community-based organization, health services, or hospital, with at least two years in an administrative capacity, would provide such opportunity.

Desirable Experience: Effective participation in labor negotiations; working with public/private partnerships, advisory bodies and community groups.

License: Possession of a valid California driver's license at the appropriate level including necessary special endorsements, as required by the State of California to perform the essential job functions of the position.



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 26**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** County Counsel and Permit and Resource Management Department  
(Permit Sonoma)

**Staff Name and Phone Number:**

Bruce Goldstein, County Counsel, 565-2421  
Tennis Wick, Director, 565-1925

**Supervisorial District(s):**

**Title:** Code Enforcement Enhancement Program

### **Recommended Actions:**

Enhance the County's Code Enforcement Program by making the following resource and policy adjustments:

- (A) Approve a manager position for the code enforcement program in Permit and Resource Management Department (Permit Sonoma) to oversee and coordinate violation remediation efforts to both increase cost recovery and reduce case backlog; (Majority)
- (B) Increase General Fund net cost for the County Counsel's Office by \$50,000 in FY 16-17 and \$250,000 in future fiscal years with an offsetting expenditure reduction in the Non-Departmental legal services budget to fund the continued prosecution of the most serious current code enforcement violations that pose an immediate risk to public health or safety; (4/5 Vote) and,
- (C) Delegate authority to Permit Sonoma Director and County Counsel to bypass the code enforcement administrative process and directly file litigation, for high risk violations, subject to Board ratification and receive an update on the administrative citation program, which will improve responsiveness to complaints and increase efficiency (Majority).

### **Executive Summary:**

The Code Enforcement Section of Permit Sonoma works as a team with the County Counsel's Office to address citizen complaints of building, zoning, septic, and other County code violations. These joint efforts are essential to meeting the Board's strategic priorities, including watershed protection, safeguarding communities, and protecting public and private property. Aggressive code enforcement actions can also serve as an upstream investment by providing immediate resolution of environmental damage and property damages and by deterring future violations and neighborhood degradation.

The code enforcement program needs to be enhanced to address the severe case backlog, the increase in serious health and safety violation complaints, and the need for increased enforcement in the areas

of riparian corridors, vacation rentals and cannabis. This Board item includes preliminary personnel, resource, and policy modifications as a first step to improve program effectiveness. Additionally, this item recognizes the effectiveness of quick and aggressive litigation to resolve violations that threaten public health and safety, and allocates resources to allow completion of serious cases for the current fiscal year and to begin to place the County Counsel's Office in the position to continue this level of effort in the future. Finally, a number of minor policy modifications and delegations are requested to increase timeliness of response and streamline the administrative process.

**Discussion:**

***History***

**Code Enforcement Process and Staffing Background**

Code enforcement has been an integral part of modern County Code regulation. By ensuring that homes and property meet minimum building, septic, and other codes, code enforcement protects public safety, health and welfare; safeguards community character; and enhances property values. Correcting those violations of our County Code is vital to meeting the Board's strategic priorities and maintaining the quality and livability of our community.

Code Enforcement was considered a Division prior to 2011, and consisted of a manager, a supervisor and seven or eight technical staff. During the 2008 recession, the Code Enforcement Division Manager position was combined with the Building Division Manager position; this new combined manager is responsible for management of code enforcement, building plan review and building inspection.

Apart from the significant reduction in managerial capacity, the code enforcement program has fewer staff than in previous years. The program suffered personnel cuts after the 2007-2008 recession, and has not been re-staffed to meet current workload needs. Current staffing now consists of one supervisor, two senior code enforcement officers and five code enforcement officers. In addition, the economic recovery has resulted in a still-growing workload due to more development projects and dramatic increases in the scope of jurisdiction due to new regulations concerning riparian corridors, vacation rentals, and cannabis cultivation. Thus, the shared manager for the combined code enforcement, building, and plan check Division is also seeing increased workload from the other sections, necessitating greater management needs overall.

This staffing-workload imbalance has resulted in a staff-to-caseload ratio well above surrounding county's workload. For instance, in the surrounding three counties (Mendocino, Napa and Marin) the caseload ratio of violations to staff is 70:1. In Sonoma County, the ratio is 106:1, despite the addition of an additional staff person in 2015 to address vacation rental violations. On top of the increased caseload, staff has also undertaken a series of complex, high-profile intensive abatement efforts, as well as assisted with the prosecution of other high safety risk priority cases.

**Permit Sonoma Code Enforcement Division Manager**

Permit Sonoma currently has seven code enforcement officers to handle roughly 1,000 complaints annually, which results in roughly 700 violation cases. The number of complaints received each year

varies, but has increased from 876 complaints received in 2011 to 1,078 in 2015-16. Staff is not able to resolve all the complaints that are received annually and a significant backlog exists.

On average, over the last ten years, 30% of the complaints are closed each year and 70% become violations. Of those violations, 93% were resolved in 2006-07, but only 70% were resolved in 2014-15. In addition to the handling of complaints and processing violations, the code enforcement program has managed large and complex abatement efforts, pursuant to the Board’s 2015 commitment of \$200,000 to address “legacy” code enforcement cases, which seriously threatened health and safety in a number of neighborhoods. A division manager is also needed to handle specific project-management tasks, as these “legacy” cases continue to develop.

The 2016-17 code enforcement program is budgeted at \$1.76 million, which is funded by a general fund contribution of \$240,000 and expected cost recovery of \$1.52 million. The code enforcement program has received only \$300,000 in cost recovery for the first half of 2016-17, and is not expected to meet its recovery target due to decreased capacity.

The addition of the Division manager will have significant benefits for the program and the community. The Division manager would work with the Director and County Counsel to triage cases at inception, and coordinate with the District Attorney, Regional Water Quality Control Boards and other resource agencies to identify cases that may be better suited for criminal or state prosecution. The Division manager would prioritize any cases that adversely affect children or involve animal abuse, and would coordinate with Human Services and other County departments where necessary. The Division manager would be responsible for increasing communication with the Board about the status of pending cases, and would assist, where possible, with neighborhood efforts to pursue abatement through small claims court or civil nuisance actions. Significant cases destined for litigation would be prepared for court, while less severe cases would be prepared for administrative hearings. The balance of cases would be assigned to staff for disposition at the staff level. A Division manager would ensure more cases are brought through the administrative hearing process, with a goal of one additional case going to hearing per week. Table 1, below shows the number of code enforcement hearings over time. The FY 2016-17 is for the first half of the fiscal year.

Most divisions of Permit Sonoma are designed to pay for their permitting and inspection work through permit fees. The code enforcement program does not issue permits; instead, funding comes from General Fund allocation and from penalties levied and collected for code violations. It is not practical to fund the entire enforcement program through penalties; a key focus is to ensure property owner resources are directed towards compliance efforts, not towards maximum penalties. While cost/penalty recovery can be significant, it has steadily decreased from \$1.35 million in FY11-12 to an anticipated \$858,000 in FY16-17. As shown in Table 1 below, the number of cases taken to hearing peaked in FY09-10 at 75 and has declined to 23 in FY15-16. This decline in cases and corresponding decline in recovery is due to the elimination of the Division manager and reduction in staffing.

Table 1 – Code Enforcement Hearings

Hearings by Fiscal Year	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Total	24	65	75	56	20	37	20	28	23	8

As a consequence, the code enforcement program has relied more on its general fund allocation in recent years to balance financially. Table 2 summarizes the two funding sources for code enforcement over time and illustrates how the decrease in cost recovery (and resulting increase in general fund contributions) is related to staffing reductions. The new manager position will facilitate the resolution of more complaints, as well as more Code Enforcement cases going to hearing, which together are expected to generate approximately \$600,000 per year in additional cost recovery (\$12,000 per hearing with an additional 50 cases going to hearing).

Table 2 – Code Enforcement Funding (Cost Recovery and General Fund)

Funding by Fiscal Year	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Cost Recovery	55%	75%	56%	80%	86%	77%	68%	57%	43%	37%
Gen Fund	45%	25%	44%	20%	14%	23%	32%	43%	57%	63%

This position has an annualized cost of \$180,000 (\$45,000 for FY 2016-17) and, as discussed below, it is anticipated that 100% will be funded from increased cost recovery due to the resolution of more cases, and related penalties, through the administrative process.

**County Counsel Increased Resources**

County Counsel is an integral part of Permit Sonoma’s code enforcement efforts through ongoing advice, enforcement of administrative orders, and emergency litigation efforts to secure compliance with the County Code. In addition to daily advice regarding code complaints and staff enforcement efforts, there are two primary ways in which County Counsel plays a central role in code enforcement matters. First, when an administrative hearing officer concurs in a violation and issues an order compelling code compliance, but the property owner still does not abate the violation, County Counsel works to enforce the order and abate the nuisance. If necessary, County Counsel files civil litigation to secure a judicial order compelling code compliance and normally awarding penalties, attorney fees, and other costs.

In more serious cases, where public health or safety is seriously compromised, County Counsel and the Permit Sonoma Director will seek Board approval to bypass the administrative process and proceed directly to court to enjoin the violation. While potentially much faster than the administrative process, this approach requires significantly more legal resources. The Board approved three bypass cases in 2014, five in 2015, and another five in 2016 to protect the community from serious health and safety threats. To date, in all of these cases, County Counsel has been successful in stopping the immediate health or safety threat on an expedited basis.

A recent example of such a “bypass” case involved County Counsel's recent successful prosecution of an unlawful cannabis cultivation operation, which involved unpermitted hillside grading (pushing sediment into a designated stream for Coho salmon), illegal buildings (with electrical connections that posed a fire risk), and an illegal septic system. The case has required \$46,863 in attorney hours to date, and is still ongoing.

Recently, with the Board’s financial support, County Counsel and Permit Sonoma undertook significant efforts to complete two of the largest property cleanups in County history using specially-allocated funding to pay for clean-up costs. While these two properties were unique in scope and size, both cases

share typical code enforcement case characteristics, including property owners who are unable to shoulder the costs for the clean-up of dangerous and substandard conditions, and unwilling to stop the behaviors that cause the code violations, including allowing transient housing and camping on their property. The first cleanup focused on a five-lot property on Liberty Road in Petaluma that included derelict trailers, substandard living quarters, abandoned vehicles and multiple generations of junkyard living conditions associated with hoarding and drug-related conditions. Permit Sonoma Code Enforcement brought together a wide range of resources including County Counsel, Sonoma County Sheriff's Office, Environmental Health and private demolition contractors in a six-week effort that resulted in the complete removal of all blight conditions. Over 1500 yards of debris were removed as well as dozens of abandoned vehicles, abandoned trailers and recreational vehicles. In the second action, on a Bodega Avenue property, the code enforcement team coordinated work, over a six-week period, that resulted in the removal and cleanup of 20 motor homes, five dump trucks, 20 boats, 200 tires, 50 cars, three trailers and more than ten 55-gallon drums of toxic liquids.

To continue to support the Code Enforcement Division's critical priority cases and to be responsive to the Board's more aggressive approach to addressing serious health and safety concerns, County Counsel requires a \$50,000 net cost increase in its General Fund allocation for Code Enforcement in FY16-17, and continuing as a \$250,000 permanent annual increase. As a result of the recent increased code enforcement initiatives, the County Counsel annual allocation of 700 hours for code enforcement support was exhausted after four months. While the rate of exhaustion of legal resources is expedited this year, for the past several years County Counsel has not had sufficient funding to support code enforcement. The FY 16-17 net cost increase would ensure continued litigation of existing cases this fiscal year, and the continuing annual increase would support continued litigation bypass efforts in future years.

While this allocation is necessary to continue supporting County Counsel's continued litigation in these high-priority cases, and continued responsiveness in the future, it merely addresses the increased resources needed to backfill this level of activity. This additional allocation will ensure that County Counsel is able to maintain the litigation of 4-5 bypass cases a year, but it does not address County Counsel's future capacity needs with the expected additional workload related to cannabis and vacation rental enforcement. Dependent on passage of the Cannabis Business Tax before voters on the March 7 ballot, it is anticipated that County Counsel and Permit Sonoma will return to your Board with a code enforcement plan related specifically to cannabis, with additional corresponding funding and staffing requests.

### **Policy Modifications to Increase Effectiveness**

Delegation of Authority for Initiation of Litigation – Permit Sonoma and County Counsel recommend that the Board consider a limited delegation of its authority to bypass the administrative process pursuant to Sonoma County Code section 1-7.3. Under that section, which is used where the threat to public health and safety is imminent, staff is required to seek Board approval to “bypass the administrative process” and file a lawsuit to abate the violation. This requirement sometimes results in delay in addressing the risk due to the time that may be needed to get before the Board before action can begin. The recommended policy change would allow the Director of Permit Sonoma and the County Counsel to together find that there is an immediate significant threat to public health and/or safety and jointly

consent to file a lawsuit, and then come to the Board at the earliest possible opportunity for ratification of the action.

Administrative Citation Program – In 2015, the Board endorsed and directed staff to pursue an administrative citation ordinance that would streamline penalty assessment as compared to an administrative hearing and/or court proceeding. The administrative citation ordinance would assist multiple County departments in enforcing vacation rental regulations, the County smoking ordinance, the vineyard and orchard sediment control ordinance, and other County ordinances. The administrative citation program would provide a means to immediately address transient violations, potentially create a more direct administrative process for appeals, and add an additional tool for the protection of the health, safety, and well-being of the citizens of Sonoma County. While citation fee revenue will be used to support the related departmental functions, collection of fees and administration of the program is anticipated to be done by a specialized contractor to streamline the program and save costs. County Counsel is drafting the ordinance and an RFP will be issued to select a contractor when the ordinance is complete. This program will be a multi-department effort coming to your Board in 2017 for consideration.

**Performance Measures**

County Counsel and Permit Sonoma appreciate that while code enforcement is a Board priority, resources are very limited and it is important to show results for additional investment. If the Board Action is approved, the departments will return in Spring 2018 with a report analyzing the following performance metrics:

- 1) Increase in number of violations resolved;
- 2) Reduction of Permit Sonoma case backload;
- 3) Completion of effort in existing bypass cases;
- 4) Increase in the percentage of cases brought into compliance;
- 5) Results of litigation filed in terms of attorney fees recovered and violations abated; and
- 6) Increase in cost recovery.

**Prior Board Actions:**

Approval of a Resolution increasing the settlement authority of the PRMD Building & Safety Division Manager – May 5, 2015.

**Strategic Plan Alignment**      Goal 1: Safe, Healthy, and Caring Community

Ensuring code compliance protects public safety, health and welfare, supports community character, and protects property values.

**Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses	\$45,000	\$430,000	\$430,000
Additional Appropriation Requested	\$50,000		
<b>Total Expenditures</b>	<b>\$95,000</b>	<b>\$430,000</b>	<b>\$430,000</b>
<b>Funding Sources</b>			
General Fund/WA GF	\$50,000	250,000	250,000
State/Federal			
Fees/Other	\$45,000	\$180,000	\$180,000
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$95,000</b>	<b>\$430,000</b>	<b>\$430,000</b>

**Narrative Explanation of Fiscal Impacts:**

The division manager position has an annualized cost of \$180,000 (\$45,000 for FY 2016-17) and it is anticipated that 100% will be funded from increased cost recovery due to the resolution of more cases, and related penalties, through the administrative process.

With regards to funding code enforcement litigation, County Counsel's net cost would increase by \$50,000 in FY 16-17, which would be offset by reducing expenditure appropriations within the legal services line item in the Non-Departmental budget. In future fiscal years, County Counsel's General Fund net cost would be increased by \$250,000 and appropriations within the Non-Departmental legal services budget would be reduced by the same amount, resulting in no overall impact to the General Fund.

**Staffing Impacts**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
PRMD Division Manager	D	+1	0

**Narrative Explanation of Staffing Impacts (If Required):**

**Attachments:**

- Attachment 1: Resolution Adding the PRMD Division Manager
- Attachment 2: Resolution Increasing County Counsel General Fund Net Cost
- Attachment 3: Resolution of Limited Delegated Authority for Administrative Bypass

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

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# County of Sonoma

## State of California

Date: March 7, 2017

Item Number: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_



4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Amending The Department Allocation List For The Permit and Resource Management Department To Reflect The Addition Of A 1.0 Full-Time Equivalent Division Manager, Effective March 8, 2017.**

**Whereas**, code enforcement protects public safety, health and welfare; safeguards community character; and enhances property values; and

**Whereas**, correcting those violations of our County Code is vital to meeting the Board's strategic priorities and maintaining the quality and livability of our community; and

**Whereas**, the Permit and Resource Management Department's Code Enforcement Division has been working without a manager since 2008, and has not been re-staffed to meet current workload needs; and

**Whereas**, the addition of the Division manager will have significant benefits for the program and the community, including adding capacity to the Division to work with the Director and County Counsel to triage and prioritize cases, to coordinate with the District Attorney, Regional Water Quality Control Boards and other resource agencies to identify cases that may be better suited for criminal or state prosecution, to increase communication with the Board about the Division's pending cases, to ensure more cases are brought through the administrative hearing process, and to increase cost recovery;

**Now, Therefore, Be It Resolved** that the Department Allocation List of the Permit and Resource Management Department is hereby revised as follows:

Section/ Subsection ID	Job Class	Class Title	Existing Positions In Class	Change in Position Allocation	New Total Allocation For Class	Duration/ End Date	Salary Range
260101110	1210	Division Manager	3.00	1.00	4.00	Ongoing	\$8,012.80/mo

Resolution #  
Date: March 7, 2017  
Page 2

**Supervisors:**

Gorin:            Rabbit:            Gore:            Hopkins:            Zane:

Ayes:            Noes:            Absent:            Abstain:

**So Ordered**



County of Sonoma  
State of California

---

Date: March 7, 2017

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_



4/5 Vote Required

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**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, To Increase General Fund Net Cost For The County Counsel's Office By \$50,000 In Fiscal Year 2016-17 And By \$250,000 In Future Fiscal Years With An Offsetting Expenditure Reduction In The Non-Departmental Legal Services Budget To Support Prosecution of Serious Code Enforcement Violations**

**Whereas**, County Counsel is an integral part of Permit and Resource Management Department's (Permit Sonoma) code enforcement efforts through ongoing advice, enforcement of administrative orders, and emergency litigation efforts to secure compliance with the County Code and plays a central role in code enforcement matters to enforce administrative orders and to file civil litigation to compel code compliance and secure penalties, attorney fees, and other costs of prosecution; and

**Whereas**, where public health or safety is seriously compromised, County Counsel and the Permit Sonoma Director will seek Board approval to bypass the administrative process and proceed directly to court to enjoin the violation; and

**Whereas**, while bypassing the administrative process is potentially much faster than the administrative process, this approach requires significantly more legal resources; and the Board has approved three bypass cases in 2014, five in 2015, and another five in 2016 to protect the community from serious health and safety threats, all in which County Counsel has been successful in stopping the immediate health or safety threat on an expedited basis; and

**Whereas**, to continue to support the Code Enforcement Division's critical priority cases and to be responsive to the Board's more aggressive approach to addressing serious health and safety concerns, County Counsel requires a \$50,000 net cost increase in its General Fund allocation for Code Enforcement in FY16-17, and a \$250,000 General Fund net cost increase continuing annually;

**Now, Therefore, Be It Resolved**, that the Board of Supervisors of the County of Sonoma hereby authorizes:

1. The transfer of \$50,000 from legal services expenditures line item within the Non-Departmental budget to the Office of County Counsel; and
2. A \$250,000 increase in the County Counsel's Office General Fund net cost; and
3. A \$250,000 decrease in appropriations allocated to the Non-Departmental legal services expenditures for a neutral overall General Fund impact.

**Supervisors:**

Gorin:	Rabbitt:	Gore:	Hopkins:	Zane:
Ayes:	Noes:	Absent:	Abstain:	

**So Ordered.**



County of Sonoma  
State of California

---

Date: March 7, 2017

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_



4/5 Vote Required

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**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Granting To The Permit And Resource Management Department (Permit Sonoma) Director And County Counsel To Bypass The Code Enforcement Administrative Process And Directly File Litigation, For High Risk Violations, Subject To Board Ratification.**

**Whereas**, the Permit Sonoma Director, with the advice and assistance of County Counsel, has responsibility for managing the prosecution of civil code enforcement actions on behalf of the County;

**Whereas**, Permit Sonoma categorizes code enforcement matters based on severity. Those matters that do not pose an immediate significant health or safety risk are generally handled through an administrative process to work with the owner to bring the property into compliance;

**Whereas**, in the most serious cases, where public health and safety is threatened by the violation, the Board has taken leadership by authorizing staff to bypass the administrative process and proceed directly to court to stop the violations;

**Whereas**, this requirement sometimes results in delay in addressing the risk due to the time that may be needed to get before the Board before action can begin;

**Whereas**, the recommended policy change would allow the Director of Permit Sonoma and the County Counsel to together find that there is an immediate significant threat to public health and/or safety and jointly consent to file a lawsuit, and then come to the Board at the earliest possible opportunity for ratification of the action;

**Now, Therefore, Be It Resolved**, that the Board of Supervisors of the County of Sonoma hereby authorized the Permit Sonoma Director and County Counsel to bypass the code enforcement administrative process and directly file litigation, for high risk violations, subject to Board ratification.

Resolution #  
Date: March 7, 2017  
Page 2

**Supervisors:**

Rabbitt:	Zane:	Gore:	Hopkins:	Gorin:
Ayes:	Noes:	Absent:	Abstain:	

**So Ordered.**



County of Sonoma  
Agenda Item  
Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 27**  
(This Section for use by Clerk of the Board Only.)

**To:**

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Board of Supervisors

**Staff Name and Phone Number:**

Supervisor Susan Gorin, 565-3752

**Supervisorial District(s):**

First District

**Title:** Fee Waiver

**Recommended Actions:**

Approve waiver of Mayacamas Volunteer Fire Department permitting fee apparatus bay door modification to accommodate new engine in the amount of \$1359.39. (First District)

**Executive Summary:**

Mayacamas Volunteer Fire Department (MVFD) is required by ISO standards to purchase a new engine with higher pumping capacity. The new engine is too tall for their existing apparatus bay door opening. This permit will allow MVFD to raise the height of the door and improve the strength of the structure.

**Discussion:**

**Prior Board Actions:**

**Strategic Plan Alignment** Goal 4: Civic Services and Engagement

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	1359.39		
<b>Total Expenditures</b>	<b>1359.39</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies	1359.39		
<b>Total Sources</b>	<b>1359.39</b>		
<b>Narrative Explanation of Fiscal Impacts:</b>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
<b>Attachments:</b>			
Fee waiver application and related exhibits.			
<b>Related Items “On File” with the Clerk of the Board:</b>			
None			

SUBMIT TO:  
 Board of Supervisors  
 575 Administration Dr, Ste 100A  
 Santa Rosa, CA 95403

# COUNTY OF SONOMA

For Board of Supervisors Use Only

## Fee Waiver/Board Sponsorship Request Form

1. Contact information for individual requesting fee waiver/sponsorship:

Name: Marc Schwager  
First Middle Last

Mailing Address: 3200 Cavedale Road Glen Ellen CA 95442  
Number, Street, Apt/Suite City State Zip

Phone: (707) 933 - 8876 Email: MARCS@Elarra.com  
Area Code, Number

2. Name of Community Based Organization, Non-Profit, or Government Agency for which fee waiver/sponsorship is requested:

Name: Mayacamas Volunteer Fire Department

Mailing Address: PO Box 225 Glen Ellen CA 95442  
Number, Street, Apt/Suite City State Zip

Phone: ( ) - Email: info@MayacamasVFD.org  
Area Code, Number

3. Please indicate by check mark the supervisory district in which the organization or agency submitting this request is located, where the project/activity/event will be held, and the district office to whom you would like to submit this request:

Board Member and District	Susan Gorin District 1	David Rabbitt District 2	Shirlee Zane District 3	James Gore District 4	Lynda Hopkins District 5
Entity or organization location (select all that apply)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project/activity/event location (select all that apply)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District office to receive request (select only one)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Type of Community Based Organization, Non-profit, or Government Agency for which the fee waiver/sponsorship is requested:

- City                       Special District                       Other Local Government  
 School                       Non-profit or CBO

Other (please specify): \_\_\_\_\_

5. Please provide a description of the project/activity/event for which a fee waiver/sponsorship is being requested on a separate sheet of paper. Please include the number of individuals who will participate or be served, etc.

6. Please indicate if this is a one-time or annual event:       One Time       Annual

7. Type and amount of fee waiver/sponsorship requested. Please list all County fees you are requesting be waived/sponsored in conjunction with this project/activity/event. Please attach a copy of an estimate or receipt from the County Department or Veteran's Building Operator documenting the amount of each fee you are requesting be waived/sponsored.

Department Assessing Fee	Type of Fee	Amount of Fee
PRMD	See attached	1359.39 total

8. If your Community Based Organization, Non-Profit, or Governmental Agency has received a fee waiver/sponsorship for a similar project/activity/event in the past, please list below:

Date of Fee Waiver	Department Assessing Fee	Type of Fee	Amount of Fee
/ /			
/ /			
/ /			
/ /			

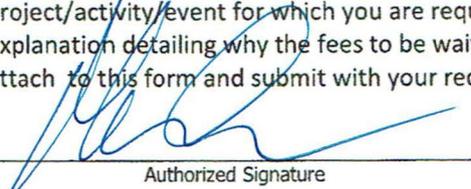
9. Does the organization or agency for which the fee waiver/sponsorship is requested receive funding from any of the following sources? If so, please specify:

- Property Tax *Hella Roos only*
 Sales Tax
  Special Assessment
- User Fees

Other (please specify): \_\_\_\_\_

10. If you checked any of the boxes in number 9 above, please provide an explanation and supporting documentation regarding the inability of the organization or agency to pay the fees which you are requesting be waived/sponsored. Please attach to this form and submit with your request.

11. Will the organization or agency be charging an entry fee or be requesting a donation for the project/activity/event for which you are requesting a fee waiver/sponsorship? If so, please provide an explanation detailing why the fees to be waived/sponsored cannot be recovered through the entry fee. Please attach to this form and submit with your request.

  
 \_\_\_\_\_  
 Authorized Signature

*Treasurer*  
 \_\_\_\_\_  
 Title

*2/2/17*  
 \_\_\_\_\_  
 Date

5

## Project Description

2-2-17

Mayacawas Volunteer Fire Department  
Apparatus Bay Door Modification  
3252 Trinity Road

We were forced by ISO to purchase a new engine with higher pumping capacity. The new engine is too tall for our existing garage door opening (All engines w/ 750 gpm pumps are too tall). This project raises the height of the door and also improves the strength of the structure.

This will serve all residents of County Fire  
CFD # 7



**COUNTY OF SONOMA**  
**PERMIT AND RESOURCE MANAGEMENT DEPARTMENT**  
 2550 VENTURA AVENUE, SANTA ROSA, CA 95403-2829  
 (707) 565-1900 FAX (707) 565-1103

**Application Fees / Invoice # 287605 for: BLD16-5914**

**Project Address:** 3250 Trinity Rd

**Printed:** November 18, 2016

**APN:** 053-250-019

**Initialized by:** CCAMILLE

**PCAS #:**

**Activity Type:** Building Permit

**Description:** MODIFY DOOR ON (E) FIRE HOUSE (NEW HEADER & EVE MODIFY)

**Valuation:** \$20,000.00

**Ag/Comm/Res:** Commercial

**Owner:** GANAYE CLAUDE & BETTY J TR  
 3250 TRINITY RD  
 GLEN ELLEN, CA  
 95442-9423

**Applicant:** MAYACAMS VFD ( MARC  
 SCHWAGER AUTH AGENT)  
 PO BOX 225  
 GLEN ELLEN, CA  
 95442  
 707-299-9940

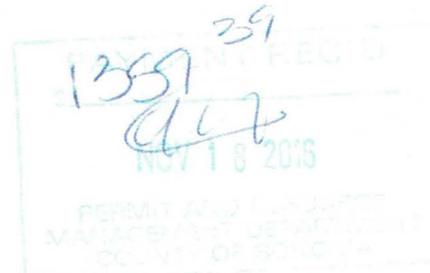
**Fees:**

Fee Item	Description	Account Code	Total Fee
0140-015	Technology Enhancement - Type III	26010104-46040-10005	\$48.00
0735-005	NPDES Fees - > \$500	26010112-41142-10005	\$77.59
0060-000	Plan Check Fee	26010115-41051-10005	\$406.01
0122-000	Electrical Minimum Permit Fee	26010115-41051-10005	\$79.00
0132-000	Building Permit Fees - New Construction	26010115-41051-10005	\$646.60
0145-000	Planning Administration Fee	26010400-45061-11110	\$96.99
0051-000	Strong Motion - Other	80170200-46040-82385	\$4.20
0052-000	California Building Standards Admin Fee	80170300-46040-82390	\$1.00
<b>Total Fees:</b>			<b>\$1,359.39</b>
<b>Total Paid:</b>			<b>\$1,359.39</b>
<b>Balance Due:</b>			<b>\$0.00</b>

Refunds of fees paid may be made pursuant to Section 108.6 of Appendix 1 of the California Building Code and adopted model codes, subject to the following:

- 1) 100% of a fee erroneously paid or collected.
- 2) 90% of the plan review fee when an application for a permit is withdrawn or cancelled or expires or becomes void before any plan review effort has been expended. No portion of the plan review fee shall be refunded when any plan review effort has been expended.
- 3) 90% of the building, plumbing, electrical, and/or mechanical fee may be refunded when a permit is withdrawn, or cancelled or expires or becomes void before any work was done and before any inspections are performed. No portion of these fees shall be refunded when any work was done and/or any inspections have been performed.
- 4) Application for refund must be made within one year.

When validated below, this is your receipt



9

We have recently been forced to purchase an engine for \$85,000. This construction will cost an additional \$30-35,000. It is a huge expense for our small department and we respectfully request a fee waiver



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 28**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Board of Supervisors

**Staff Name and Phone Number:**

Supervisor Lynda Hopkins 707-565-2241

**Supervisorial District(s):**

Fifth District

**Title:** Fee Waiver

### **Recommended Actions:**

Approve fee waiver in the amount of \$5273.00 for permit and health fees for the Forestville Youth Park's annual parade and fundraiser. (Fifth District)

### **Executive Summary:**

The Forestville Youth Park is the only privately run park in the State. 50 years ago, local volunteers founded the park and it is operated solely by volunteers and with no taxpayer funds. The Youth Park serves as the only public athletic fields for a huge geographic area encompassing the entire West County area. Little League and soccer groups from as far away as Jenner, Cazadero, and Bodega Bay rely on the youth park for their sport activities, and are able to waive fees for underprivileged families as a result.

A park of similar size would cost the County of Sonoma approximately \$110,000 per year to operate. The volunteer Board of Directors runs their entire operation on a budget of just over \$50,000. This event is their most critical means to raise the money required to sustain the park.

### **Discussion:**

### **Prior Board Actions:**

Fee Waiver approved in 2012, 2013, 2014, 2015, 2016.

**Strategic Plan Alignment** Goal 1: Safe, Healthy, and Caring Community

<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	\$5273.		
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies	\$5273.		
<b>Total Sources</b>	<b>\$5273.</b>		
<b>Narrative Explanation of Fiscal Impacts:</b>			
<b>Staffing Impacts</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
None.			
<b>Attachments:</b>			
Fee Waiver Application.			
<b>Related Items "On File" with the Clerk of the Board:</b>			
None.			

SUBMIT TO:  
 Board of Supervisors  
 575 Administration Dr, Ste 100A  
 Santa Rosa, CA 95403

# COUNTY OF SONOMA

For Board of Supervisors Use Only

## Fee Waiver/Board Sponsorship Request Form

1. Contact information for individual requesting fee waiver/sponsorship:

Name: Ann Dubay  
First Middle Last

Mailing Address: 404 Aviation Blvd Santa Rosa CA 95403  
Number, Street, Apt/Suite City State Zip

Phone: ( 707 ) 322 - 8185 Email: ann.dubay@scwa.ca.gov  
Area Code, Number

2. Name of Community Based Organization, Non-Profit, or Government Agency for which fee waiver/sponsorship is requested:

Name: Sonoma County Regional Parks Foundation for Russian River Confluence

Mailing Address: 2300 County Center Drive, 120A Santa Rosa CA 9403  
Number, Street, Apt/Suite City State Zip

Phone: ( 707 ) 565 - 2041 Email: melissa.kelley@sonoma-county.org  
Area Code, Number

3. Please indicate by check mark the supervisory district in which the organization or agency submitting this request is located, where the project/activity/event will be held, and the district office to whom you would like to submit this request:

Board Member and District	Susan Gorin District 1	David Rabbitt District 2	Shirlee Zane District 3	James Gore District 4	Lynda Hopkins District 5
Entity or organization location (select all that apply)	<input checked="" type="checkbox"/>				
Project/activity/event location (select all that apply)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
District office to receive request (select only one)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. Type of Community Based Organization, Non-profit, or Government Agency for which the fee waiver/sponsorship is requested:

City                       Special District                       Other Local Government  
 School                       Non-profit or CBO

Other (please specify): \_\_\_\_\_

5. Please provide a description of the project/activity/event for which a fee waiver/sponsorship is being requested on a separate sheet of paper. Please include the number of individuals who will participate or be served, etc.

6. Please indicate if this is a one-time or annual event:                       One Time                       Annual

7. Type and amount of fee waiver/sponsorship requested. Please list all County fees you are requesting be waived/sponsored in conjunction with this project/activity/event. Please attach a copy of an estimate or receipt from the County Department or Veteran's Building Operator documenting the amount of each fee you are requesting be waived/sponsored.

Department Assessing Fee	Type of Fee	Amount of Fee
	Sponsorship for event	\$8,000.00

8. If your Community Based Organization, Non-Profit, or Governmental Agency has received a fee waiver/sponsorship for a similar project/activity/event in the past, please list below:

Date of Fee Waiver	Department Assessing Fee	Type of Fee	Amount of Fee
/ /			
/ /			
/ /			
/ /			

9. Does the organization or agency for which the fee waiver/sponsorship is requested receive funding from any of the following sources? If so, please specify:

- Property Tax                       Sales Tax                       Special Assessment  
 User Fees

Other (please specify): \_\_\_\_\_

10. If you checked any of the boxes in number 9 above, please provide an explanation and supporting documentation regarding the inability of the organization or agency to pay the fees which you are requesting be waived/sponsored. Please attach to this form and submit with your request.
11. Will the organization or agency be charging an entry fee or be requesting a donation for the project/activity/event for which you are requesting a fee waiver/sponsorship? If so, please provide an explanation detailing why the fees to be waived/sponsored cannot be recovered through the entry fee. Please attach to this form and submit with your request.

  
 \_\_\_\_\_  
 Authorized Signature  
 2 12/11 2017  
 \_\_\_\_\_  
 Date

Community & Govt Affairs Manager  
 \_\_\_\_\_  
 Title



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 29**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** Board of Supervisors

**Staff Name and Phone Number:**

Supervisor James Gore, 707/565-2241

**Supervisorial District(s):**

Fourth District

**Title:** Sponsorship Request

### **Recommended Actions:**

Request for sponsorship for the Russian River Confluence is scheduled for Friday, March 24, 2017, 8 a.m. to 6 p.m. at Shone Farm.

The Russian River Confluence is a unique event envisioned to culminate and inspire a series of 'beyond sustainability' conversations and gatherings intended to tap the collective capacity of the Russian River Watershed community. The Russian River Confluence will engage stakeholders in the watershed, encourage storytelling and identify actions to promote a holistic approach to the watershed that ensures its resiliency and renewal.

An estimated 200 people will attend the Russian River Confluence, from throughout the watershed. Attendees will include federal, state and regional policy makers, representatives from Native American Tribal communities, water and wastewater service providers, non-profit organizations, students, anyone interested in watershed health, resource conservation districts, business owners, farmers, landowners, etc.

### **Executive Summary:**

### **Prior Board Actions:**

**Strategic Plan Alignment** Goal 1: Safe, Healthy, and Caring Community

This falls into Goal 1 as it is an educational opportunity for all Sonoma County residence to teach about sustainability as it pertains to the Russian River Watershed community which highlights ways we as a community can have a holistic approach to ensure the it's resiliency and renewal.

**Fiscal Summary - FY 2016-2017**

<b>Expenditures</b>		<b>Funding Source(s)</b>	
Budgeted Amount	\$		\$
Add Appropriations Req'd.	\$ 8,000.00	State/Federal	\$
	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$ 8,000.00
	\$		\$
<b>Total Expenditure</b>	<b>\$</b>	<b>Total Sources</b>	<b>\$ 8,000.00</b>

**Narrative Explanation of Fiscal Impacts (If Required):**

--

**Staffing Impacts**

<b>Position Title</b> (Payroll Classification)	<b>Monthly Salary Range</b> (A – I Step)	<b>Additions</b> (Number)	<b>Deletions</b> (Number)

**Narrative Explanation of Staffing Impacts (If Required):**

--

**Attachments:**

Sponsorship Request Form, Sponsorship Request Supplemental Questions

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

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SUBMIT TO:  
 Board of Supervisors  
 575 Administration Dr, Ste 100A  
 Santa Rosa, CA 95403

# COUNTY OF SONOMA

For Board of Supervisors Use Only

## Fee Waiver/Board Sponsorship Request Form

1. Contact information for individual requesting fee waiver/sponsorship:

Name: Ann Dubay  
First Middle Last

Mailing Address: 404 Aviation Blvd Santa Rosa CA 95403  
Number, Street, Apt/Suite City State Zip

Phone: ( 707 ) 322 - 8185 Email: ann.dubay@scwa.ca.gov  
Area Code, Number

2. Name of Community Based Organization, Non-Profit, or Government Agency for which fee waiver/sponsorship is requested:

Name: Sonoma County Regional Parks Foundation for Russian River Confluence

Mailing Address: 2300 County Center Drive, 120A Santa Rosa CA 9403  
Number, Street, Apt/Suite City State Zip

Phone: ( 707 ) 565 - 2041 Email: melissa.kelley@sonoma-county.org  
Area Code, Number

3. Please indicate by check mark the supervisory district in which the organization or agency submitting this request is located, where the project/activity/event will be held, and the district office to whom you would like to submit this request:

Board Member and District	Susan Gorin District 1	David Rabbitt District 2	Shirlee Zane District 3	James Gore District 4	Lynda Hopkins District 5
Entity or organization location (select all that apply)	<input checked="" type="checkbox"/>				
Project/activity/event location (select all that apply)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
District office to receive request (select only one)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. Type of Community Based Organization, Non-profit, or Government Agency for which the fee waiver/sponsorship is requested:

City                       Special District                       Other Local Government  
 School                       Non-profit or CBO

Other (please specify): \_\_\_\_\_

5. Please provide a description of the project/activity/event for which a fee waiver/sponsorship is being requested on a separate sheet of paper. Please include the number of individuals who will participate or be served, etc.

6. Please indicate if this is a one-time or annual event:       One Time       Annual

7. Type and amount of fee waiver/sponsorship requested. Please list all County fees you are requesting be waived/sponsored in conjunction with this project/activity/event. Please attach a copy of an estimate or receipt from the County Department or Veteran's Building Operator documenting the amount of each fee you are requesting be waived/sponsored.

Department Assessing Fee	Type of Fee	Amount of Fee
	Sponsorship for event	\$8,000.00

8. If your Community Based Organization, Non-Profit, or Governmental Agency has received a fee waiver/sponsorship for a similar project/activity/event in the past, please list below:

Date of Fee Waiver	Department Assessing Fee	Type of Fee	Amount of Fee
/ /			
/ /			
/ /			
/ /			

9. Does the organization or agency for which the fee waiver/sponsorship is requested receive funding from any of the following sources? If so, please specify:

- Property Tax
  Sales Tax
  Special Assessment
   
 User Fees

Other (please specify): \_\_\_\_\_

10. If you checked any of the boxes in number 9 above, please provide an explanation and supporting documentation regarding the inability of the organization or agency to pay the fees which you are requesting be waived/sponsored. Please attach to this form and submit with your request.
11. Will the organization or agency be charging an entry fee or be requesting a donation for the project/activity/event for which you are requesting a fee waiver/sponsorship? If so, please provide an explanation detailing why the fees to be waived/sponsored cannot be recovered through the entry fee. Please attach to this form and submit with your request.

  
 \_\_\_\_\_  
 Authorized Signature  
 2 12/11 2017  
 \_\_\_\_\_  
 Date

Community & Govt Affairs Manager  
 \_\_\_\_\_  
 Title



## Sonoma County Sponsorship Request

**Please provide a description of the project/activity/event for which a fee waiver/sponsorship is being requested on a separate sheet of paper. Please include the number of individuals who will participate or be served, etc.**

The Russian River Confluence is scheduled for Friday, March 24, 2017, 8 a.m. 6 p.m. at Shone Farm.

The Russian River Confluence is a unique event envisioned to culminate and inspire a series of 'beyond sustainability' conversations and gatherings intended to tap the collective capacity of the Russian River Watershed community. The Russian River Confluence will engage stakeholders in the watershed, encourage storytelling and identify actions to promote a holistic approach to the watershed that ensures its resiliency and renewal.

An estimated 200 people will attend the Russian River Confluence, from throughout the watershed. Attendees will include federal, state and regional policy makers, representatives from Native American Tribal communities, water and wastewater service providers, non-profit organizations, students, anyone interested in watershed health, resource conservation districts, business owners, farmers, landowners, artists, writers, musicians and story tellers.

**If you checked any of the boxes in number 9 above, please provide an explanation and supporting documentation regarding the inability of the organization or agency to pay the fees which you are requesting be waived/sponsored. Please attach to this form and submit with your request.**

While some of the agencies coordinating the event (including the County of Sonoma, County of Mendocino, Sonoma County Water Agency, Sonoma County Regional Parks, the Sonoma County Agricultural Preservation and Open Space District, and Sonoma and Gold Ridge RCDs) receive funding through taxes, the Russian River Confluence is a stand-alone event that includes non-profit organizations and tribes and that is targeted to the general community. The Water Agency, Regional Parks, Sonoma RCD and the Ag & Open Space District are all sponsoring the event at various levels.

Sonoma County Regional Parks Foundation is collecting registration fees and sponsorships on behalf of the RR Confluence.

**Will the organization or agency be charging an entry fee or be requesting a donation for the project/activity/event for which you are requesting a fee waiver/sponsorship? If so, please provide an explanation detailing why the fees to be waived/sponsored cannot be recovered through the entry fee. Please attach to this form and submit with your request.**

Yes, a fee will be charged. The total costs for catering, rentals and the facility are approximately \$25,000. Attendees are requested to pay \$65 to partially cover the costs of food and the facility. Fees are anticipated to bring in \$9,100 (140 attendees paying the \$65). The remaining 60 participants are either speakers, are covered by sponsorships paid by their organizations, or are scholarship recipients. In order to ensure that the Confluence includes a wide variety of people from throughout the watershed, the fee was purposefully kept relatively low. In addition to fees, sponsorships are being sought to help offset costs and cover scholarships.



## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number: 42**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors & Board of Directors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** 4/5

**Department or Agency Name(s):** County Administrator's Office

**Staff Name and Phone Number:**

M Christina Rivera (707) 565-2431

**Supervisorial District(s):**

**Title:** FY 2016-17 Mid-Year Budget Update

### Recommended Actions:

- (A) Receive FY 2016-17 Mid-Year Budget Estimates and General Fund year-end balance projection.
- (B) Adopt a Concurrent Budget Resolution adjusting departmental budgets by \$12.6 million.
- (C) Adopt Resolution adjusting the Sonoma Valley Sanitation District Construction Fund FY 2016-17 Budget by \$1,105,000 to record a loan payoff to the Water Agency for the photovoltaic project.

### Executive Summary:

The annual second quarter budget update provides the Board and the Public with a mid-year fiscal review of revenue and expenditure estimates compared with the Board approved FY 2016-17 budget. The County Administrator's staff, in collaboration with County managers, estimate the County's General Fund discretionary year-end balance will be \$8.4 million, which will assist to partially finance the new fiscal year budget currently under development. Note that a separate Board report on today's agenda provides an overview associated with next year's FY 2017-18 budget development. As is explained in more detail in the Board report on the FY 2017-18 budget development, the draft FY 2017-18 budget currently relies on \$16.3 million of year-end savings from this current fiscal budget year.

Staff also requests Board approval for \$13.7 million of budget adjustments in FY 2016-17 necessary to carry out operations and delivery of services through the end of the current fiscal year. All of the budget adjustments are consistent with prior board policy direction. The total changes represent less than 1% of the total budget. Given the changes are only those for which prior board direction has been received, this year's 2<sup>nd</sup> Quarter total dollar amount adjustment is only one third of the total \$45 million requested in FY 2015-16 and \$46 million requested in FY 2014-15.

### Discussion:

#### 1. Mid-Year Budget Estimates

As part of the total budget annual review conducted by departments, staff develops a specific year-end General Fund balance estimate to assess the level of unrestricted resources available to partially finance

general government County services and implement Board approved initiatives. The analysis resulted in \$8.4 million in General Fund year-end savings which are needed to balance next year's budget. The estimated surplus is mainly the result of \$4.5 million better than budgeted tax revenue, and \$3.9 million of salary savings from anticipated vacant positions.

Based on 5 years of historical data, mid-year General Fund savings estimates have represented on average about 60% of the savings actually achieved at year-end. The conservative approach is expected given that full year projections are based on 5 months of actual revenues and expenses. Based on the historical estimate to actual average trend variance, staff anticipates year-end savings to reach closer to \$14 million. Assuming year-end savings reaches \$14 million, there would be a \$2.3 million gap to finance the FY 2017-18 budget plan.

County Administrator staff will work with departments to update estimates based on actual revenues and expenditures through the end of March 2017. The results of this 3rd Quarter budget estimate will be presented for Board review in May 2017. Also, should a General Fund year-end savings shortfall be confirmed with the 3rd Quarter analysis, recommendations to reduce the year-end savings requirement will be included in the FY 2017-18 recommended budget.

For the overall FY 2016-17 countywide budget, the analysis of estimates to budget identifies \$161 million of appropriations expenses that will not be used this year. This is a typical adjustment at this stage in the budget process, when significantly more is known about salary and benefits savings, anticipated project timelines, and actual funding received from state and federal sources. To make sure sufficient appropriations are available to avoid delays in project implementation, the budget is built based on aggressive timelines for anticipated projects. As the year progresses, those timelines are adjusted, and savings are realized that are most often re-budgeted the following year for the associated project.

Conversely, much of the \$21 million in revenue not estimated to be realized in this fiscal year is mostly associate with project revenues and reimbursements that will not be received until the project work is completed.

## 2. Second Quarter Budget Adjustments

The FY 2016-17 total revised budget as of the 10/11/2016 First Quarter update is \$1.69 billion. This report includes a recommendation to increase budgeted expenses by \$13.7 million, revenues/reimbursement by \$9.7 million, and use of accumulated non-General Fund balances by \$4 million. If budget changes are approved, the total revised county-wide FY 2016-17 Budget will be \$1.70 billion.

At the direction of the County Administrator, budget changes include only adjustments that are consistent with prior board direction based on the adopted budget, or that have been presented for the Board's approval in a prior Board action. A complete list totaling \$13.7 million in budgetary changes is included as Exhibit A of the attached Budget Resolution. Past quarterly consolidated adjustments included changes associated with new funding requests and/or issues requiring Board direction. These

changes have and will now come forward as part of the budget process or as a separate Board report to provide a complete and transparent deliberation of new initiatives.

## 2 (a) General Fund Budget Adjustments

Of the total requested changes, \$2.4 million are within General Fund budget units as follows:

\$1,239,170 in the Clerk-Recorder-Assessor recognizing increased election costs financed with General Fund contingencies and Transient Occupancy Tax for Community Separators, Regional Parks Special Tax, and Cannabis Business Tax ballot measures. (Board actions: 7/19/16 and 12/13/16).

\$428,836 in the Sheriff Office's budget recognizing revenue contract with the Department of State Hospitals for the reimbursement of treatment and custody costs needed to provide a 10-bed Jail-based Competency Treatment Program occurring on-site at the Sheriff's Main Adult Detention Facility. This state-funded program will provide competency restoration services to offenders charged with felony charges, who in the past had to wait for a bed to become available at Napa State Hospital. (Board action 2/7/17).

\$220,125 in the Fire and Emergency Services department appropriating Flood Planning and Hazard Mitigation grant contracts with the Department of Water Resources and the California Office of Emergency Services. (Update to the approved June 2016 department budget).

\$308,181 within the Non-Departmental General Fund programming transfer of funds to the Animal Services program to cover County services indirect cost allocation. (Update to the approved June 2016 department budget).

\$157,000 in the Probation Department budget recognizing increased Public Safety Realignment funding available for pre-trial electronic monitoring, transitional housing, and supportive community services. (Community Corrections Partnership approval on 1/30/17).

## 2 (b) Non-General Fund Budget Adjustments

Non-General Fund financed budget changes total \$11.3 million. The most significant prior direction adjustments requested are:

\$608,501 in Non-Departmental recognizing the transfer of Dry Creek tribal funds to General Fund to cover already budgeted Dry Creek area road litter pick-up and law enforcement services. (Update to the approved June 2016 department budget).

\$685,482 in the Health Services budget increasing various existing state and federal revenue contracts, including State Tobacco Health Education, County Wellness and Prevention Pilot Project, Public Health Emergency Preparedness related to Zika prevention, National Association of County and City Health Officials supportive services grant, donation from Field of Dreams to support Animal Services, and increased use of fund balance from the Animal Welfare fund. (Board actions 12/6/17, 12/13/16, and update to the approved June 2016 department budget).

\$942,154 in Human Services programs adjusting revenue grants and programming Senior Homeless program services, Transportation and Mobility Management services, Adult and Aging service contracts, Victims of Crime Act program, and Community Foundation of Sonoma County to support Sonoma County LGBTQI Seniors Connection Program. (Board actions 7/12/16 and update to the approved June 2016 department budget).

\$1,446,616 within Community Development Commission budget units recognizing increased Housing Voucher funds associated with the Crossroads project, Winter Weather expansion services, and programming increased rental income for maintenance costs of Russell Avenue houses and Village Green II project. (Board actions 11/15/16, 4/26/16, and update to the approved June 2016 department budget).

\$4,594,103 in various Transportation & Public Works Department budget units mainly associated with Airport improvements, Roads mitigation funds for Adobe Road at East Washington signal improvements, additional Transportation Development act fund for transit, Arnold Drive Bike Lane Feasibility study, Tolay Cannon Lane pavement project, and funding agreements with Gold Ridge and Sonoma Resource Conservation Districts. (Board actions 9/13/16, 12/6/16, 12/13/16, 1/10/17, and update to the approved June 2016 department budget).

\$735,000 within the Water Agency budget programming available funds for the Russian River Confluence, Storm Water planning, Petaluma Aqueduct, and transfers between the Russian River and the Occidental Community Services Districts for the Russian River receiving station. (Board actions 2/7/17 and update to the approved June 2016 department budget).

\$1,105,000 and (\$1,105,000) in the Sonoma Valley Sanitation District Construction Fund recognizing the advanced loan payoff to the Water Agency's Power Resources fund for the photovoltaic project. Note: for proper accounting of debt, positive appropriations are offset with negative appropriations for budgetary purposes. (Update to the approved June 2016 department budget).

\$389,585 in the Advertising program providing support to the Fairgrounds development master plan, and reimburse the Clerk-Recorder-Assessor budget for Measure L election costs. (Board actions 11/1/16, 11/15/16, 7/9/16, update to the approved June 2016 department budget).

\$1,207,850 in various Regional Parks projects budgets recognizing various available funding from the State Boating and Waterways for Guerneville River Park; Community Development Block Grant ADA program for Helen Putnam; Metropolitan Transportation Commission for West County Trail Forestville Trailhead; Sonoma Valley mitigation for Maxwell Farms Redevelopment and Larsen Park; Parks Foundation for Doran Shell Restroom, Taylor Mountain Phase II and Maxwell Farms Redevelopment; transfer from the Roads budget for pavement work at Tolay Cannon Lane; and restricted donations for the Tolay Master Plan. (Update to the approved June 2016 department budget).

**Prior Board Actions:**

10-11-2016 First Quarter Budget Update and Consolidated Budget Adjustments

**Strategic Plan Alignment**      Goal 4: Civic Services and Engagement

Periodic review of the County budget supports uninterrupted services to County residents, and provides fiscal adjustments transparency to the public.

**Fiscal Summary Fiscal Summary Fiscal Summary**

<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	13,676,418		
<b>Total Expenditures</b>	<b>13,676,418</b>		
<b>Funding Sources</b>			
General Fund	-609,501		
State/Federal	2,868,934		
Fees/Other	5,711,900		
Use of Fund Balance	4,613,609		
Contingencies	1,091,475		
<b>Total Sources</b>	<b>13,676,417</b>		

**Narrative Explanation of Fiscal Impacts:**

The total \$13.7 million of appropriations adjustments will be funded primarily with \$5.7 million in transfer of funds and reimbursements for capital projects expenses, \$2.8 million of state/federal funds, \$4.6 million use of accumulated non-General Fund balances such as loan proceeds for Airport improvements, and \$1.1 million of General Fund use of contingencies for election cost and funding various Board approved uses. In addition, the FY 2016-17 General Fund demand will be reduced by \$609,500 as a result of Dry Creek tribal funds not previously budgeted.

**Staffing Impacts**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A – I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
None			

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

- Attachment 1: Exhibit A - Summary of Budget Changes
- Attachment 2: Concurrent Resolution
- Attachment 3: Sonoma Valley Sanitation District Resolution

<b>Related Items "On File" with the Clerk of the Board:</b>
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None
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## EXHIBIT A

## Consolidated Budget Adjustments FY 2016-17- 2nd Quarter

	Gross Expenditure	Revenue & Reimbursement	Net Cost
<b>Summary of Requested Adjustments Reflecting Prior Board Direction</b>			
<b><u>Administrative and Fiscal Services</u></b>			
<b>Clerk-Recorder-Assessor - General Fund</b>			
Increase expenditures and reimbursements in Registrar of Voters for election costs associated with the County ballot measures of the November 2016 Community Separators Protection Ordinance \$279,585, Regional Parks Special Transactions and Use Tax \$280,000, and March 7, 2017 Cannabis Business Tax Ordinance \$400,000, from general fund contingencies (7/19/16 & 12/13/16).	959,585	959,585	0
Increase expenditures and reimbursements in Registrar of Voters for election costs associated with the November 2016 Transient Occupancy Tax Ordinance ballot measures from Adverting Program Fund Balance (7/19/16).	279,585	279,585	0
<b>County Counsel - General Fund</b>			
Reduce revenue by \$68,272 from billable clients and increase general fund net cost for legal review of winery events code amendments and guidelines. (Board Item #10, 10/11/16)	0	(68,272)	68,272
<b>General Services - General Fund</b>			
Real Estate - Recognize donation revenue and increase appropriations in capital outlay to transfer Guerneville Restroom asset to General Services from Community Development Commission (item #8 11/10/2015).	64,680	64,680	0
<b>Non Departmental - General Fund</b>			
Reduce the Board's contingency appropriation to finance the following programs and requirements: (1) \$68,272 for County Counsel's legal review of winery events code amendments and development and operational guidelines (Board Item #10, 10/11/16); (2) \$40,000 to match the Sonoma County Public Law Library's Fiscal Year 2016-17 fundraising efforts (Board Item #4, 12/06/16); (3) \$250,000 to fund the first year of a two-year Memorandum of Understanding agreement with the Gold Ridge Resource Conservation District and the Sonoma Resource Conservation District for technical assistance services, grant development, and multi-agency conservation goals (Board Item #6, 12/06/16); (4) \$37,500 to partially fund the Human Services Department's Senior Homeless Prevention Program for Fiscal Year 2016-17 (Board Item #27, 12/06/16); (5) \$2,500 to purchase signs for renaming the athletic fields at Ragle Ranch Regional Park to the "Rudy Theiller Memorial Athletic Fields" (Board Item #16, 12/13/16); (6) \$400,000 to place the Measure A - Cannabis Business Tax on the March 7, 2017 ballot (Board Item #77, 12/13/16); (7) \$103,416 for Transportation and Public Works to fund the College Student Subsidized Transit Fare Program, and \$20,500 to fund the permanent Veterans Subsidized Fare Program from January through June 2017 (Board Item #65, 12/13/16); and (8) \$50,000 for Transportation and Public Works to initiate the Arnold Drive bike plan feasibility study (Board Item #8, 01/10/17).	(972,188)	0	(972,188)
Add appropriations to expend contingency funds for the following programs and requirements: (1) \$40,000 to match the Sonoma County Public Law Library's Fiscal Year 2016-17 fundraising efforts; (2) \$250,000 to fund the first year of a two-year Memorandum of Understanding agreement with the Gold Ridge Resource Conservation District and the Sonoma Resource Conservation District for technical assistance services, grant development, and multi-agency conservation goals; (3) \$2,500 to purchase signs for renaming the athletic fields at Ragle Ranch Regional Park to the "Rudy Theiller Memorial Athletic Fields"; (4) \$400,000 to place the Measure A - Cannabis Business Tax on the March 7, 2017 ballot; (5) \$103,416 for Transportation and Public Works to fund the College Student Subsidized Transit Fare Program, and \$20,500 to fund the permanent Veterans Subsidized Fare Program from January through June 2017; and (6) \$50,000 for Transportation and Public Works to initiate the Arnold Drive bike plan feasibility study.	866,416	0	866,416

## EXHIBIT A

## Consolidated Budget Adjustments FY 2016-17- 2nd Quarter

	Gross Expenditure	Revenue & Reimbursement	Net Cost
<b>Non Departmental - General Fund (cont'd)</b>			
Reduce the Board's contingency appropriations and make corresponding expenditure increases to finance various fee waivers: (1) a General Services rental fee waiver of \$6,073 for West County Community Services to hold the Free Dinners Program at the Guerneville Veterans Building (Board Item #21, 10/25/16); (2) a Regional Parks day use fee waiver of \$3,500 for the 2016 Veterans Day Weekend (Board Item #27, 11/01/16); (3) a General Services rental fee waiver of \$619 for the Russian River Sisters of Perpetual Indulgence to hold the annual free community Christmas dinner at the Guerneville Veterans Building (Board Item #26, 11/01/16); (4) a General Services rental fee waiver of \$2,803 for the Blood Centers of the Pacific bi-monthly community blood drives at the Sonoma Veterans Building (Board Item #58, 11/15/16); (5) a General Services rental fee waiver of \$637 for West County Community Services to host the 2016 Thanksgiving event at the Guerneville Veteran's Building (Board Item #29, 12/06/16); (6) a use permit fee waiver of \$7,584 for the Forestville Planning Association's Forestville Downtown Park (Board Item #69, 12/13/16); and (7) a Health Services fee waiver of \$3,696 for the Windsor Unified School District's Smarter Luncheons Program (Board Item #30, 01/24/17).	(24,912)	0	(24,912)
Reduce the Board's contingency appropriations and make corresponding expenditure increase to finance several sponsorships: (1) \$500 to Rotary and Kiwanis Clubs for hosting the 16th Annual Tribute to Veterans at the Sonoma County Veterans Memorial Building held on November 9, 2016 (Board Item #24, 10/11/16); (2) \$5,065 to the Sebastopol Center for the Arts for the American Association of Retired Persons Spring 2017 Tax-Aide Program at the Sebastopol Veterans Memorial Building (Board Item #30, 12/06/16); and (3) \$6,000 to help underwrite a summit on homelessness, organized by Catholic Charities and the Santa Rosa Homeless Collective, held in Santa Rosa on 01/30/17 and 01/31/17 (Board Item #33, 01/10/17).	(11,565)	0	(11,565)
Reduce the Board's contingency appropriations and make corresponding expenditure appropriations of \$82,810 for a General Fund operating transfer to General Services to finance regular sweeping of approximately 22 acres of County parking lots as required for the National Pollutant Discharge Elimination System (NPDES) storm water permit. This work is required to comply with the North Coast Regional Water Quality Board. General Services included receipt of this operating transfer from the General Fund in its adopted FY 2016-17 budget; however, the corresponding operating transfer from the General Fund was inadvertently omitted. This adjustment corrects the error, and results in an \$82,810 net cost increase.	(82,810)	0	(82,810)
Per the Budget Hearing Memorandum titled "FY 2016-2017 Tribal Impact Mitigation Funds", dated June 13, 2016, the annual mitigation payment received from the Dry Creek Tribe in December 2016 would be used to offset the County's costs incurred in the third and fourth quarters of FY 2016-2017. This budget adjustment will allow transfer of an additional \$608,501 from the Dry Creek Mitigation Fund to the General Fund in order to finance the County's associated law enforcement and waste management costs in full through June 30, 2017. This adjustment results in a General Fund net cost decrease of (\$608,501).	0	608,501	(608,501)
In order to align the adopted budget with the County's approved 2016-17 Cost Plan, add expenditure appropriations of \$308,181 for an operating transfer from the General Fund to the Department of Health Services (DHS), and an offsetting \$308,181 reimbursement from DHS to the General Fund. The offsetting adjustments will not result in a net cost impact.	308,181	308,181	0
<b>Non Departmental - Other Fund</b>			
Per the Budget Hearing Memorandum titled "FY 2016-2017 Tribal Impact Mitigation Funds", dated June 13, 2016, the annual mitigation payment received from the Dry Creek Tribe in December 2016 would be used to offset the County's costs incurred in the third and fourth quarters of FY 2016-2017 related to law enforcement and road litter clean up services. This budget adjustment will appropriate revenues within the Dry Creek Mitigation Fund to enable a budget transfer in the amount of \$608,501 to the General Fund to cover those costs.	608,501	0	608,501
Per the Budget Hearing Memorandum titled "FY 2016-2017 Tribal Impact Mitigation Funds," dated June 13, 2016, appropriate \$30,000 of Dry Creek mitigation payments to cover legal services costs associated with the County's tribal affairs.	30,000	0	30,000

## EXHIBIT A

## Consolidated Budget Adjustments FY 2016-17- 2nd Quarter

	Gross Expenditure	Revenue & Reimbursement	Net Cost
<b><u>Justice Services</u></b>			
<b>Probation - General Fund</b>			
Increase expenditures and reimbursements associated with Community Corrections Partnership approved increases for Pre-Trial Electronic Monitoring program, transitional housing, and supportive community services provided to the Adult Probation population to adjust for demand and availability of services.	157,000	157,000	0
<b>Probation - Other Fund</b>			
Appropriate fund balance from CCP Contingency to support CCP approved increases to Pre-Trial Electronic Monitoring program, transitional housing, and other supportive community-based services for Adult Probation populations. (CCP approval 1/30/17).	157,000	0	157,000
Appropriate Local Innovation fund balance toward enhancing mental health services planning and implementation for criminal justice involved adults.	58,378	0	58,378
<b>Sheriff - General Fund</b>			
Appropriate \$36,000 in proceeds from sale of older boats to augment grant revenue to purchase new boat (BOS 1/24/17, #14); appropriate FY 15-16 Wellness benefit funds for Main Adult Detention Facility of \$9,680 and North County Detention Facility of \$1,320 pursuant to SCLEA MOU; appropriate \$381,836 revenue from Department of State Hospitals for treatment services associated with the Jail Based Competency Treatment program (BOS 2/7/2017, #22D).	428,836	428,836	0
<b><u>Health and Human Services</u></b>			
<b>Health Services-Other Fund</b>			
Increase appropriations for various contracts and grants as follows:			
- \$35,000 in revenues and expenditures for additional State Tobacco Health Education funding, including associated internal transfers. Supplements appropriations authorized during Budget Hearings.			
- \$100,000 in expenditures and \$112,500 in revenues for a CMSP Grant for County Wellness and Prevention Pilot Project (12/13/16, 34)			
- \$12,600 in expenditures for a contract with the Community Child Care Council (Delegated Authority)	290,768	277,371	13,397
- \$25,000 in expenditures and \$42,000 in revenues for Zika funding from Federal Public Health Emergency Preparedness, results in a reduction of realignment fund use of \$17,000 (6/14/16, 22).			
- \$15,000 in revenues and expenditures for a NACCHO support services grant (12/6/16, 10)			
- \$73,000 in revenues and expenditures for Field of Dreams Donation to support Animal Services.			
- \$30,000 in expenditures from the Animal Welfare Fund to offset a reduced grant received from the Community Welfare Grant.			
Accounting adjustments to balance or close-out several accounts as follows:			
- Increase expenditures to close out projects in Hospital Preparedness for \$2,600, \$3,900 for Child Safety Seats, \$4,100 for the Bioterrorism Program, \$40,000 for Public Health Program; increase Public Health expenditures by \$36,000 as an accounting adjustment to balance Public Health.	86,533	6,700	79,833
- Increase revenues by \$6,700 to close out Public Health Program			
- Increase revenues and expenditures Animal Services by \$308,181 for A-87 Cost Plan costs.	308,181	308,181	0

## EXHIBIT A

## Consolidated Budget Adjustments FY 2016-17- 2nd Quarter

	Gross Expenditure	Revenue & Reimbursement	Net Cost
<b>Human Services - General Fund</b>			
Increase appropriations to implement the Senior Homeless Program. To support this program the Board authorized the use of General Funds for 18 months. This adjustment recognizes the additional revenue in the department's FY 16-17 Budget. (BOS 12/6/16).	37,500	0	37,500
<b>Human Services - Other Fund</b>			
Adjust revenues and expenditures for various grants not included in the FY 16-17 Budget, as follows:			
- Funding Agreement with MTC for Transportation and Mobility Management for the period of July 1, 2014 to December 31, 2016 Approved September 23, 2014, Agenda Item 21. Recognize increased revenue for FY 16-17 in the amount of \$40,434			
- Funding Agreement with Archstone Foundation for Adult & Aging Services for FY 15-16 and FY 16-17 with delegated authority to Director of Human Services to execute agreement to adjust for revenue changes. Approved July 28, 2015, Agenda Item 22. Recognize increased revenue for FY 16-17 in the amount of \$181,230			
- Funding Agreement with CalTrans for the term of July 1, 2016 to June 30, 2018. Approved July 12, 2016, Agenda Item 13. Recognize increased revenue for FY 16-17 in the amount of \$194,187	625,851	625,851	0
-Supplemental Grant Funds from Cal OES for Victims of Crime Act (VOCA) received in FY 16-17. Grant Application approved by CAO as required by Grantor. Recognize increased revenue for FY 16-17 in the amount of \$200,000			
- Recognize \$10,000 in increased revenue for FY 16-17 for a grant from the Sonoma County LGBTQI Giving Circle Fund of Community Foundation Sonoma County to support the Sonoma County LGBTQI Seniors Connection Program. No Board item was required for this grant.			
Adjust revenue and expenditure appropriations to implement the Senior Homeless Program. The total FY16-17 cost of this program is \$533,700, of which, \$217,400 included in the department's budget. As a result, expenditures are being increased by \$316,300 to fund the remainder of this program. \$143,200 of the revenues are included in the department's budget, resulting in a total revenue adjustment of \$390,500; \$37,500 from the County General Fund and \$353,000 from IHSS (BOS 12/6/16, #27).	316,303	390,770	(74,467)
<b>IHSS - Other Fund</b>			
Shift Human Services appropriations from the In-Home Supportive Services Public Authority to the Human Services Department to implement the Senior Homeless Program. (BOS 12/6/16, #27).	0	(353,270)	353,270
<b><u>Development Services</u></b>			
<b>Community Development Commission - Other Fund</b>			
Housing Element Fund. New contracts for the Winter Weather Expansion increased revenues received and expenditures to Non-Profits by \$155,095. Increased appropriations for Catholic Charities for the Palms Inn project expenditures of \$108,727, due to an unexpended contract in FY 15/16 carrying into FY 16/17, resulting in use of fund balance of \$108,727. (11/15/16, item #54, Winter Weather Expansion. 12/15/15, Item #7, Board Resolution for Catholic Charities Contract)	263,822	155,095	108,727
Reduce appropriations by \$155,000 in the Commercial Rehabilitation Loan Fund so funds may be used to cover Winter Shelter expansion costs(11/15/16, #54).	(155,095)	(155,095)	0
Increase appropriations in the Reinvestment and Revitalization Fund by \$65,000 to allow for an expenditure and reimbursement from the General Services Department for Successor Agency costs for the Roseland Village project. (6/14/16, #4, CDC R&R budget)	65,000	65,000	0
Increase appropriations for the Housing Voucher Fund by \$1,000,000 to support increased housing voucher rental costs and by \$200,000 in the HOME fund to cover costs associated with the Crossroads project. The revenue for these increased expenditures appropriations will be covered by the Department of Housing and Urban Development. (5/3/16, #16).	1,200,817	1,200,817	0
Anticipated revenue of \$74,530, due to new property rents at the Russell Avenue property, expected to be received in FY 16/17. Increase in associated expenditures of \$22,072 (ongoing program, last approved on April 26, 2016, item #2, Russell Houses' lease)	22,072	74,530	(52,458)
Increased authority for expenditures of \$50,000 due to increased administrative charges from Burbank Housing for administering the Village Green II project, resulting in an anticipated use of fund balance of \$50,000. (6/14/16, #4, CDC budget)	50,000	0	50,000

## EXHIBIT A

## Consolidated Budget Adjustments FY 2016-17- 2nd Quarter

	Gross Expenditure	Revenue & Reimbursement	Net Cost
<b>Economic Development Board - Other Fund</b>			
Increase appropriations to implement the California Advanced Services Fund Rural and Urban Regional Grant with Marin, Napa and Mendocino counties, \$55,983 [Board Item 12/13/16].	55,983	55,983	0
<b>Fire and Emergency Services - General Fund</b>			
Appropriate Department of Water Resource Flood Planning Grant, \$120,124, and California Office of Emergency Services Hazard Mitigation Grant, \$100,001, to continue support for existing planning efforts.	220,125	220,125	0
<b>Fire and Emergency Services - Other Fund</b>			
Appropriation of \$116,515 in Fire Service Project funding for CSA#40 as approved by the Board on 10/11/2016 and 1/10/2017, including funding for dispatch, \$58,967, and funding based on the allocation of project funding to districts to maintain level of service, \$57,548.	116,515	116,515	0
<b>Regional Parks- General Fund</b>			
Increase Foundation support and expenditure to existing Parks programs, including Vamos a Nadar \$3,530, the Grant Program \$30,000, and increase revenue only in the Recreation Scholarship Program \$1,000, based on additional fundraising that has occurred and which will allow the expansion of these programs.	33,530	34,530	(1,000)
<b>Regional Parks- Other Fund</b>			
Transfer additional support from dedicated sources to existing projects, including \$50,000 of Park Mitigation Area 6 funding to Maxwell Farms Redevelopment CIP to help serve as local match for grant funding, \$70,000 of CSA #41 Sonoma Valley Funding to Larson Park Improvements CIP for master plan update, community engagement and environmental documentation, and \$60,000 Restricted Donation funding (from the on-site cell tower lease) for North Sonoma Mountain CIP for mitigation monitoring for new access, development of the master plan, and environmental review, and \$11,000 funding from Restricted Donations for Tolay master plan CIP to pay for closing costs for the acquisition of Tolay Creek Ranch. Receive and appropriate \$75,000 in General Services ADA funding for Spud Point Marina ADA projects which are being completed ahead of schedule.	266,000	75,000	191,000
<b>Transportation and Public Works- Other Fund</b>			
Airport Division - Increase depreciation expense \$1,057,756 for the runway and associated environmental mitigation associated with the completion of the Runway Safety Project that was put in service on 7/1/16, non-cash accounting transaction (8/20/13). Increase appropriations in Capital Asset purchases of \$1,241,938 for new Terminal hold room construction and Long Term Parking lot design funded by County Treasury Note (9/13/16).	2,299,694	0	2,299,694
Road Division- Increase \$1,030,000 in appropriations for operating transfer from County-Wide Mitigation Fund to Capital Improvement fund for costs associated with Adobe Road at East Washington Street Signal and Widening project (4/26/16). Receive a \$50,000 transfer from General Fund contingencies to initiate the Arnold Drive Bike Lane Feasibility study (1/10/17). Increase transfer to Regional Parks of \$250,000 towards pavement preservation project for Cannon Lane as part of the 2017 Pavement Preservation Program (6/14/16).	1,330,000	1,080,000	250,000
Transit Division -Increase appropriations by \$380,000 in Article 4-General Transit Services and \$55,000 in Article 8 - ParaTransit Services for anticipated cost increases in utilities, fuel, vehicle parts and vehicle maintenance costs offset by increased use of available Transportation Development Act funds (6/14/16). Increase appropriations by \$250,000 in Article 8 to properly account for contracted transportation services as part of the Agreement with Transdev to operate County Transit system, which are offset by incoming transportation fare revenue (5/17/16).	685,500	685,500	0
Public Works Small Water Systems - Increase appropriations in Contract Services from fund balance to provide matching funds for the Northern Sonoma County Water Conservation Program agreement (12/13/2016).	10,248	0	10,248
District Formation- Receive \$250,000 transfer from General Fund contingencies to fund agreement with Gold Ridge Resource Conservation District and the Sonoma Resource Conservation District for technical assistance services, grant development, and multi-agency conservation goals coordination (12/6/16).	250,000	250,000	0

## EXHIBIT A

## Consolidated Budget Adjustments FY 2016-17- 2nd Quarter

	Gross Expenditure	Revenue & Reimbursement	Net Cost
CSA #41 - Freestone Zone of Benefit - Increase appropriations from available fund balance by \$17,500 for maintenance, administrative services and utilities for anticipated increases in operational expenditures for the newly installed water treatment plant, and \$1,161 in Debt Service for higher than anticipated administration costs and interest on the Small Water Systems Loan approved to fund maintenance and capital improvements required to continue to provide water service to its residents (9/13/16).	18,661	0	18,661
<b>Water Agency - Other Fund</b>			
Expenditure appropriations are being increased by \$250,000 for the Measure AA Clean and Healthy Bay contributions (Board approved 3/1/16), and by \$45,000 by the Russian River Confluence for contract services (6/13/16).	295,000	0	295,000
Add additional appropriations from fund balance in Zone 2A Petaluma, \$25,000, and Zone 3A Valley of the Moon, \$25,000, for the Storm Water Planning Project (approved 2/7/2017). Add \$50,000 in additional revenue and appropriations in Zone 1A Laguna Mark West to accept Federal Emergency Management Agency revenue for hydraulic analysis associated with local hazard mitigation projects identified in the Hazard Mitigation Plan.	100,000	50,000	50,000
Add \$15,000 in additional appropriations from fund balance in the Recycled Water Fund required for feasibility study to explore expanding recycled water use within the North San Pablo Bay region. Add \$100,000 in appropriations from fund balance in the Petaluma Aqueduct Capital fund for seismic mitigation project development included in the Hazard Mitigation Plan. Make net zero technical adjustments to the Power Resource fund and Sonoma Valley County Sanitation District Construction fund for advance loan payoff for the photovoltaic project.	115,000	0	115,000
Occidental County Sanitation District (CSD) will pay directly for work on the Russian River CSD Septage Receiving Station which will be used to receive waste from the Occidental CSD, rather than transferring funds. As such, funding will be transferred from the Occidental CSD Operations fund to the Occidental CSD Construction fund rather than the Russian River CSD Construction Fund. Revenue and expenditures in the Occidental CSD Construction Fund increase by \$535,000, while revenue and expenditures in the Russian River CSD Construction fund decrease by the same amount for no net change. In addition, Russian River CSD Construction fund is transferring \$225,000 to a new fund for the State Revolving Fund loan for the Third Unit (Tertiary Treatment) Construction Project at the request of the Auditor-Controller-Treasurer-Tax Collector's office.	225,000	225,000	0
<b><u>Other County Services</u></b>			
<b>Advertising- Other Fund</b>			
Appropriate \$100,000 to the Sonoma County Fairgrounds for the development of a master plan (11/15/16). These funds were originally approved during FY 15-16 Supplemental Budget hearings, however unused in the prior fiscal year and rolled into Advertising Program Fund Balance. This approval re-funds the project for FY 16-17.	100,000	0	100,000
Appropriate \$279,585 to the Clerk-Recorder-Assessor for Measure L - TOT rate increase (7/19/16).	279,585	0	279,585
Appropriate \$10,000 for Regional Parks for Lower Russian River Trail Grant (11/1/16), \$49,990 for Sonoma County Ballot Measure Survey contract with Fairbank, Maullin, Metz & Associates (11/15/16), and \$1,350 for design and development of program educational materials contract with Studio B (11/15/16).	61,340	0	61,340
Decrease contingency funds by \$51,340 to cover costs of Sonoma County Ballot Measure Survey and program educational materials contract (11/15/16).	(51,340)	0	(51,340)
Increase Revenue by \$337,760 based on estimated new revenue from Measure L 3% TOT increase.	0	337,760	(337,760)

## EXHIBIT A

## Consolidated Budget Adjustments FY 2016-17- 2nd Quarter

	Gross Expenditure	Revenue & Reimbursement	Net Cost
<b>Capital Projects</b>			
<b>Capital Projects - Other Fund</b>			
Guerneville River Park-\$326,850 Department of Boating and Waterways funding was added to the grant contract. The contract was originally accepted by the Board 10/27/2009 (Item #15) and the Board action to apply for additional funds was approved 1/26/2016 (Item #15).The grant funds will pay for the engineering and construction of a new boat launch, parking, access, and amenities.	326,850	326,850	0
Helen Putnam ADA-\$100,000 new Community Development Block Grant funding from the Community Development Commission was approved by the Board 5/3/2016 (Item #16). The grant funding matches ADA funds previously allocated for the design and construction of barrier removal upgrades at the park.	100,000	100,000	0
West County Trail Forestville Trailhead-\$200,000 new funding from Metropolitan Transportation Commission was approved by the Board 5/24/2016 (Item #32). The grant funding matches an Open Space District grant and is for the construction of the trail extension to Highway 116 and a new trailhead.	200,000	200,000	0
Maxwell Farms Redevelopment -recognize \$50,000 additional Sonoma Valley Park Mitigation funding, shift \$35,000 Sonoma Valley Park Mitigation funding from Sonoma Schellville to Maxwell, and additional Regional Parks Foundation funding \$15,000. Increase in funding is for the master plan update, community engagement, and environmental document. Serves as local match for over \$1.3 million in construction grant funding.	100,000	100,000	0
Sonoma Schellville-shift \$35,000 Sonoma Valley Park Mitigation funding to Maxwell Farms Redevelopment \$35,000. The railroad right of way title research and appraisal process for the Schellville project are taking much longer than anticipated and therefore these funds won't be needed until a future year.	(35,000)	(35,000)	0
Doran Shell Restroom- \$85,000 Regional Parks Foundation funding to construct a new restroom and shower building between the Gull and Shell campgrounds at Doran Beach Regional Park.	85,000	85,000	0
Taylor Mountain Phase 2- \$40,000 Regional Parks Foundation funding toward constructing 8 miles of new trail, 6 bridges, and 3 access points a Taylor Mountain Regional Park and Open Space Reserve. Part of local match for pending \$1.7 million Recreational Trails Program grant.	40,000	40,000	0
Larson Park Improvements-\$70,000 CSA #41 Sonoma Valley funding for the master plan update, community engagement and environmental document.	70,000	70,000	0
Tolay Cannon Lane-\$250,000 operating transfer from Transportation and Public Works (Wohler) for design engineering, permits, road reconstruction, and repaving work to accommodate park use. This project was approved by the Board on June 14, 2016 Pavement Preservation Program for Summer 2017.	250,000	250,000	0
North Sonoma Mountain-\$60,000 Cell Tower funding for mitigation monitoring for new access, and funding for the Master Plan and environmental review to match the SCAPOSD Initial Public Access funds.	60,000	60,000	0
Tolay Master Plan-\$11,000 Restricted Donation funding to pay for the closing costs for the acquisition of Tolay Creek Ranch.	11,000	11,000	0
<b>GRAND TOTAL ADJUSTMENTS</b>	<b>13,676,417</b>	<b>9,672,309</b>	<b>4,004,108</b>
<b>General Fund</b>	<b>2,383,250</b>	<b>2,992,751</b>	<b>(609,501)</b>
<b>Other Funds</b>	<b>11,293,167</b>	<b>6,679,558</b>	<b>4,613,609</b>
<b>All Funds</b>	<b>13,676,417</b>	<b>9,672,309</b>	<b>4,004,108</b>



# County of Sonoma

State of California

Date: March 7, 2017

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_



4/5 Vote Required

**Concurrent Resolution Of the Board Of Supervisors of the County Of Sonoma, State Of California, of the Board Of Directors of the Sonoma County Community Development Commission, the Board Of Directors of the Agricultural Preservation and Open Space District, the Board Of Directors of the Sonoma County Water Agency, the Board Of Directors of Occidental County Sanitation District; and the Board Of Directors of the Russian River County Sanitation District Adjusting the Revised FY 2016-17 Budget. (4/5 Vote Required.)**

**Whereas**, the Board has adopted the Fiscal Year 2016-17 Budget for all Governmental Entities within its jurisdiction, in accordance with Section 29088 of the Government Code of the State of California, and

**Whereas**, the Government Code allows for adjustments to the Adopted Budget during the 2016-17 Fiscal Year.

**Now, Therefore, Be It Resolved** that the County Auditor-Controller is hereby authorized and directed to adjust the Fiscal Year 2016-17 Adopted Budget for the attached increases/decreases listed in Exhibit "A" for the governmental entities within its jurisdiction. Also, in order to reconcile financial data between the County's new systems, authorize the Auditor-Controller-Treasurer-Tax Collector and County Administrator to complete minor budgetary corrections that do not cumulatively increase spending authority in any one departmental budget.

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**



# **FY 2016/17 Mid-Year Budget Update**

**Sonoma County Board of Supervisors  
March 7, 2017**



# Recommended Actions

- A. Receive FY 2016-17 Mid-Year Budget Estimates and General Fund year-end balance projection.
- B. Adopt a Concurrent Budget Resolution adjusting departmental budgets by \$12.6 million.
- C. Adopt Resolution adjusting the Sonoma Valley Sanitation District FY 2016-17 Budget by \$1,105,000.



# FY 2016-17 Mid-Year Estimate

## General Fund Year-End Savings of \$8.4 million

- \$4.5 million more tax revenue

*Property, sales, documentary transfers, transient occupancy tax, and utilities franchise fees.*

- \$3.9M lower expenditures due to salary savings from vacant positions



# FY 2016-17 Mid-Year Estimate

## Other Funds

- \$161 million of budgeted expenses will not be used

*Driven mainly as a result of revised infrastructure projects timelines and staffing vacancies.*

*Unused expenditure appropriations and their associated funding streams will be likely re-budgeted into FY 2017-18*

- \$21 million of budgeted revenues will not be realized

*Primarily lower than budget Human Services state funding for IHSS, Adult Protective Services, and CalWORKs; as well as infrastructure project revenue due to revised timelines.*



# Midyear Budget Adjustments

## \$13.7 Million

- No new items for the Board's consideration, different from prior consolidated budget adjustments.
- All budget adjustments reflect prior Board direction:
  - *Approved use of Board contingencies as of 2/28/17*
  - *Approved Board items*
  - *Corrections to align with budget adopted in June 2016*
- No position changes requested



# FY 2016-17 County Budget

FY 2016-17 County Budget (in millions)				
Description	Adopted Budget	Revised thru Dec	Q2 CBA Changes	Revised thru Q2 CBA
Gross Expenditures	\$1,960.47	\$2,019.92	\$14.77	\$2,034.68
General Fund Contingency	\$3.46	\$1.98	(\$1.09)	\$0.89
<b>Sub-Total Gross Expenditures</b>	<b>\$1,963.93</b>	<b>\$2,021.90</b>	<b>\$13.68</b>	<b>\$2,035.57</b>
Less Reimbursements	(\$312.68)	(\$318.16)	(\$1.70)	(\$319.86)
<b>Total Net Expenditures</b>	<b>\$1,651.25</b>	<b>\$1,703.73</b>	<b>\$11.98</b>	<b>\$1,715.71</b>
Revenue Sources	\$1,474.64	\$1,496.02	\$7.97	\$1,503.99
Net Cost/Use of Fund Balance	\$176.61	\$207.72	\$4.00	\$211.72
<b>Total Revenue Sources</b>	<b>\$1,651.25</b>	<b>\$1,703.73</b>	<b>\$11.98</b>	<b>\$1,715.71</b>
<i>Permanent Positions</i>	4,147.4	4,184.7	0.0	4,184.7



# Summary of Q2 Adjustments

Services Group	General Fund	Other Funds	Total (millions)
General : Administrative and Fiscal Svcs.	\$2.60	\$0.64	\$3.24
<i>GF Contingency</i>	<i>(1.09)</i>	<i>0.00</i>	<i>(1.09)</i>
Public Safety	0.58	0.22	0.80
Safety Net	0.04	1.63	1.67
Development / Infrastructure	0.25	7.22	7.47
Capital Projects	0.00	1.20	1.20
Other	<u>0.00</u>	<u>0.39</u>	<u>0.39</u>
<b>Total</b>	<b>\$2.38</b>	<b>\$11.30</b>	<b>\$13.68</b>



# Significant Changes

## General Fund:

- \$1.3 million for election costs associated with ballot measures for Community Separators, Regional Parks Special Tax, and Cannabis Business Tax (Clerk-Recorder-Assessor)
- \$430k revenue contract for state reimbursement of treatment and custody costs (Sheriff's Office)
- \$220k to program state grant funding and contracts for Flood Planning and Hazard Mitigation (Fire & Emergency Services)



# Significant Changes

## Non-General Fund:

- \$4.6 million for airport improvements, traffic signal improvements, transit, and resource conservation districts (Transportation and Public Works)
- \$1.5 million of Housing Voucher funds for Crossroads, Winter Weather expansions services, etc. (Community Development Commission)
- \$942k adjusting grant revenues and programming for Senior Homeless services, Adult and Aging services, Victims of Crime Act program, etc. (Human Services)



# Recommended Actions

- A. Receive FY 2016-17 Mid-Year Budget Estimates and General Fund year-end balance projection.
- B. Adopt a Concurrent Budget Resolution adjusting departmental budgets by \$12.6 million.
- C. Adopt Resolution adjusting the Sonoma Valley Sanitation District FY 2016-17 Budget by \$1,105,000.

## Correction to the Resolution

For the Sonoma Valley County Sanitation District ~~Construction~~ **Operations** fund programming advance loan payoff for the photovoltaic project **from the Water Agency.**





## County of Sonoma Agenda Item Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

**Agenda Item Number:43**  
(This Section for use by Clerk of the Board Only.)

**To:** Board of Supervisors & Board of Directors

**Board Agenda Date:** March 7, 2017

**Vote Requirement:** Majority

**Department or Agency Name(s):** County Administrator's Office

**Staff Name and Phone Number:**

M Christina Rivera (707) 565-2431

**Supervisorial District(s):**

**Title:** 2017 Budget Policy Workshop

### **Recommended Actions:**

- (A) Review Countywide Budget and Historical General Fund Allocations.
- (B) Discuss Sonoma County Impacts Associated with State and Federal Proposed Budgets.
- (C) Ratify Financial Policies, Approve Revisions, and Consider Future Policies.
- (D) Accept General Fund Updated Fiscal Outlook.
- (E) Provide Policy Guidance on Anticipated Funding Challenges.
- (F) Accept the County Administrator's FY 2017-18 Budget Development Framework and Timeline.

### **Executive Summary:**

Annually, as staff starts developing the new fiscal year budget, a Budget Workshop is held to provide the Board and the public information regarding state-federal budget impacts, County General Fund fiscal outlook, and discuss allocation of unrestricted General Fund resources. In addition, the workshop session serves to ratify countywide financial policies, secure Board approval on revisions to the financial policies, and preview important financial policy changes under development.

As we develop the budget each year, it is essential that we consider state and federal financial uncertainties, economic forecasts and trends, as well as important economic local challenges such as road infrastructure, unfunded liabilities and other unmet needs. The report includes the General Fund (GF) updated multiyear fiscal outlook and some budget challenges and opportunities. Lastly, County Administrator staff outlines the approach to be followed for budget development, identifies key dates and milestone budget activities necessary to produce a balanced Fiscal Year (FY) 2017-18 Budget to be presented to the Board during the June 2017 public budget hearings.

**Discussion:**

Budget Overview

The County's total revised budget as of February 28, 2017 is \$1.69 billion. In addition to the budgets of the 25 County departments, the total includes the budgets of entities governed by the special districts' Board of Directors such as the Sonoma County Water Agency, Sonoma County Agricultural Preservation & Open Space District, the Community Development Commission, Sonoma Valley County Sanitation District, and various Community Service Area districts providing water, sewer, and lighting services.

The total budget is made up of various types of funds mainly organized by the source of funding.

<b>Type</b>	<b>Description</b>	<b>% of Total*</b>
Special Revenue	Primarily services delivered on behalf of state/federal agencies, e.g. Health and Human Services programs.	35.9%
County General	General government services primarily financed with tax revenue as well as fees/charges for services, e.g. Sheriff.	27.0%
Special Districts & Agencies	Accounts for entities established for a specific public service, e.g. Water Agency.	17.9%
Internal Services	Centralized County services funded by County departments and agencies, e.g. Workers' Compensation.	11.0%
Enterprise	Services provided in exchange for a Board approved fee or charge, e.g. Airport, Spud Point Marina, Transit.	3.9%
Capital Projects	General government (not including Roads) projects financed with one-time funds and outside funding.	3.6%
Debt Service	Established to ensure debt service obligations are met, e.g. Open Space Tax Bonds issued by the County.	0.7%

*\* Based on Adopted Budget Data*

The County's main General Fund FY 2016-17 budget of \$438 million is financed with \$250 million in local property and sales taxes; \$73 million from state/federal allocations such as Proposition 13 Public Safety funds; \$73 million in licenses, fees, and charges for services; \$16 million in transfers from accumulated replacement funds and/or from non-General Fund programs covering County costs; \$9 million from interest earnings and miscellaneous revenues; and \$17 million prior-year savings.

Property tax revenue represents Sonoma County residents' main contribution towards financing an array of public services. Of the FY 2016-17 Proposition 13 total \$815 million property tax levied, \$220 million or 27% goes to the County of Sonoma. The schools receive \$390 million, or 48%, while cities collectively receive \$74 million, or 9% and Special Districts receive \$67.5 million, or 8%.

Discretionary unrestricted General Fund resources have been historically budgeted over the last 10 years, as follows:

	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Public Safety	49%	51%	58%	60%	58%	53%	53%	53%	52%	55%
General	31%	29%	20%	18%	21%	24%	25%	25%	24%	21%
Safety Net	10%	10%	13%	14%	13%	11%	11%	11%	11%	11%
Infrastructure	8%	8%	7%	7%	6%	11%	10%	10%	11%	11%
Ag Sup/Edu	2%	2%	2%	1%	2%	1%	1%	1%	2%	2%

**Public Safety:** Sheriff, District Attorney, Probation, Public Defender, Grand Jury, and Court Support Services.

**General:** Board of Supervisors, County Administrator, County Counsel, Human Resources, General Services, Information Systems, Auditor-Controller-Treasurer-Tax Collector, and Clerk-Recorder-Assessor. Also, included in this category are the allocations to various programs such as support to the Community Development Commission, maintenance and building investments, special Information Systems projects, expenses for organization-wide professional services, and disbursement of Proposition 172 Public Safety funds to Fire Services programs. This group of allocations are housed within the General Fund Non-Departmental budget managed by the County Administrator’s Office.

**Safety Net:** Health Services and Human Services.

**Infrastructure:** Permit and Resource Management, Fire Management Services, Roads Funding, and Regional Parks.

**Agricultural Support / Education:** Agricultural Commissioner and U.C. Cooperative Extension.

Preliminary Analysis of the Proposed State and Federal Budgets (Attachment A)

On January 10, 2017, Governor Brown released his administration’s 2017-18 budget proposal. Generally, the Governor has proposed a status quo budget. The primary impact of this is that funding is proposed to stay static while demands in many areas are increasing. The proposed budget contains \$122 billion in General Fund expenditures, which is a 0.2% decrease from last January’s budget, including anticipated reduced state funding for In-Home Supportive Services by shifting cost to Counties. Governor Brown’s proposed budget recognizes reduced revenue expectations, many unknowns including the new federal administration, and prepares for a future economic downturn. The Governor’s overall proposed budget includes:

- \$122 billion in general fund expenditures.
- \$1.6 billion deficit for FY 2016-17 and future deficits of \$1-2 billion annually.
- Rainy day fund contribution is set at approximately \$1.1 billion, a 64% decrease compared to FY 2016-17.
- State general fund revenue growth will slow to 2.9% in FY 2017-18 from 4.2% in FY 2016-17, but maintain an average 3.9% annual growth rate through FY 2020-21.

- Sales tax revenue will be \$25 billion in FY 2016-17, which is \$1.7 billion under budget, and estimated at \$25.2 billion in FY 2017-18 (less than a 1% increase).
- The Health and Human Services proposed budget includes approximately \$34 billion in general fund contributions, which is a 3.6% decrease from FY 2016-17.

A more comprehensive list of state budget impacts is included in Attachment A. Of these, the most significant impacts and opportunities are:

<b>Program or Service</b>	<b>Statewide Impact</b>	<b>Sonoma County Estimated Impact</b>
In-Home Supportive Services (IHSS)	Shift of \$626.2 million from State General Fund to counties	\$2.7 million increase County cost
CalWORKs	Reduction in caseload and funding	\$2.5 million or 11% funding reduction
CalFresh	Reduction in caseload and funding	\$1.7 million or 9% funding reduction
Transportation and Funding Reform Package	\$1.1 billion in local formula funds and \$250 million in state-local partnership grants	Potential increase in funding
Highway User Tax Account (HUTA)	Revenue reduction	\$3.3 million Road maintenance funding shortfall

On February 27, President Trump released an outline of a budget proposal for FY 2018. The proposal calls for a 10%, or \$54 billion, increase in defense spending, with corresponding reductions to non-defense programs. It is unclear which specific programs will be impacted and to what degree, though there are indications that the Administration certainly supports cuts to the Environmental Protection Agency (EPA) and foreign aid. The Administration may look to avoid reductions for entitlement programs such as Medicare and Social Security. Additionally, the President continues to call for a repeal and replace of the Affordable Care Act, an overhaul of the tax code, and a large infrastructure package. At this stage it is too early to assess any specific impacts to Sonoma County, though the County will continue to monitor proposals from the Administration and the budget process in Congress.

Financial Policies (Attachment B)

Each year as a part of the budget development process, we bring forward for ratification the Financial Policies that will guide the development of the new year budget. Attachment B includes the recommended Financial Policies and principle accounting standards. Current policies include the following basic fiscal principles:

- Recommended expenditure appropriations must be in balance with available sources. (Government Code §29009).
- All County departments/agencies must, when directed by the County Administrator, submit recommended options for reducing their General Fund net demand.

- Mid-year and 3rd Quarter reports of estimated revenues and expenditures are to be submitted by departments to the County Administrator, and on to the Board of Supervisors with budget adjustment recommendations, if necessary.
- Filling of any permanent or extra-help vacant management positions requires County Administrator staff review and approval. In addition, all positions vacant for 12 months or more will be deleted.
- Given cyclical economic downturns, to maintain fiscal sustainability, program budgets will not be automatically restored as a result of fiscal recovery and/or discretionary revenue growth. Instead efficiencies are to be considered before a program and/or service expansions are considered.
- One-time funding sources (i.e. fund balance, cyclical increases to revenues, grants) will be used to fund one-time expenditures (i.e. fixed assets, infrastructure, grant programs, and reserves). An exception may occur with Board approval of a multi-year plan to reduced ongoing expenditure base.
- County and other Government Agencies governed, which participate in the employee retirement system, shall strive to for maintain a 95%-105% assets to liabilities ratio.
- Federal and state program reductions will not be backfilled with County discretionary revenues except by Board direction.

Today we are also requesting your approval of one substantive revision to the policies. For FY 2017-18, we have added language to codify that part of the Proposition 172 revenues (state distributed Public Safety Augmentation funds) are to be allocated towards efficient, effective, and sustainable fire services. (See Attachment B page B-3). This is reflective of the Board's decision in FY 2015-16.

In addition, staff identified that the following policy topics are not yet included in the adopted Financial Policies but are under review by staff and will be brought back for consideration in the near future.

**General Fund Reserve Revised Target and Use** – the County's current target is 15% of General Fund operating revenues. The Government Finance Officers Association (GFOA) guidance has recently changed to be a minimum of 2 months which would equate to 16.67% of the General Fund operating revenues. Based on the adopted FY 2016-17 budget, the County currently has \$53 million in reserves, which represents about 12% of the adopted FY 2016-17 General Fund revenues. Language has also been added to the GFOA guidelines with respect to the framework for increasing or decreasing the amount, replenishing it should the unrestricted General Reserve fund balance fall below the target level, and other considerations for establishing higher targets than the minimum recommendation. Staff will review the new GFOA guidance and develop policy changes and enhancements for the Board's consideration.

**Contingencies** – most recently the General Fund budget includes up to \$5 million of discretionary funding as a Contingency appropriation, which is used throughout the year to address unforeseen time sensitive expenses and investments. In addition, the Board of Supervisors has used this source to finance Board Strategic Priority efforts. On January 31, 2017 the Board conducted its annual strategic priorities session and identified four priority areas. The four strategic priorities include (1) addressing the county's housing crisis; (2) preserving and providing enhanced access to our natural resources; (3) investing in key County infrastructure, including roads; and (4) strengthening the safety net for the county's most vulnerable residents, including addressing concerns about immigration. Implementation details such as scope, timeline, intended outcomes, and financing will be presented for the Board's discussion on April 4<sup>th</sup>. Although staff plans will consider all financing mechanisms including long term financing and grants, initial resources and/or match may be needed to implement the strategic

priorities. Therefore, staff will develop a draft Use of Contingencies policy for the Board's consideration that ties the Contingencies to the Board's strategic priorities.

**Sponsorship** – CAO staff is working on a proposed recommendation for a policy that governs County sponsorship of events and organizations that further the County's mission or support County services. Currently, policies that impact sponsorship exist for the Advertising and Promotions Program, as well as for Fee Waivers. The Advertising and Promotions program is funded by the Transit Occupancy Tax (TOT), with requests reviewed and recommended for approval by the Advertising Committee, which was suspended with the formation of the Measure L Ad Hoc in 2017. The Fee Waiver program is funded by the Board's annual contingencies and are approved by the Board on a case-by-case basis. Both are administered centrally in the County Administrator's Office. In addition, a limited number of departments have an existing policy on sponsorships. These related but separate approaches to sponsorship provide an opportunity for the County to establish a unified policy on this issue. Because TOT is the primary funding source of sponsorships on the County wide level, the CAO will provide a sponsorship policy recommendation for initial review by the newly formed Measure L Ad Hoc. This will allow the recommendation on sponsorships to be addressed in the broader context of existing and future TOT investment as well as current practices related to fee waivers from General Fund contingencies and departmental practices. The Measure L Ad Hoc committee is scheduled to meet in March.

#### Updated General Fund Outlook (Attachment C)

Overall, the 5-year General Fund baseline expenses are projected to outpace recurring revenues, which results in an annual year-end General Fund savings requirement of \$16.3 million in FY 2017-18; reducing to \$13.8 million (FY 2018-19), \$12 million (FY 2019-20), \$11 million (FY 2020-21), and \$10.6 million (FY 2021-22). At this time, the projections do not include estimated state and/or federal budget impacts.

As discussed in the separate Mid-Year Estimates and 2<sup>nd</sup> Quarter Adjustments Board report, current FY 2016-17 year-end General Fund available to partially fund the FY 2017-18 base budget is estimated at \$8.4 million. When the most recent historical 60% average variance between mid-year estimates and close of books actual is applied, County Administrator staff anticipates \$14 million General Fund balance will be available to partially fund next year's budget

Taking into account recent economic information, the fiscal outlook includes revised revenue growth factors, and year-end savings required to balance preliminary expected General Fund FY 2017-18 County services and programs expense. Fiscal projections are focused on General Fund given this is the portion of the overall County budget where the Board can exercise full discretion. In other words, budget development for non-General Fund sources and uses is guided by the grant agencies' financial plan covenants and funding agreements.

Cyclical economic adjustments are an important consideration in the County's long term fiscal plan, and by most measures, the Great Recession between December 2007 and June 2009, was the worst economic recession felt in recent times. Fortunately, California has by and large pulled itself out of the economic condition, and as of January 2017, Sonoma County has the third lowest Bay area unemployment rate at 3.7%. Also, signs of global recovery and hopes of tax cuts are pushing stock markets to new highs.

However, as noted in the Governor's budget message, the U.S. economy grew slowly in 2016 and the California Department of Finance's economic outlook assumes moderate growth throughout 2018. Many, but not all, economists caution that a reset or stock market correction is a likely risk, and significant policy changes in the U.S. or in foreign countries, such as international trade or immigration, further support the likelihood of future economic disruption risks.

Further, the California Department of Finance notes that current economic expansion has lasted since mid-2009, but on average, expansions last for about five years. In summary, it would be a historical anomaly for there not to be a recession before 2020. The Department of Finance estimates that even a fairly mild recession in the U.S. would be difficult for California. Their moderate recession scenario for 2018-2019, identifies that real U.S. Gross Domestic Product (GDP) would drop by 0.4% and thus California would lose almost one million jobs, while wages and salaries would fall by more than 5 percent.

At this time, based on the County's mid-year estimates, as well as recent assessed activity information from the County Assessor's team, the updated County fiscal forecast assumes improved County General Fund Property Tax revenue growth of 4% for FY 2017-18, and future year increases at 3.5%; 3%; 2.5%; and 2% through FY 2021-22. Lower growth is estimated for the out years given the following factors: (1) the County's low housing inventory, (2) focus on developing affordable housing units, (3) a potential economic reset; and (4) Proposition 13 limits property valuation assessment to a 2% inflation factor, as long as a properties are not sold.

Other assumptions in the County's fiscal outlook include:

### **Revenues**

- Sales Taxes growing by 4% in FY 2017-18 and slowing year over year growth to 2% in FY 2021-22. Based on estimates from sales tax consultant, HdL Companies, statewide sales trends will grow by 3.4% in FY 2017-18. However, Sonoma County growth for the last 10 years has exceeded the statewide growth.
- Fees and Charges increasing by 1.05% in FY 2017-18 and adjusting up to 1.13% in FY 2021-22.
- State allocations increasing by 2.5% annually in FY 2017-18 thru FY 2020-21, with slower growth of 2% in FY 2021-22. Note, these revenues do not include Health and Human services Realignment funding streams.

Of the \$261.6 million tax revenues projected in FY 2017-18 by the General Fund, \$231 million is from property taxes; \$22.6 million from local sales tax activity including the 25% of Transient Occupancy Tax assigned to the General Fund, and \$8 million in Supplemental and Transfer taxes.

### **Expenses**

- Salaries and benefits adjusting 0.5% in FY 2017-18 and 2% annually in subsequent years through FY 2021-22.

Assuming pension and medical costs will not change over the projected period due to pension investment market returns, and assuming the County's employer medical contribution will remain capped at current levels, labor costs are presumed to grow about 2% annually. Note that parameters

for successor labor agreements have not yet been negotiated. The chosen annual factor is based on average revenue growth projections.

- Non-Salaries and Benefits costs increasing 2.5% in FY 2017-18 and 2018-19, and 2% annually through FY 2021-22.

Notwithstanding the assumption in the fiscal outlook, costs due to other post-employment benefits (OPEB) and pension unfunded liability are a significant concern. These costs are not predictable due to factors such as actuarial assumption changes, market fluctuations, legislative and political impacts which are outside of the County's direct control. Continued strategies to control and reduce these costs will be essential for future County budget sustainability.

The County Administrator and departments' staff will update estimates, and the results will be presented for Board review in the spring.

#### Anticipated FY 2017-18 Budget Challenges and Opportunities

The mid-year review of estimates, the Governor's proposed budget, and the updated fiscal forecast provide the framework for budget development and discuss upcoming challenges and opportunities.

#### **In-Home Supportive Services (IHSS) \$2.7 million Increased County Cost**

As noted, the Governor's proposed budget includes dismantling of the Maintenance of Effort (MOE) for IHSS. Maintenance of Effort means the County must maintain an agreed upon level of County discretionary funding in order to receive state and/or federal funds. The proposed budget declares that the Coordinated Care Initiative (CCI) is not cost-effective and will be discontinued effective December 31, 2017. Sonoma County is not one of the seven pilot CCI counties. However, discontinuing CCI re-establishes a variable state-county share of cost for the IHSS program rather than a set level of funding or maintenance of effort. Effective June 30, 2017, the county and state IHSS MOE will end and collective bargaining will remain with the counties and not transfer to the state. A \$625 million statewide increase in County costs is estimated in FY 2017-18, increasing to \$2.1 billion in FY 2022-23. For Sonoma County, the estimated impact is preliminarily identified at \$2.7 million growing to \$12.6 million by FY 2021-22. CSAC and the County Welfare Directors Association (CWDA) are working with the Governor and Legislature to reduce the impact of this change on counties. Since 1991 Realignment funds from the state covers both Human and Health programs, the proposed change may also indirectly impact Health Services, if 1991 Realignment funds are redirected from health to human services programs.

#### **Road Operations \$3.7 million Highway User Tax Revenue Shortfall**

Transportation and Public Works Road maintenance and administrative support services are mostly funded with \$5.4 million in General Fund and \$16.5 million in state funding, mainly from gas tax. Due largely to the considerable shortfall in state gas tax revenues over the past several years, an additional contribution of \$3.7 million will be required to avert service reductions. Sonoma County's nearly 1,400 road miles far exceed those in nearby counties, such as Marin County with only 400 miles and Solano County with 600 miles. State gas tax provides \$9,183 in revenue per road mile in Sonoma County, compared to Orange County receiving \$145,000 per road mile because of the gas tax formula.

The County's ability to carry out road maintenance activities and conduct traffic calming activities will be severely impacted as follows: (1) reduction in Road Maintenance division of \$2.8 million and 18 positions, including the elimination of the culvert crew which would cease progress on the 228 needed culvert replacement projects of which 66 are considered high priority (failed or near failure) and eliminate possibility of a roving public response crew. (2) cut backs in Road Administration division and Traffic Engineering section( \$0.9 million and 10 positions) including the elimination of the Public Affairs program, not filling newly re-classed traffic section support position, not filling critical project delivery positions in engineering, and not filling recently vacated department Information Technology (IT) position.

Without alternative replacement funding the Department will move forward with implementing a service reduction plan equivalent to 15% of the estimated \$24 million Road Operations budget to align with available revenues resulting in delayed ability to perform critical maintenance activities and responding to constituents.

The expected shortfall in revenue is magnified by the recent winter storms which have a current damage estimate of \$16.4 million, and other demands for one-time fund balance; and, FY 2017-18 marks the first year for the annual installment to City of Santa Rosa for the Roseland Annexation in the amount of \$662,000 over 10 years from the Roads operations budget.

Separately, the General Fund (GF) provides \$11.5 million annually for Pavement Preservation programs, which could be adjusted down in order to shift funds to Roads operations. Over the last 5 years, the Board has allocated \$65 million of General Fund dollars towards Pavement Preservation and Road Operations. Since FY 2012-13 there are no other counties that contribute as much discretionary General Fund toward road pavement improvements than Sonoma County, with the exception of San Francisco. On average, \$1 million paves 3.9 miles of roads.

Alternative options include reducing General Fund contributions to non-Roads programs, designating part of the increased Transient Occupancy Tax, and/or using of one-time year-end General Fund savings (if any) in excess of the required amount to finance the base budget.

#### FY 2017-18 Budget Development Framework and Timeline

In order to take into account the different departments' perspectives, the County Administrator asked for a Department Head review of the budget plan and General Fund fiscal forecast projections and assumptions. The peer review effort was beneficial and resulted in some changes to the fiscal forecast.

Distribution of unrestricted General Fund resources will be equal to each department's recurring General Fund demand adjusted for FY 2017-18 increased salaries and benefits. In addition, the FY 2017-18 budget will not rely on enhanced salaries and benefits savings, as was required in FY 2016-17 to offset the County's increased share of represented employees' medical premiums. Through the mentioned peer review discussion, staff learned that obligating departments to a larger than average vacancy level has created operational challenges. As of this writing, there are 381 total positions vacant, of which approximately 40% are included in General Fund departmental 2016-17 budgets.

In order to ensure the County's long-term fiscal sustainability, the following new strategies will be implemented in FY 2017-18.

a) Reduced Reliance on Year-End Savings.

The County’s annual General Fund budget has for over a decade been partially financed with prior year unused General Fund resources. A more optimal balanced budget structure would finance recurring expenses with recurring revenues and would not rely on prior year unused funds. As we develop the new budget, staff will look for opportunities to reduce the County’s reliance on prior year unrestricted funds.

b) Prioritization of Requested Budget Changes.

As a result of the peer review, department staff identified there are a number of departments who have added or expanded workload without a corresponding increased funding source. Various departments have prepared business case requests to add staff or services, and in some cases there are some program budgets that may need to reduce services in order to produce a balanced budget. In light of the limited resources available for next year, County Administrator staff will develop a prioritized list of department program changes to be considered by the Board should General Fund resources be available beyond what is assumed in the FY 2017-18 budget. The goal is to receive the Board’s approval to assign unanticipated funding, in the priority order established by the Board, to address County Administrator vetted program change requests submitted by departments.

c) General Fund Back Up Reduction Plans.

As noted, the final impacts of the state and federal proposed budgets are not yet clear. In addition, impending fiscal issues, such as the Roads program revenue decline, may present a situation where the County Administrator will be required to present General Fund reduction options countywide to create the capacity necessary to preserve a balanced budget. Therefore, departments have been asked to prepare 2%, 4%, and 6% back up reduction plans reducing departments’ programs and services financed with General Fund discretionary sources. These plans will be reviewed for their implementation feasibility, and will remain on file should there be a need to activate to either balance the FY 2017-18 recommended budget, or to address fiscal challenges throughout the course of the next fiscal year.

The tentative budget development activity timeline is as follows:

<b>March 17</b>	Departments submit adjustments to their Fees and Charges Schedules
<b>March 24</b>	Departments submit completed Recommended Budgets
<b>April 11</b>	Board Report to Update the Fund Balance Directory
<b>May 9</b>	Fees and Charges Adjustments – Board Public Hearing
<b>May 9</b>	Third Quarter Board Budget Update
<b>May 10</b>	Governor’s State May Revise Budget
<b>June 12-23</b>	FY 2017-18 Public Budget Hearings

**Prior Board Actions:**

June 16, 2016 Resolution adopting the FY 2016-17 Budget  
 October 11, 2016 Resolution adjusting the FY 2016-17 Adopted Budget

<b>Strategic Plan Alignment</b> Goal 2: Economic and Environmental Stewardship			
Annual public review of the County’s overall budget trend and projections and discussion on the development of next year’s budget encourages community participation. The Board’s focus on long term fiscal sustainability and commitment to deliver important community services will be incorporated into the FY 2017-18 recommended budget.			
<b>Fiscal Summary</b>			
<b>Expenditures</b>	<b>FY 16-17 Adopted</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
Budgeted Expenses			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
<b>Total Sources</b>			
<b>Narrative Explanation of Fiscal Impacts:</b>			
None			
<b>Staffing Impacts</b>			
<b>Position Title</b> (Payroll Classification)	<b>Monthly Salary Range</b> (A – I Step)	<b>Additions</b> (Number)	<b>Deletions</b> (Number)
<b>Narrative Explanation of Staffing Impacts (If Required):</b>			
None			
<b>Attachments:</b>			
Attachment A – State Proposed Budget Impacts Attachment B – Financial Policies Attachment C – General Fund Fiscal Outlook			
<b>Related Items “On File” with the Clerk of the Board:</b>			
None			

**2017 Budget Policy Workshop**  
**State and Federal Budget Impacts**

Sonoma County's budget and service delivery is impacted each year by the state and federal budgets, which pose both opportunities and challenges to local operations. Governor Brown released his proposed budget in January. President Trump released an outline of his budget proposal in late February, still it is largely unclear what the impacts may be to local government budgets. The Governor's and President's recommended budgets will serve as a guide to lawmakers for the adoption of a final budget.

The most impactful elements of the State's proposed budget are laid out below. The summary table displays positive fiscal impacts and funding opportunities in green, and budgetary reductions or challenges in orange, followed by a brief description of each notable impact or opportunity.

State Budget Impacts Summary			
	Program or Service	Statewide Impact	Sonoma County Impact
Health and Human Services	In-Home Supportive Services (IHSS)	Shift of \$626.2 million from State General Fund to Counties	Potentially significant negative impact. Estimated at \$2.7 million in FY 2017-18 and growing to \$12.6 million in FY 2022-23
	Drug Medi-Cal Organized Delivery System Waiver	\$662 million	\$750,000 project-specific funds
	Proposition 10: cigarette and tobacco tax	\$74 million reduction	\$572,000 reduction for First 5 Sonoma County
	Medi-Cal Administration	\$2.07 billion, no increase for growth	Caseload to increase by 1.6% with no increase to funding
	CalWORKs	Reduction in caseload and funding	\$21.2 million, a \$2.5 million (11%) reduction
	2011 Behavioral Health Realignment (Health Services)	\$93.3 million for growth	\$850,000 growth in funding
	2011 Realignment (Human Services)	Potential increase	Potential increase
	1991 Health Realignment (Health Services)	No growth	No increase in funding
	1991 Mental Health Realignment (Health Services)	No growth	No increase in funding
	1991 Realignment (Human Services)	Potential increase	Potential increase

State Budget Impacts Summary			
	Program or Service	Statewide Impact	Sonoma County Impact
	CalFresh	Reduction in caseload and funding	\$18 million, a \$1.7 million (9%) reduction
Environment and Natural Resources	Low Carbon Transportation	\$363 million	Opportunity
	Drought and Emergency Response	\$178.7 million	Opportunity
	Energy Efficiency	\$27.5 million	Opportunity
Transportation Infrastructure	Governor's Transportation and Funding Reform Package	\$1.16 billion in local formula funds and \$250 million in state-local partnership grants	Potential increase in funding
	Highway User Tax Account (HUTA)	Revenue reduction	\$11.3 million, \$3.3 million shortfall from prior average

### **State Budget**

On January 10, 2017, Governor Brown released his administration's 2017-18 budget proposal. Generally, the Governor has proposed a status quo budget. There are not many changes from past fiscal years, thus most impacts to local governments come from the fact that funding is status quo while demands may be increasing. The proposed budget contains \$122 billion in General Fund expenditures, which is a 0.2% decrease from the January 2016 budget. The proposed budget recognizes reduced revenue expectations, many unknowns including the new federal administration, and prepares for a future economic downturn.

The overall proposed budget and State economic projection highlights include:

- \$122 billion in general fund expenditures.
- \$1.6 billion deficit for 2016-17 and future deficits of \$1-2 billion annually.
- Rainy day fund contribution is set at approximately \$1.1 billion, a 64% decrease compared to 2016-17.
- State general fund revenue growth will slow to 2.9% in 2017-18 from 4.2% in 2016-17, but maintain an average 3.9% annual growth rate through 2020-21.

- Sales tax revenue will be \$25 billion in 2016-17, which is \$1.7 billion short of projections, and estimated at \$25.2 billion in 2017-18 (less than a 1% increase).

The **Health and Human Services** proposed budget includes approximately \$34 billion in general fund contributions, which is a 3.6% decrease from FY 2016-17.

- **In-Home Supportive Services (IHSS).** The proposal with the largest potential for impact in the Governor's proposed budget is the dismantling of the Maintenance of Effort (MOE) for IHSS. The proposed budget declares that the Coordinated Care Initiative (CCI) is not cost-effective and will be discontinued effective December 31, 2017. Sonoma County is not one of the seven pilot CCI counties. However, the declaration that the CCI is not cost-effective re-establishes the state-county share of cost for the IHSS program. Effective June 30, 2017, collective bargaining will remain with the counties and not transfer to the State. With the ending of the IHSS, the MOE will end. Therefore, the state budget proposes to reestablish the 35% county share of nonfederal costs that existed prior to the implementation of the Coordinated Care Initiative (CCI). County Welfare Directors Association (CWDA) projects this will result in a \$625 million statewide increase in county costs in FY 2017-18 increasing to \$2.1 billion in FY 2022-23. Counties are in the process of determining the increased costs arising from the return to State-County Share of Costs. Potential cost increases may be offset by State actions to assume responsibility for a greater share of costs. CSAC and the CWDA are working with the Governor and Legislature to reduce the impact of this change on counties. This proposed change has a direct impact on Human Services as well as an indirect impact on Health Services if Realignment growth is redirected from health services to human services as anticipated. The Department will advise the Board when impacts on Sonoma County are known.
- **Children's Health Insurance Program (CHIP).** There are approximately 150 children enrolled in CHIP throughout Sonoma County. With uncertainty at the federal level for reauthorization in September 2017, the budget assumes the 65% match will be eliminated and replaced with State general funds. That support is expected to total \$536.1 million statewide and will allow level funding for the current level of services to continue.
- **Drug Medi-Cal Organized Delivery System Waiver.** Drug Medi-Cal will provide funding for residential and case management for Alcohol and Other Drug Services (AODS). The proposed budget makes \$662 million available statewide to roll out the new Drug Medi-Cal Organized Delivery System Waiver. Health Services is expecting the Centers for Medicare & Medicaid Services (CMS) to approve the County's new Drug Medi-Cal Expansion implementation plan on or before July 1, 2017. The Department anticipates \$750,000 of funding in FY 2017-18. Previously, the Department had to rely on realignment, general fund and Substance Abuse Prevention and Treatment (SAPT) grants for a more limited set of substance use services for the Medi-Cal population. Under Drug Medi-Cal the Department will receive 50% Federal Financial Participation (FFP) for these services. In addition to FFP, the Drug Medi-Cal Expansion will also include State general funds.
- **Proposition 10 Funding.** The Act levies a tax on cigarettes and other tobacco products to provide funding for early childhood development programs. The proposed budget anticipates a reduction of \$74 million, which is expected to result in a reduction of approximately \$572,000 for First 5 Sonoma County in FY 2017-18.

- **Mental Health Services Act (MHSA).** Funding for the housing bond is now anticipated to be diverted from MHSA later than expected. The mandated 7% reallocation from MHSA to the affordable housing bill will not occur until FY 2018-19. There is expected to be \$1.8 billion in MHSA funding statewide. With the delay, Health Services will be able to apply for funding for mental health services through the State's proposed competitive process.
- **1991 Realignment.** The FY 2017-18 Budget projects a 4.4% increase in the sales tax portion and a 2.6% increase in the Vehicle License Fee (VLF) portion over the State's adopted budget for FY 2016-17. For the subaccounts received by Human Services, the budget projects a 3.2% increase in the sales tax portion and 6.0% decrease in the VLF portion. Thus there is a potential for minor increase in revenue for human services statewide. Locally, Human Services receipt of Realignment Funding is less than was budgeted in FY 2016-17. For FY 2017-18 Human Services is projecting to receive \$26.8 million which is a decrease of \$918,000 (3%) from the FY 2016-17 adopted budget. For the Department of Health Services, the 1991 Mental Health Realignment and Health Realignment are not expected to provide funding growth. With the elimination of the IHSS MOE and the reversion to a corresponding 35% county share for nonfederal costs, it is not likely that mental health would receive 1991 Realignment growth, which would instead be shifted to human services. By contrast, the growth for FY 2016-17 was approximately \$600,000. For 1991 Health Realignment, Health Services also does not anticipate any growth in FY 2017-18, whereas FY 2016-17 growth was approximately \$1,400,000.
- **2011 Realignment.** Overall, the State budget projects a 4.2% increase in FY 2017-18. There is an expected \$93.3 million available statewide from 2011 Behavioral Health Realignment growth. Based on the proposed budget the Department of Health Services anticipates receiving an additional \$850,000, which would be similar to FY 2016-17 growth levels. Additionally, the Protective Services Subaccount received by Human Services is projected to increase by 3%. For FY 2017-18, Human Services is projecting to receive \$25.6 million which is an increase of \$1.2 million (5%) over the FY 2016-17 adopted budget and \$200,000 over the estimated actual 2011 Realignment funding the Department expects to receive in FY 2016-17.
- **Medi-Cal Administration.** Medi-Cal caseload is projected to increase by 1.8% from FY 2016-17 to FY 2017-18. However, the proposed State budget includes level county administration funding for Medi-Cal Administration. The budget includes a statewide total of \$2.07 billion which is comprised of \$1.3 billion for county Medi-Cal administration plus an ACA augmentation of \$655.3 million. Locally, Human Services will experience minor impacts assuming continued county funding for Medi-Cal at the same level as FY 2016-17, and with no assumptions being made about a possible repeal of the Affordable Care Act.
- **CalWORKs.** Overall, CalWORKs caseload is estimated to decrease by 5.4% over the State's FY 2016-17 final caseload estimates. The CalWORKs administration funding is expected to decrease to reflect caseload declines. The proposed State budget includes \$778.8 million in FY 2017-18, which represents a 12% reduction. Employment services caseloads are projected to decrease by 8.3% from the final FY 2016-17 caseload estimates. The proposed budget includes \$895.2 million in FY 2017-18 funding, an 8% reduction from the State's FY 2016-17 final budget. Subsidized Employment and Housing Support funding will not significantly change in FY 2017-18, while Family Stabilization will increase by \$2.3 million, an increase of 6%. The Maximum Family Grant (MFG) repeal became effective January 1, 2017, which had prohibited cash aid for any child born into a CalWORK's household within 10 months of initially receiving aid. The proposed Budget

includes \$224.5 million to reflect a full year of increased grant costs resulting from the repeal. Locally, there will potentially be a significant decrease in CalWORKs funding to reflect reduced caseload. The County's CalWORKs single allocation is projected to be \$21.2 million, which is a reduction of \$2.5 million (11%) from Human Services' FY 2016-17 adopted budget. For Health Services, the proposed budget is not anticipated to have significant impacts as there is continued support for critical early childhood development services.

- **CalFresh.** Statewide, non-assistance CalFresh caseloads are projected to decrease by 7% from FY 2016-17. CalFresh Administration funding is proposed at \$1.54 billion, a decrease of \$175.2 million (11%) from FY 2016-17. For FY 2017-18, Human Services is projecting to receive \$18 million in CalFresh funding, a reduction of \$1.7 million (9%) over the FY 2016-17 Adopted Budget and \$1.5 million less than anticipated to be received in FY 2016-17. While funding may be expected to decline, the good news is that CalFresh caseload is declining as a result of an improved economy. For the 12-month period ending in November 2016, CalFresh caseload was down 8.8%, and in the last 6 months caseload is down by 6.8%.
- **Continuum of Care Reforms.** The proposed Budget includes \$217.3 million to continue implementation of the Continuum of Care Reforms (CCR), which is designed to significantly change the foster care system and improve the lives of the children served. Locally, Human Services expects to continue the implementation plan as presented to the Board in September 2016 and no significant change in local funding is anticipated, which includes some pass-through funding to Health Services' behavioral and public health services.

Overall, the **Justice Services** will not experience a significant impact from the Governor's proposed budget and many funding proposals for which Sonoma County is eligible are consistent with past years.

The Governor's budget proposes to appropriate \$2.155 billion in cap and trade revenues, which will be used to fund a wide variety of opportunities for greenhouse gas (GHG) reduction. This expenditure plan will only be allocated with a two-thirds vote of the legislature, which is needed to stabilize and authorize the Cap and Trade Funding Program beyond 2020. This super majority vote is desirable because of pending litigation challenging AB 32, which authorized the cap and trade program and was adopted with a majority vote. The Governor's budget includes proposals to fund **energy efficiency, environmental protection and natural resources** programs, which present funding opportunities for Sonoma County, including those listed below.

- **Low Carbon Transportation.** The proposal contains a target goal of a 50% reduction in petroleum use, and proposes to allocate \$363 million for Low Carbon Transportation projects. Funding could be made available to increase the use of alternative non-petroleum based fuels such as hydrogen, renewable compressed natural gas, renewable diesel, electric vehicles and the charging station infrastructure to support EV's. While this presents opportunities, it will also present some challenges. To achieve a 50% reduction in petroleum, there may be changes in the off-road mobile vehicles and diesel regulation exemptions that would accelerate the replacement of older County-owned equipment beyond available funding sources.
- **Drought and Emergency Response.** The proposed budget includes \$178.7 million for various programs related to protecting the water supply, water conservation, and emergency response. This includes \$91 million for enhanced fire protection available to the Department of Forestry

and Fire Protection and \$56.7 million for the Office of Emergency Services to fund emergency response.

- **Affordable Housing and Sustainable Communities.** The proposed budget includes \$300 million in funding for the Strategic Growth Council to support the Affordable Housing and Sustainable Communities Program.
- **Wood Stove Conversion.** The proposed budget includes \$95 million to reduce short-lived climate pollutants which includes funding for the California Air Resources Board to support wood stove conversion.
- **Energy Efficiency.** The proposed budget includes \$27.5 million for renewable energy and energy efficiency including funding for the Department of Community Services and Development to support energy efficiency upgrades and weatherization programs.
- **Disadvantage Communities.** Funding in the past and in the proposed budget allocates grant funding specifically for disadvantaged communities. It should be noted that under the California Environmental Protection Agency’s current definition of a “disadvantaged community”, Sonoma County does not have any communities that qualify.

The Governor’s proposed budget continues to emphasize the need to find a solution to the state’s **transportation infrastructure** and includes a slightly updated version of his previous funding proposal, which would spend about \$3.6 billion annually for the next 10 years. This includes approximately \$1.16 billion in funding for local street and road maintenance and rehabilitation allocated by formula. Still, decreased funding sources will present a challenge to Sonoma County as evidenced below.

- **Highway Users Tax Account (HUTA).** Over the past two years the County has seen a significant decline in state Highway User Tax Account (HUTA) revenues, the largest source of funding for Road Operations, taking the average from 2010 to 2015 of \$14.6 million down to \$10.4 million in 2015-16 and an estimated \$10.7 million in 2016-17, for a net loss over two years of \$8.1 million. The current estimates provided by CSAC in response to the Governor’s budget continue lower than average HUTA revenues for FY 2017-18. Current estimate is \$11.3 million which is \$3.3 million less than the \$14.6 million prior average. While fund balance has been available in prior years to backfill the HUTA shortfalls, this will not be possible in FY 17-18. If not backfilled with another source, reductions will be necessary in road maintenance resulting in increased delays in Department’s ability to perform critical maintenance activities and respond to constituent complaints.

It is notable that the proposed budget does not allocate funding to address **housing affordability**. The Governor’s budget recognizes a housing availability and affordability crisis, while continuing to insist that more expenditures not be added to the State’s general fund and that any permanent source of funding be linked to policy reforms. These desired reforms generally include elimination of local barriers and permit streamlining.

### **Federal Budget**

On February 27, 2017, President Trump released an outline of a budget proposal for Fiscal Year 2018. The proposal calls for a 10%, or \$54 billion, increase in defense spending, with corresponding reductions to non-security programs. It is unclear which specific programs will be impacted and to what degree, though there are indications that the Administration certainly supports cuts to the Environmental Protection Agency (EPA) and foreign aid. The Administration may look to avoid reductions for

entitlement programs such as Medicare and Social Security. Additionally, the President continues to call for a repeal and replacement of the Affordable Care Act, an overhaul of the tax code, and a large infrastructure package. At this stage, it is too early to assess any specific impacts to Sonoma County, though the County will continue to monitor proposals from the Administration and the budget process in Congress.

**Conclusion**

Between now and the time the State budget is adopted in June and the federal budget later in the year, the County will continue to work with its delegation, the California State Association of Counties (CSAC), and the National Association of Counties (NACo) to maximize opportunities presented by the budget and decrease the potential for negative impacts to important local services.

# FINANCIAL POLICIES FOR FY 2017-18

## BUDGET DEVELOPMENT

Annually, the Board of Supervisors/Board of Directors provide policy direction to guide the County Administrator in the development of the Recommended Budget. The policy document is organized into basic fiscal principles and general government accounting standards.

### BASIC FISCAL PRINCIPLES

#### Balanced Budget and Fiscal Discipline

- The budget must balance resources with expenditure appropriations. The County must live within its own means and avoid disturbing other local jurisdictions' revenue sources to resolve its deficiencies. Furthermore, any deviation from a balanced budget is not permitted by the California State Government Code, which states: "In the recommended, adopted, and final budgets the funding sources shall equal the financing uses." (Government Code §29009).
- All County departments/agencies must, when directed by the County Administrator, submit recommended options for reducing their net county costs as part of their annual budget submittal. These reduction options will be the primary source for balancing the County Administrator's recommended budget as submitted to the Board of Supervisors during difficult financial times. Reduction options will be accompanied by each department's analysis of the impact on services. Depending upon state budgetary impacts on Sonoma County, additional reductions may be requested from the County departments.
- Mid-year and third quarter reports of actual revenues and expenditures, with projections for the remainder of the year compared to revised budget, will be submitted by departments to the County Administrator, and on to the Board of Supervisors with recommendations, if necessary, for current year budget adjustments.
- In response to declining property tax and other revenues resulting from the "Great Recession", the County had been operating under a Board of Supervisors approved hiring freeze. The approved policy requires the County Administrator's approval for filling any permanent or extra-help vacant positions. In addition, all positions held vacant for 12 months or more will be deleted as part of the annual recommended budget.

#### Long Range Planning

- Recognizing cyclical economic downturns will occur in the future, and to maintain fiscal sustainability, program budgets will not be automatically restored as a result of fiscal recovery and/or discretionary revenue growth. Instead, a review of the current public needs compared to efficiencies implemented must be completed before program and/or service expansion is considered.
- Annual budgets will not be increased or changed to the point that ongoing operating costs become overly reliant on one-time or cyclical, unreliable revenues.
- Annual budgets will be compiled with long-term sustainability in mind to operate within available ongoing revenues, except as part of a Board of Supervisors approved plan in response to unilateral state budgeting actions that may include reducing costs over a specified number of years.
- Proposed new services, public facilities, significant infrastructure and system changes, and major strategy changes should/will be analyzed for their long term impacts on operations, funding, liability and maintenance before seeking Board of Supervisors approval. New programs or services will generally not be recommended unless they further Strategic Plan goals, objectives, or strategies; are provided with a reliable funding stream sufficient to finance their costs; and the Board of Supervisors can be assured the County can control both the quality and level of services provided.

- The County Administrator, in conjunction with the County Auditor-Controller, will submit a 5 year, multi-year financial projection and solicit budget policy direction prior to compiling the recommended budget.
- One-time funding sources (i.e. fund balance, cyclical increases to revenues, grants) will be used to fund one-time expenditures (i.e. fixed assets, infrastructure, grant programs, Economic Uncertainty Reserves, and special one-time needs programs). An exception to this policy will be when reducing ongoing costs in accordance with a Board of Supervisors approved multi-year plan to reach a new reduced ongoing financing base as a result of state budgetary action. This plan will be called out separately in the budget message.
- The County and other Government Agencies governed by the Board of Supervisors support the funding of the employee retirement system each year at a ratio of between 95%-105% actuarial assets to liabilities. The County Administrator shall work with the Retirement System Administrator to develop a forecast of financing required for the County (and other Government Agencies governed by the Board of Supervisors) and will include options to achieve the desired funding levels along with each recommended budget.

#### **Expenditure Management and Control**

- Sonoma County, in conjunction with employee groups, will consider temporary salary and benefit cost saving programs (e.g. Mandatory Time Off, Voluntary Time Off) in lieu of service reductions or layoffs when the fiscal problem is of a temporary nature where one can reasonably predict when the fiscal problem will end.
- Federal and state program reductions will not be backfilled with County discretionary revenues except by Board of Supervisors direction. The Board of Supervisors typically does not backfill these programs due to their sheer size and magnitude on the County's financial position.
- Board policy direction is required prior to changing one-time expenses into ongoing expenses. In addition, departments will not engage in internal cost shifting to the County General Fund.

#### **Treasury Management**

- Other than amounts held with trustees under bond indenture or other restrictive agreements, the County's cash and investments shall be invested by the County Treasurer. The Treasury Oversight Committee has regulatory oversight for all monies deposited in the Treasury Pool. Such amounts are invested in accordance with investment policy guidelines established by the County Treasurer and reviewed by the Board of Supervisors. The objectives of the policy are, in order of priority, safety of principal, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.
- Debt is incurred for the purpose of spreading capital project costs to the years in which the improvement will benefit. Debt is also incurred to reduce future costs such as refinancing (pension obligation bonds, general obligation bonds, certificates of participation) at lower interest rates.
- Sonoma County will not exceed its legal maximum debt amount. This amount is calculated annually based on 2% of the County's total assessed valuation. Sonoma County currently has no debt applicable to the legal maximum debt, leaving a 100% debt margin.
- Debt issuance and management is also subject to a separate set of policies established by the Board of Supervisors and available from the Auditor-Controller-Treasurer-Tax Collector's office.

#### **Revenue Management**

- Sonoma County will continue to advocate for more discretion over its revenue sources and to diversify and maximize discretionary revenue sources in order to resist state erosion to local revenues and improve the County's ability to manage individual revenue fluctuations.
- Programs financed by charges for services, fees, grants, and special revenue fund sources shall pay their full and fair share of all direct and indirect costs to the extent feasible and legally permitted. Including cost recovery towards future assets and/or system replacement.
- Departments requesting new or increased revenues from fees, permits and user charges shall submit these requests to the Board of Supervisors for consideration during the Board's annual fee hearing process. Requested fee increases shall include annual service improvement plans to identify efficiency and productivity measures taken or planned to minimize the level of rate increases, while improving customer service. If

permissible by law, fees and charges should cover all costs of the services provided, unless otherwise directed by the Board of Supervisors, to provide for public benefit.

- Staff will use conservative but defensible estimates for major revenue sources and not unduly anticipate changes in revenue trends.
- Proposition 172 Public Safety Distribution – Annually, the baseline growth shall be determined as the Consumer Price Index for All Urban Consumers-San Francisco-Oakland-San Jose for the 12-month period ending the previous December 31. This will be applied to the prior year budget for each department that received funds in the previous fiscal year, to establish the new adjusted base. Growth will be any funds projected or received that exceed the adjusted base. Growth shall be split 50% fire services and 50% law enforcement, until the point in time that fire services is receiving 8% of the funding. At that point in time, growth will be allocated in a similar manner until Probation reaches a desired share. Thereafter, growth will be provided on a proportional basis and become the annual adjusted base. If there is a decline in funding (negative growth), this will be allocated proportionally using the current year adjusted base allocation ratios.

#### Minimum Fund Balance Policies

- Sonoma County will create and maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. Funds will be assigned and balances will be maintained to finance anticipated future one-time expenditure needs and to allow time for the County to respond to major actions of the State of California that materially affect the County's financial position. Periodic review and updates of the County's Directory of Funds balances in excess of \$5 million, as of prior fiscal year end, will be incorporated as part of the Board of Supervisors Budget Policy Workshop. Also, disposition of accumulated year-end fund balances will occur when there has been no activity in the past year and the County Administrator and Auditor-Controller-Treasurer-Tax Collector have identified them as no longer needed for their original purpose.
- Consistent with best practice recommendations from the Government Finance Officers Association of the United States and Canada, the County will strive to maintain total General Fund discretionary reserves equal to 5%-15% of annual General Fund operating revenues. This range will be further subdivided into "traffic light" increments as follows:
  - 5-10% represents the red light signaling that no further use of reserves should be made except in dire emergencies or where almost immediate replenishment is assured. Further, priority should be given to increase reserve levels.
  - The 10-15% increment of the range represents the yellow light signaling that caution should be exercised in the use of reserves and only for one-time costs. In addition, consideration should be given to increase reserve levels should resources become available.
  - Above 15%, a green light is given, adequate reserve levels have been achieved. Additional resources need not be set aside at this time for economic uncertainties but used to further other Board of Supervisors goals.
- **Fund balance**, created as a result of actual revenue and expenditure deviations from the budget, will be used to achieve and maintain the County's reserve goals and to balance the next year's budget. Reliance upon fund balance for budget balancing will be managed judiciously, taking into account its volatility and past actual activity.
- **Tax Loss Reserve Fund (TLRF)** shall maintain as a restricted reserve an amount equal to 2% of the levy. The County Administrator in conjunction with the Auditor-Controller-Treasurer-Tax Collector may recommend the use of funds in excess of the established reserve to the Board of Supervisors for the purpose of balancing the budget. In order to finance an additional one-time Roads Pavement preservation investment on November 3, 2015, the Board temporarily reduced the reserve target to 1.25% and will re-establish the 2% reserve from the future collection of penalties.
- **Tobacco Securitization** proceeds shall be maintained in two separate funds. The first shall contain the portion of the proceeds to be used only for capital improvements and shall be used for those improvements that exceed the normal level of repair and replacement needed to maintain County facilities with priority funding for planned criminal justice services projects and the completion of the Americans with Disabilities Act Transition projects. On the latter, funding will be available only AFTER all other funding sources have been exhausted. The second shall contain the portion of the proceeds that, once de-allocated, can be used for

general government purposes. Given the one-time nature of these funds, the latter shall only be used for one-time investments as opposed to financing any on-going operating costs.

- **Refuse Franchise Fees** shall be accounted for in the same manner as other franchise fees in the County General Fund revenues. They shall be recorded in a separate account in order to ensure that any fund balance does not roll into County General Fund carryover balance at year-end so that the County can designate use of the funds for solid waste obligations, roads infrastructure preservation, and other Board of Supervisors priorities. If used for road infrastructure preservation, these funds are not intended to supplant on-going County General Fund contributions nor are they intended to increase any external maintenance of effort requirements imposed by outside funding sources, but may be used to satisfy previously established maintenance of effort levels.
- **Tribal Development Impact Mitigation** funds shall be accounted for separately, so that when budgeting, only those monies received in the current year shall be relied upon for financing costs in the coming budget. The Board of Supervisors shall make a determination, as new tribal developments occur, on the best uses of these funds to mitigate impacts and maintain the high quality of life in surrounding or affected communities.
- **Health Services-Medical System Expansion** funds minimum reserve level is established at \$1 million. The Board of Supervisors recognized and confirmed the remainder of the fund balance will be spent in accordance with the Partnership Health Plan of California Memorandum of Understanding spending plan agreement. Health Services staff will coordinate with the County Administrator's Office and the Partnership Health Plan to review and update the spending plan as a part of the annual budget.
- **County Health Plan-Economic Uncertainty Reserve** is established based on actuarial valuation to cover unforeseen changes in expenditures and/or revenues. ~~In light of the upcoming implementation of the federal Affordable Care Act,~~ Human Resources staff will provide fund balance use recommendations as part of the annual recommended budget while maintaining a minimum level of economic uncertainty reserve consistent with Actuary's valuation and as recommended by the County Administrator.
- **Water Agency - Flood Zone 2A** (Petaluma) will maintain a minimum of 6 months of operating expenditures. Funds in excess of the minimum required may accumulate to address future capital needs as approved by the Board of Directors in the annual Capital Project Plan.
- **Water Agency - Water Transmission System** is to maintain a minimum of 3-4 months of operating expenditures. Funds in excess of the minimum required may accumulate to address future capital needs as approved by the Board of Directors in the annual Capital Project Plan.
- **Reinvest and Revitalization** funds accumulated from dissolved redevelopment project areas residual funds and asset liquidation distribution proceeds are segregated into a separate committed fund for specific investment purposes guided by the Reinvest & Revitalization Funds Use Policy pending approval. Accumulated use of resources will be presented as part of the annual recommended budget. Funding should be considered first to continue or complete the public benefit originally intended by the former redevelopment project, second to benefit the community where the former project area was located, and third for economic development investments.
- **Roads** – One of the program's main sources of funding for maintenance services comes from gas tax. As a result of the frequent state formula allocation changes over the last five years, and to protect the County's General Fund resources, an operating reserve by way of year-end unrestricted fund balance equivalent to a minimum of 3 to 4 months of baseline operating expenses will be maintained within the Roads special revenue fund. The amount for FY 2014-2015 was established at \$5,000,000 which will be reviewed periodically against annual baseline operating budget.

## GOVERNMENT ACCOUNTING STANDARDS

### Fund Balance Classifications

Government Accounting Standards Board (GASB) Statement #54 was issued to improve the usefulness and understandability of governmental fund balance information. The statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The statement only impacts governmental fund types (General, Special Revenue, Capital Projects and

Debt Service). The following more clearly defines the new fund balance classifications and examples of fund balance amounts that would generally be reported within these classifications.

- **Nonspendable Fund Balance** – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples include inventory, prepaid amounts, long-term accounts receivable, and any other amounts that are not expected to be converted to cash.
- **Restricted Fund Balance** – amounts are restricted by external parties (i.e. creditors, grantors, contributors or laws/regulations of other governments) or restricted by law through constitutional provisions or enabling legislation. The majority of the County’s Special Revenue Funds (i.e. Health & Human Services, Child Support Services, Road Fund, etc.) and Debt Service Funds have restricted fund balances.
- **Committed Fund Balance** – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. An example of committed fund balance is the Board of Supervisors’ commitment to use 75% of Transient Occupancy Tax (TOT) revenues to provide funding to promote County economic development and tourism.
- **Assigned Fund Balance** – amounts constrained by the government’s intent to be used for specific purposes that are neither restricted nor committed. Assigned fund balance can also be used to eliminate the projected budgetary deficit in the subsequent year’s budget. The intent can be expressed by a) the governing body itself or b) a body or official to which the governing body has delegated the authority. General Fund carryover fund balance, Accumulated Capital Outlay (ACO) funds, and Capital Project Funds are examples of balances that can be assigned for specific purposes.
- **Unassigned Fund Balance** – a residual classification for the General Fund. The total fund balance, less restricted, committed or assigned funds, equals unassigned fund balance. The general fund is the only fund that should report a positive unassigned fund balance amount. A negative fund balance is possible in other governmental funds. Examples of unassigned fund balance include the general reserve fund and other discretionary general fund economic uncertainty funds.

**Asset Inventory/Protection**

Sonoma County will regularly assess the condition of its assets that support delivery of County services (i.e. public facilities, infrastructure, technology, vehicle fleet, etc.) and plan for their maintenance and eventual replacement.

- Assets with an initial cost of more than \$5,000 to \$100,000 will be capitalized as summarized in the table below:

<b>Capital Asset Type</b>	<b>Capitalization Threshold</b>	<b>Depreciation/Amortization Period</b>
Land	All Costs	Non-Depreciable
Buildings	\$25,000	50 Years
Building Improvements	\$25,000	50 Years
Infrastructure	\$100,000	30-50 Years
Software	\$100,000	7 Years
Non-Amortizable Intangibles	\$5,000	Non-Amortizable
Machinery and Equipment	\$5,000	5 Years

- Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Capital assets used in operations will be depreciated or amortized using the straight-line method over the lesser of the capital lease period or their estimated useful lives.
- The Board of Supervisors requires all departments to certify a detailed listing of all fixed asset inventory within their possession no later than December 15 of every other year.
- Capital replacement funds will be used to accumulate financial resources for future replacement of assets that will be retired from service. In addition, when feasible, replacement funding contributions will be included in applicable service charges from all system users. Specifically, the policy covers the following major system categories:
  - Building & Fixed Facilities - As part of the annual Capital Project Plan and no less than every 5 years, and guided by Comprehensive County Facilities Plan, the General Services Director will regularly assess and

adjust funding requests for each facility. The funding contributions would be placed in separate funds for each set of facilities and managed by the assigned department or agency director in conjunction with the County Administrator. Contributions for these funds will be included in service charge rates (including outside partner agencies) and grant costs where feasible and would be prioritized for available discretionary funding in the annual budget process. Consideration will always be given to annual operational maintenance funding (as opposed to contributions for future major repairs) necessary to preserve health and safety and overall asset life. Project funding recommendations will follow the priority criteria in the current Administrative Policy 5-2 which includes:

- a. Required to meet compelling health, safety, legal or code compliance, a mandate of the Board of Supervisors, or a court order.
  - b. Previously approved phases of a project, which are integral to completing its initial scope.
  - c. Required to keep an existing building, facility, or complex operational. Provides measurable economic benefit or avoids economic loss to the County. Serves to maintain or improve infrastructure of the County as a general benefit to County operations and services.
  - d. Alleviates constraints and impediments to effective public access and service such as improvements regarding space limitations or inefficient layout of space in County buildings or facilities, provisions for expanded or changed programs or services, or improvements to heating, ventilation or other work environment conditions.
  - e. Improves the environmental quality or aesthetics of County facilities and complexes.
- Information Technology Assets
- a. The policy directs the Director of Information Systems in conjunction with the County Administrator's office to develop a plan to replace system components with the infrastructure contribution funding stream and potential one-time contributions within the remaining useful life of each component. The policy also directs a full infrastructure valuation of the computer and telephone communication systems every 5 years.
  - b. The Public Safety radio infrastructure replacement review and funding request is the responsibility of the Sheriff's Office in conjunction with General Services, Information Systems, and the County Administrator.

## OTHER POLICIES AND METHODOLOGIES

Other policies and methodologies that may be helpful for understanding the County's budget:

### Budgetary Amendments

After the budget is adopted it becomes necessary to amend the budget from time to time. Department heads have the authority to amend budgets for changes within a category (e.g., Services & Supplies). County Administrator approval is required for adjustments between categories (e.g., Services & Supplies to Fixed Assets) or between program budgets within the department.

Budgetary amendments that change total revenues or appropriations for a department require Board of Supervisors approval. These include: (1) the appropriation of revenues not included in the adopted budget, (2) reductions to estimated revenues and related appropriations when it is determined that the revenues will not be received, (3) appropriation increases supported by use of available fund balance or Appropriations for Contingencies, and (4) the transfer of monies or appropriations from one fund or department to another.

### The Accounting Basis Used in the Budget

The budget is developed on a modified accrual basis for governmental fund types (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds), adjusted for encumbrance accounting. Appropriations for encumbrances are included and appropriations for expenditures against prior year encumbrances are excluded.

Under the modified accrual basis, obligations are generally budgeted as expenses when incurred, while revenues are recognized when they become both measurable and available to finance current year obligations. Proprietary fund types (e.g., Transit and Refuse) are budgeted on a full accrual basis. Not only are obligations recognized when incurred, but revenues are also recognized when they are incurred or owed to the County.

The government-wide, proprietary and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On an accrual basis, revenues from property tax are recognized in the year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

For business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Property Fund Accounting, to apply applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

### Fund Types Used by the County

#### Governmental Fund Types:

- **General Fund:** The General Fund is the general operating fund of the County. All financial resources except for those required to be accounted for in other funds are included in the General Fund.
- **Special Revenue Funds:** Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Sonoma County Special Revenue Funds include: Advertising, Fish & Wildlife, Road, Health Services, State Realignment, and various other restricted and committed funds.
- **Debt Service Funds:** Debt Service Funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
- **Capital Projects Funds:** Capital Projects Funds account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those in Proprietary Fund Types).

#### Proprietary Fund Types

- **Enterprise Funds:** Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the Board is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed primarily through user charges or (b) where the Board has decided that periodic determination of revenues earned, expenses incurred, and net income or loss is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### Internal Service Funds

- **Internal Service Funds:** Internal Service Funds (ISF) account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or other governmental units on a cost reimbursement basis. A common use of these fund types is to account for the County's self-insurance programs. The following describes the funding and budgeting methodologies the County uses for some of the self-insurance programs.

The funding methodology for the workers' compensation and the liability insurance programs is designed to establish charges to departments to finance the current year costs at the 70% confidence level as estimated annually by an actuary. The Health ISF (county medical insurance plan) is funded based on actuarially determined

trends in claims payments with the intent of maintaining a year-end fund balance equivalent to anticipated costs necessary to close out each year's activity and to cover expenses in excess of projected levels due to unexpected increases in the number or size of claims. For workers' compensation and liability insurance programs, cash reserves above and below the 70% confidence levels for outstanding liabilities for individual insurance funds are amortized on a rolling three-year basis, by decreasing or increasing rates by one-third of the difference, in accordance with Board policy. The rolling three-year amortization policy was implemented to: 1) alleviate large fluctuations in rates caused by changes in actuarial estimates or funding status; 2) facilitate long-term rate planning; and 3) provide consistent financial policy for the internal service funds.

For budgeting purposes, claims expense for the workers' compensation and liability funds are based on the actuary's estimated loss for the budget year at the 70% confidence level. In situations where this is not expected to provide sufficient appropriations to cover actual cash payments, additional funds are budgeted under Excess Claims Expense. Claims expense for the Health ISF is based on the actuary's estimated loss for the budget year.

At the time the budget is prepared, the total year-end outstanding liability for the budget year is not known. When this information becomes available from the actuary during the budget year, the change in the total outstanding liability is recorded to the budgeted sub-object Accrued Benefit Adjustment in order to conform to accounting principles. This budgetary figure is used merely to designate cash reserves to cover the outstanding liability and does not represent a cash revenue or expenditure. The Accrued Benefit Adjustment for liability and workers' compensation is budgeted at 10% of the total liability. The accrued benefit adjustment for the County Health Plan is budgeted using the most recent 1-year trend and 10% of the total liability. The total liability is based on the prior year estimate of total liability projected forward using the most recent claims expense trend.

Within the ISF insurance funds, the budgetary information presented is not readily comparable on a year-to-year basis because expenditures and use of cash reserves are related to past years' claims experience, as well as the fiscal year for which the budget is presented. Claims payments fluctuate depending on year of settlement, rather than occurrence of the claim, so payments may be made in excess of a current year's expected claims costs. In addition, actuarial estimates of total liability may vary substantially from year to year, depending on claims history, population changes, legislation, and other factors.

<b>GENERAL FUND ONLY FORECAST</b>	<b>Adopted FY 16-17</b>	<b>Revised Budget FY 16-17</b>	<b>Projected FY 17-18</b>	<b>Projected FY 18-19</b>	<b>Projected FY 19-20</b>	<b>Projected FY 20-21</b>	<b>Projected FY 21-22</b>
Taxes	\$250,152,300	\$250,152,300	\$261,647,776	\$270,239,000	\$277,926,000	\$284,524,000	\$289,934,000
Secured Property Tax	222,733,000	222,733,000	234,001,041	242,191,000	249,457,000	255,693,000	260,807,000
Redevelopment Increment	(9,963,000)	(9,963,000)	(10,998,854)	(11,384,000)	(11,726,000)	(12,019,000)	(12,259,000)
Residual Property Tax RPTTF	2,000,000	2,000,000	2,164,337	2,240,000	2,307,000	2,365,000	2,412,000
Unsecured Property Tax	5,700,000	5,700,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Supplemental Property Tax	2,800,000	2,800,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Documentary Transfer Tax	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Sales Tax	18,324,000	18,324,000	18,826,479	19,391,000	19,973,000	20,472,000	20,881,000
Other Taxes (mainly TOT)	3,558,300	3,558,300	3,654,773	3,801,000	3,915,000	4,013,000	4,093,000
Licenses/Permits/Franchises	13,014,570	13,414,570	12,230,000	12,230,000	12,230,000	12,230,000	12,230,000
State and Federal Funds	72,809,863	73,653,187	74,735,184	77,978,689	81,333,620	84,804,246	87,969,584
Fines/Forfeitures/Penalties	7,614,410	7,614,410	7,108,646	7,000,000	7,000,000	7,000,000	7,000,000
Use of Money/Property	5,266,822	5,266,822	2,793,000	2,814,000	2,835,000	2,863,000	2,892,000
Charges for Services	54,801,205	51,722,065	52,313,000	53,137,000	53,735,000	54,340,000	54,951,000
Miscellaneous Revenues	3,398,350	4,069,883	3,832,000	3,870,000	3,909,000	3,948,000	3,987,000
Other Financing Sources	14,517,733	16,341,347	12,239,743	12,362,000	12,486,000	12,611,000	12,737,000
<b>Total Sources</b>	<b>\$421,575,253</b>	<b>\$ 422,234,584</b>	<b>\$ 426,899,349</b>	<b>\$ 439,630,689</b>	<b>\$ 451,454,620</b>	<b>\$ 462,320,246</b>	<b>\$ 471,700,584</b>
Salaries & Benefits	\$313,644,338	\$ 314,402,581	\$ 321,564,696	\$ 328,799,901	\$ 336,197,899	\$ 343,762,352	\$ 351,497,005
Services & Supplies	105,560,593	110,211,270	108,200,000	110,905,000	113,123,000	115,385,000	117,693,000
Other Charges	26,928,783	27,241,414	27,602,000	28,292,000	28,858,000	29,435,000	30,024,000
Fixed Assets	2,869,155	4,538,371	3,250,000	3,500,000	4,000,000	4,000,000	4,000,001
Other Financing Uses (See Next Page)	39,166,982	33,975,944	33,586,814	33,923,000	34,262,000	34,605,000	34,951,000
<i>Roads Pavement (ongoing)</i>	<i>11,200,000</i>	<i>11,200,000</i>	<i>11,200,000</i>	<i>11,200,000</i>	<i>11,200,000</i>	<i>11,200,000</i>	<i>11,200,000</i>
<i>In Home Support Services (MOE &amp; Hourly Adj)</i>	<i>14,896,208</i>	<i>21,784,737</i>	<i>22,253,522</i>	<i>21,930,032</i>	<i>22,697,585</i>	<i>23,551,556</i>	<i>23,551,556</i>
Reimbursements	(80,739,229)	(85,681,803)	(89,416,345)	(90,132,000)	(91,935,000)	(93,774,000)	(95,649,000)
Contingencies	3,464,000	887,961	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
<b>Total Uses</b>	<b>\$436,990,830</b>	<b>\$ 438,560,476</b>	<b>\$ 443,240,687</b>	<b>\$ 453,417,933</b>	<b>\$ 463,403,484</b>	<b>\$ 473,164,908</b>	<b>\$ 482,267,562</b>
FY Beginning Available Balance	\$15,415,577	\$16,325,892	\$0	\$0	\$0	\$0	\$0
<b>Prior Year End Savings Needed</b>	<b>\$0</b>	<b>\$0</b>	<b>\$ 16,341,338</b>	<b>\$ 13,787,244</b>	<b>\$ 11,948,864</b>	<b>\$ 10,844,662</b>	<b>\$ 10,566,978</b>

Forecast Assumptions:	Adopted FY 16-17	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22
<b>REVENUE</b>						
Sec. Property Tax	5.00%	4.00%	3.50%	3.00%	2.50%	2.00%
Sales Tax	4.00%	3.50%	3.00%	3.00%	2.50%	2.00%
Other Tax (mainly TOT Activity Projection)	5.00%	5.00%	4.00%	3.00%	2.50%	2.00%
Interest Earnings Rate Increase	0.00%	0.50%	0.75%	0.75%	1.00%	1.00%
State/Federal Funds	Dept. Info	2.50%	2.50%	2.50%	2.50%	2.00%
50% of S&B Growth Estimated to be Recovered from		1.14%	1.58%	1.13%	1.13%	1.13%
Miscellaneous	Dept. Info	1.00%	1.00%	1.00%	1.00%	1.00%
Other Financing	Dept. Info	1.00%	1.00%	1.00%	1.00%	1.00%
<b>SALARIES &amp; BENEFITS</b>						
Wages COLA Adjustment (Mar. 2017)	3.00%	0.00%				
Medical Benefit Contribution Change	3.00%	0.30%				
<i>Future Salary &amp; Benefits Cost Changes</i>	<i>0.00%</i>	<i>0.50%</i>	<i>2.00%</i>	<i>2.00%</i>	<i>2.00%</i>	<i>2.00%</i>
			<i>Factors listed were chosen for fiscal modeling purposes only.</i>			
Annual Average Wage Merit Adjustment	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
<b>NON-SALARIES &amp; BENEFITS</b>						
Services & Supplies	Dept. Info	2.50%	2.50%	2.00%	2.00%	2.00%
Other Charges	Dept. Info	2.50%	2.50%	2.00%	2.00%	2.00%
Reimbursements (mainly staff costs)		ACTTC Estimate	0.80%	2.00%	2.00%	2.00%
<b>Other Financing Major Components:</b>	<b>\$ 39,166,982</b>	<b>\$ 33,586,814</b>	<b>\$ 33,923,000</b>	<b>\$ 34,262,000</b>	<b>\$ 34,605,000</b>	<b>\$ 34,951,000</b>
Human Services	8,613,870	5,143,237	5,143,237	5,143,237	5,143,237	5,143,237
Human Services VLF Pass-Through	759,816	0	0	0	0	0
Roads Maintenance & Operations	566,814	4,978,192	4,978,192	4,978,192	4,978,192	4,978,192
Health Realignment Pass-Thru	0	0	0	0	0	0
Health Contribution	8,723,460	9,333,295	9,333,295	9,333,295	9,333,295	9,333,295
Capital Projects	5,500,000	5,493,429	5,500,000	5,500,000	5,500,000	5,500,000
RDA Residual Transfer to R&R	2,000,000	2,164,337	2,240,000	2,307,000	2,365,000	2,365,000
Prop. 172 Dedicated for Fire Svcs	2,000,000	1,315,520	1,348,408	1,382,118	1,416,671	1,416,671
Intra-Department / Project Transfers	11,003,022	5,158,804	5,379,868	5,618,158	5,868,605	6,214,605

# 2017/18 Budget Policy Workshop

**Sonoma County Board of Supervisors  
March 7, 2017**



# Recommended Actions

- A. Review Countywide Budget and Historical General Fund Allocations.
- B. Discuss Sonoma County Impacts Associated with State and Federal Proposed Budgets.
- C. Ratify Financial Policies, Approve Revisions, and Consider Future Policies.
- D. Accept General Fund Updated Fiscal Outlook.
- E. Provide Policy Guidance on Fiscal Challenges and Opportunities.
- F. Accept the County Administrator's FY 2017-18 Budget Development Framework.



# Presentation Outline

- About Our County Budget and General Fund
- State and Federal Funding Impacts
- Financial Policies
- FY 17/18 General Fund Fiscal Outlook
- Budget Development Approach



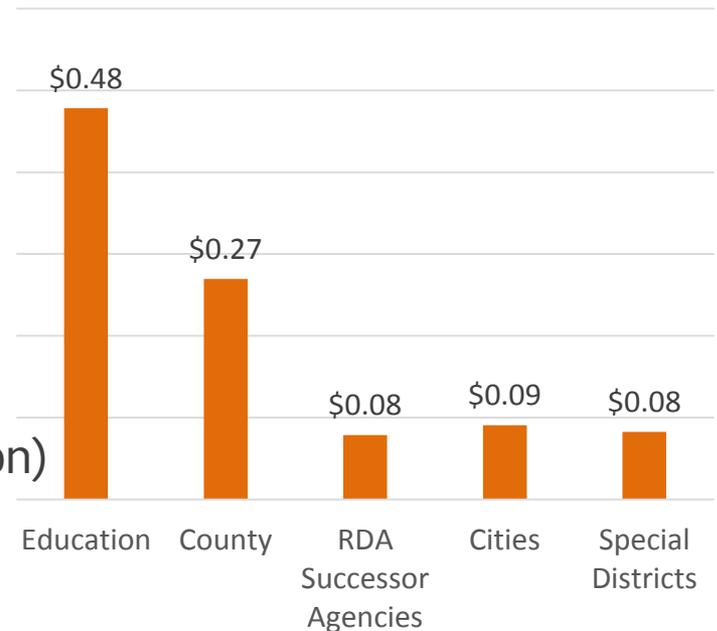
# Vision Statement

Investing in beautiful, thriving and sustainable communities

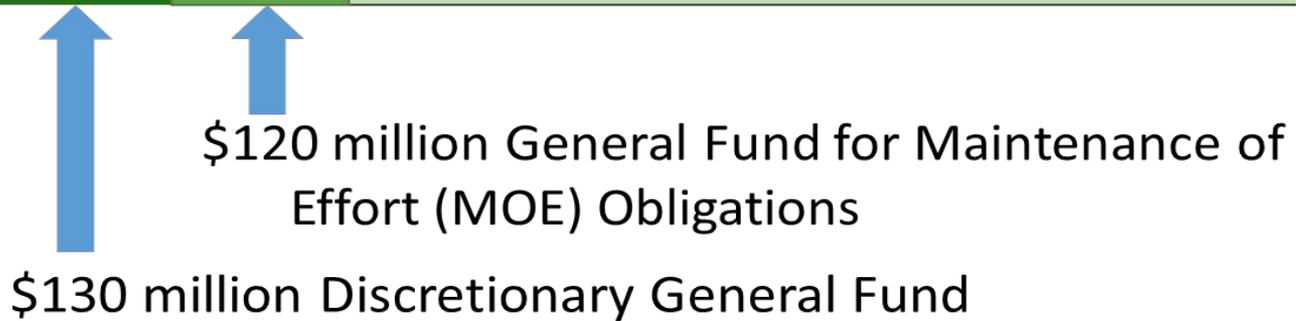
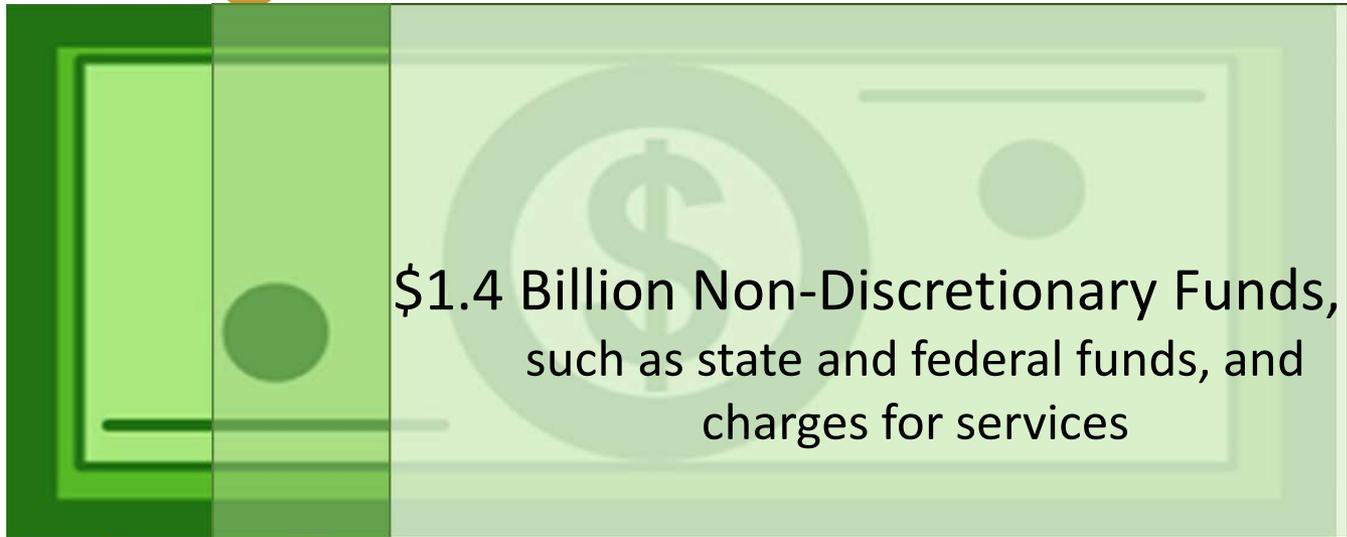


# Where Does Your FY 2016-17 Property Tax Dollar Go...

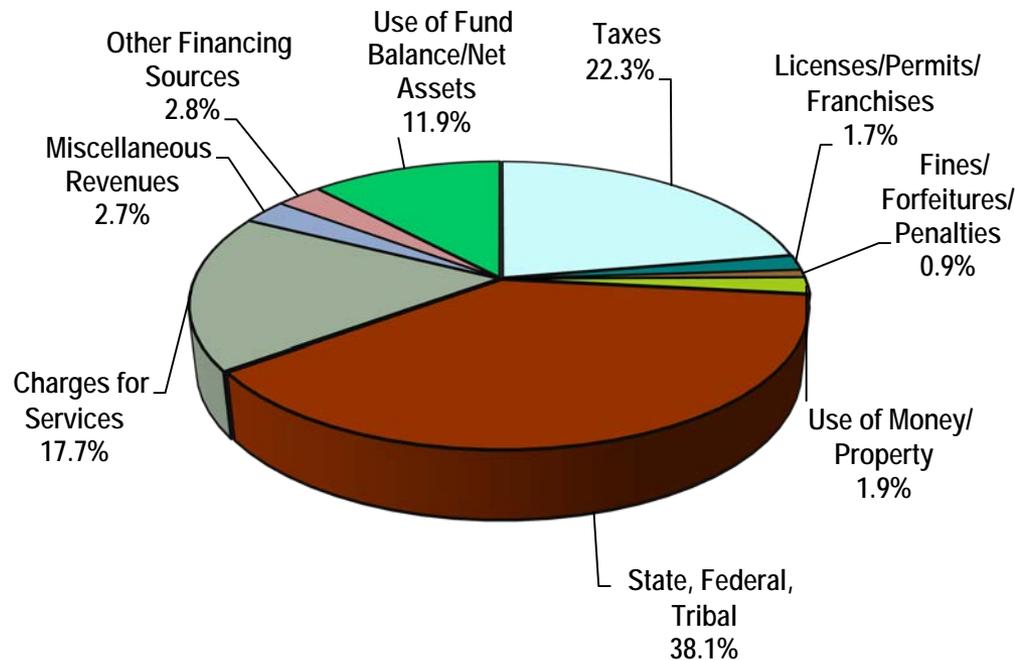
- ▶ Public Education (\$389.8 Million)
- ▶ County General Fund (\$219.6 Million)
- ▶ Cities (\$73 Million)
- ▶ Former Redevelopment Projects (\$64.4 Million)
- ▶ Special Districts (\$67.5 Million)



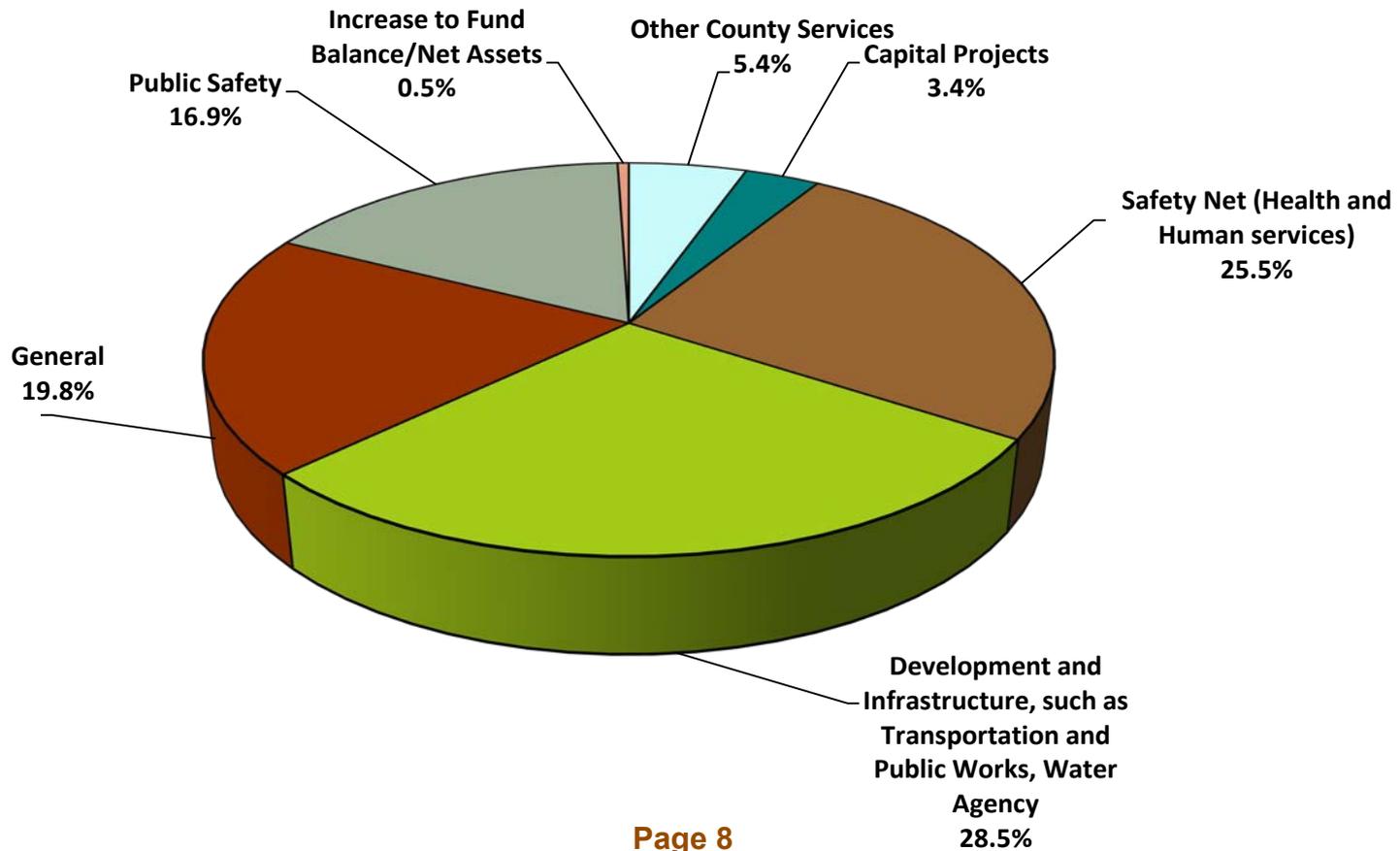
# Total County FY 16/17 Funding Sources: \$1.65 Billion



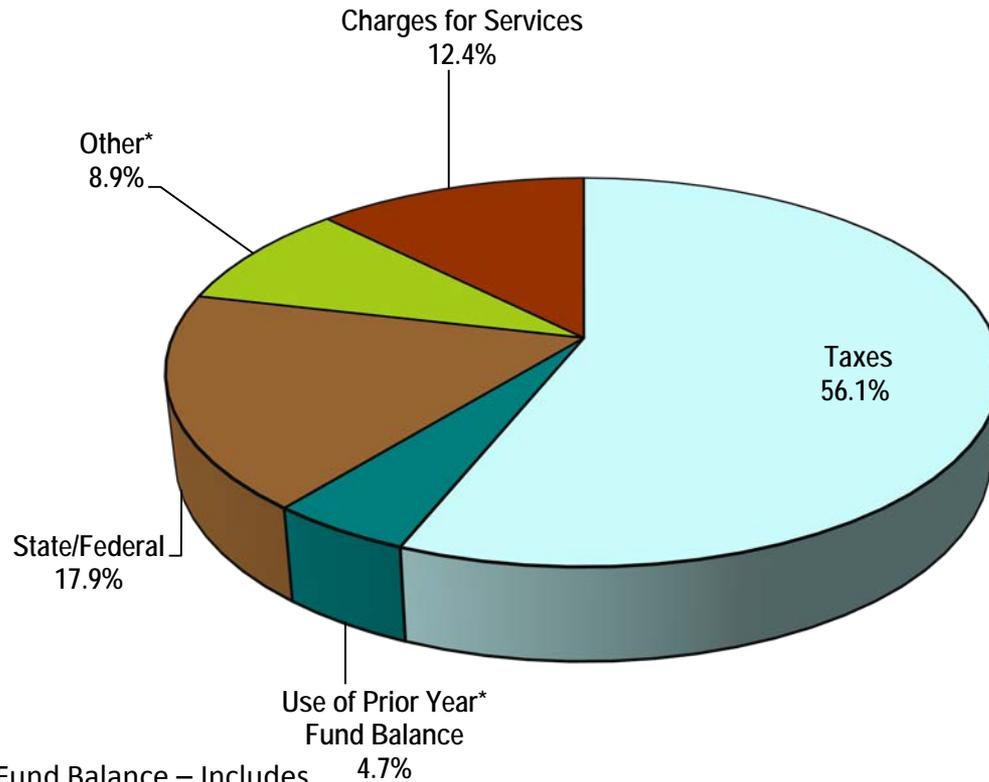
# Total County FY 16/17 Budget: \$1.65 Billion (Revenue Sources)



# Total County FY 16/17 Budget: \$1.65 Billion (Uses)



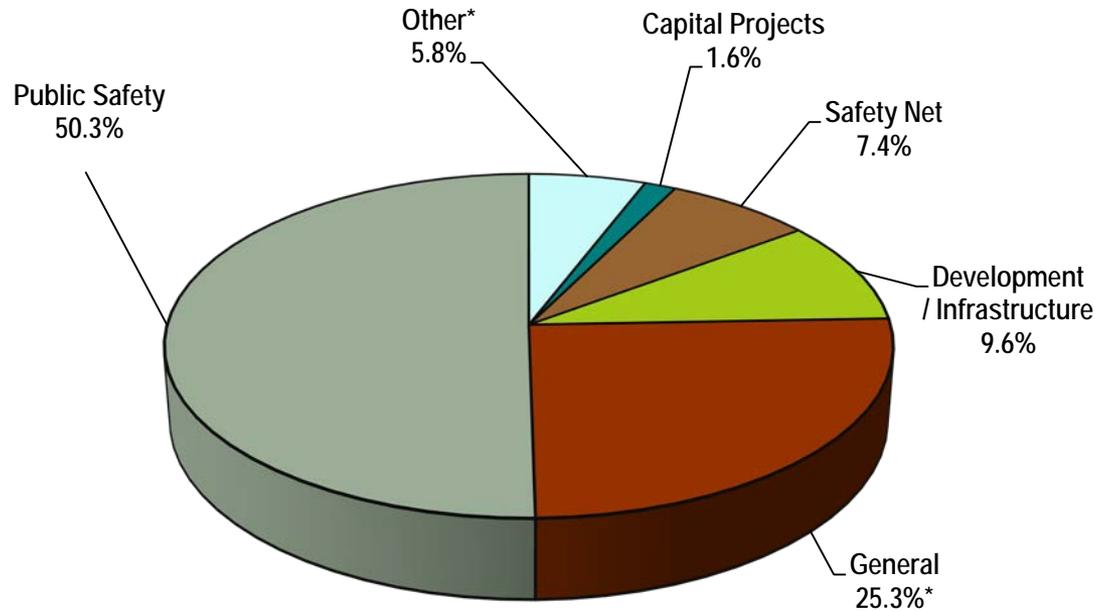
# Revised County General Fund FY 16/17 \$437 Million (Sources)



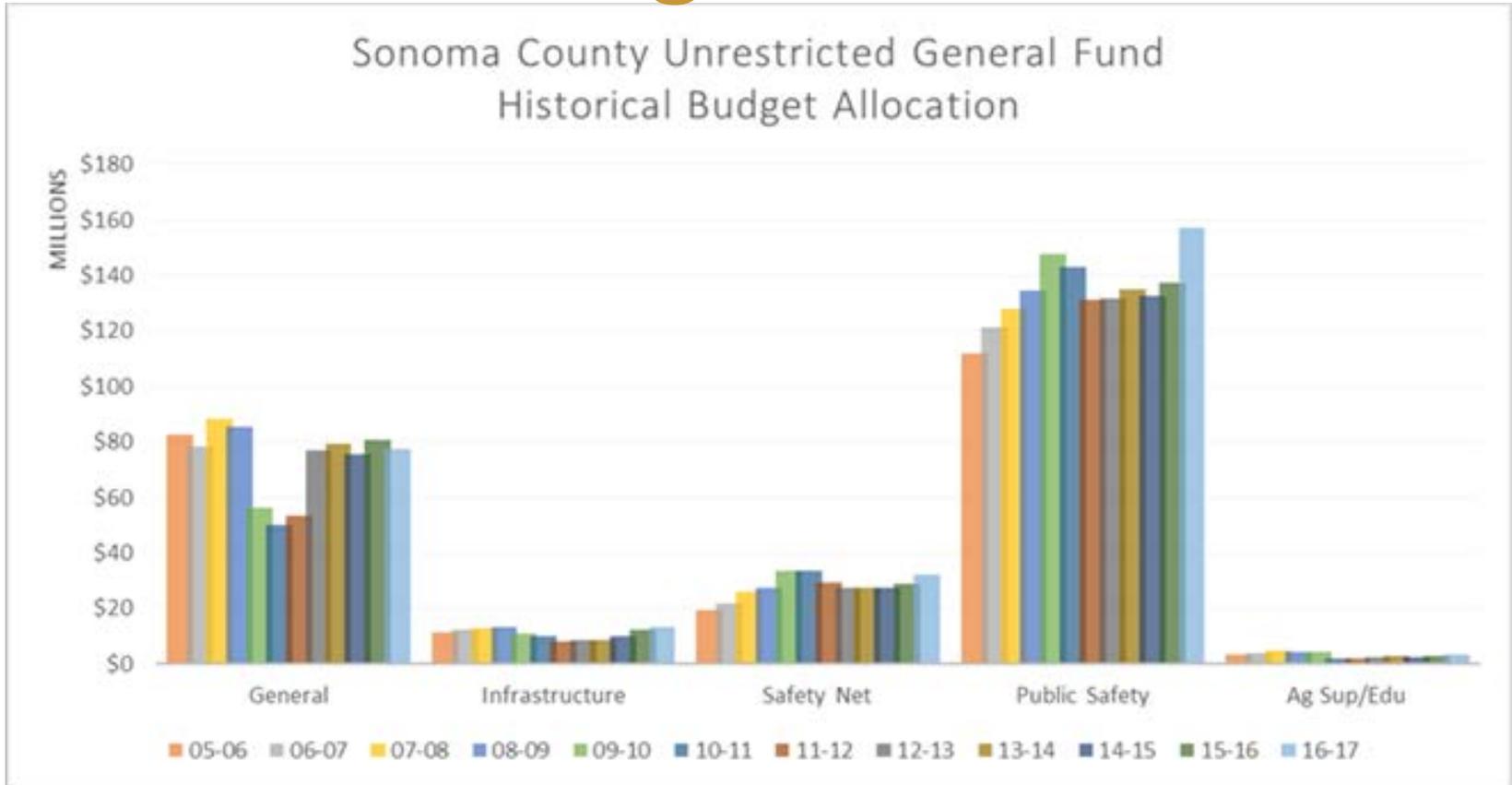
\*Use of Prior Year Fund Balance – Includes \$16.3 million carryover GF fund balance.



# Revised County General Fund: \$437 Million (Expenditures)



# Historical County General Fund Budget Allocation



# Financial Policies



- Sets Fiscal Standards
- Documents Board Issued Fiscal Policies
- Provides Guidance for Budget Development



# Current Financial Policies

- One-Time Sources should only be used for one-time uses
- Federal and State funding reductions will not be backfilled with discretionary sources
- County will not exceed legal maximum debt which is equal to 2% of the assessed value
- New program or services are considered when the outcome furthers strategic goals
- Services funded with fees, charges, grants, and special fund shall cover direct and indirect costs
- Build reserves to 15% of General Fund. Use of funds includes for emergency response.



# Financial Policies

## Future Changes

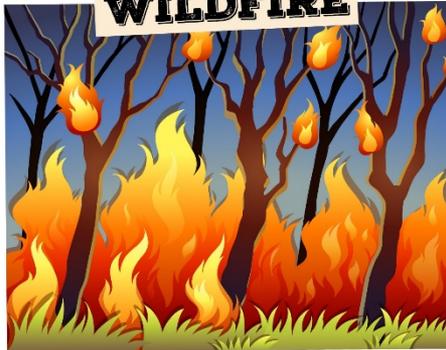
- CONTINGENCIES (New)
  - ✓ Up to \$5 Million designated annually
  - ✓ Develop a use policy focused on financing Board approved Strategic Projects addressing Infrastructure, Natural Resources, Housing Crisis, and Safety Net
- SPONSORSHIPS (New)
  - ✓ Various department policies – Including Advertising
  - ✓ Existing Fee Waiver Policy
  - ✓ Initiate discussion with the Advertising Ad-Hoc
- GENERAL FUND RESERVE (Revision)
  - ✓ Current target is 15% and current achieved level is 12%
  - ✓ Government Finance Officers Assoc. Revised Recommendation to be 2 months of the GF Operating Revenues. Sonoma County would be 16.7%



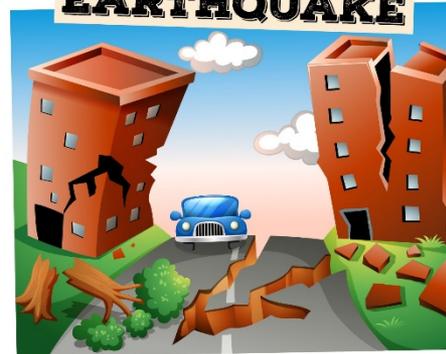
# General Fund Reserve

## NATURAL DISASTERS

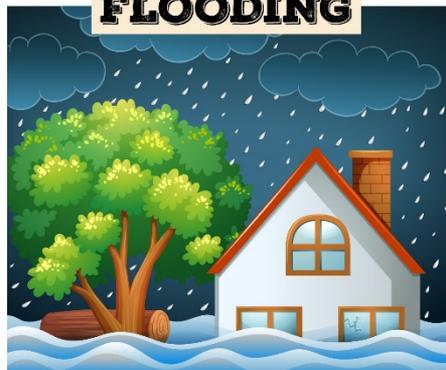
**WILDFIRE**



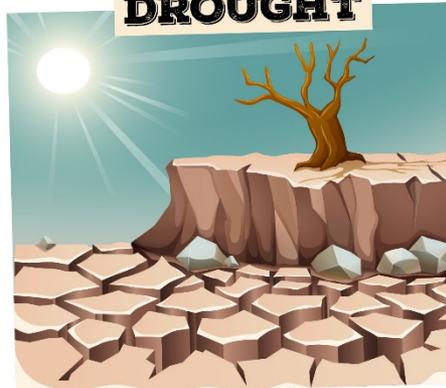
**EARTHQUAKE**



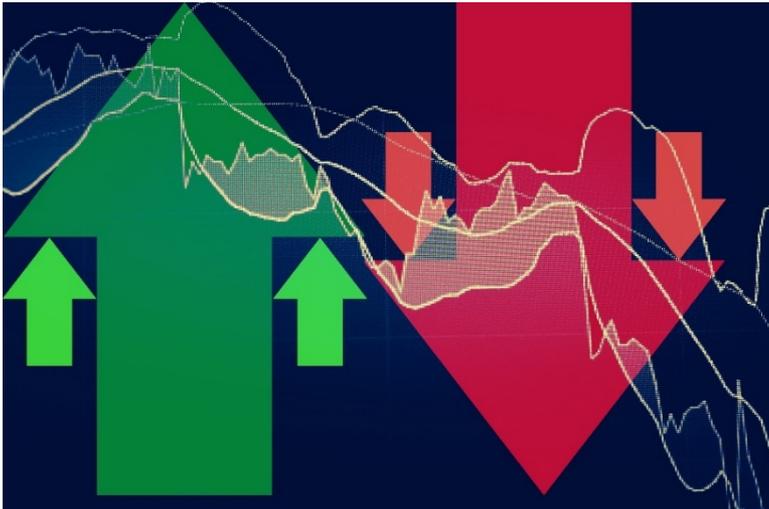
**FLOODING**



**DROUGHT**



# Outlook & Trends

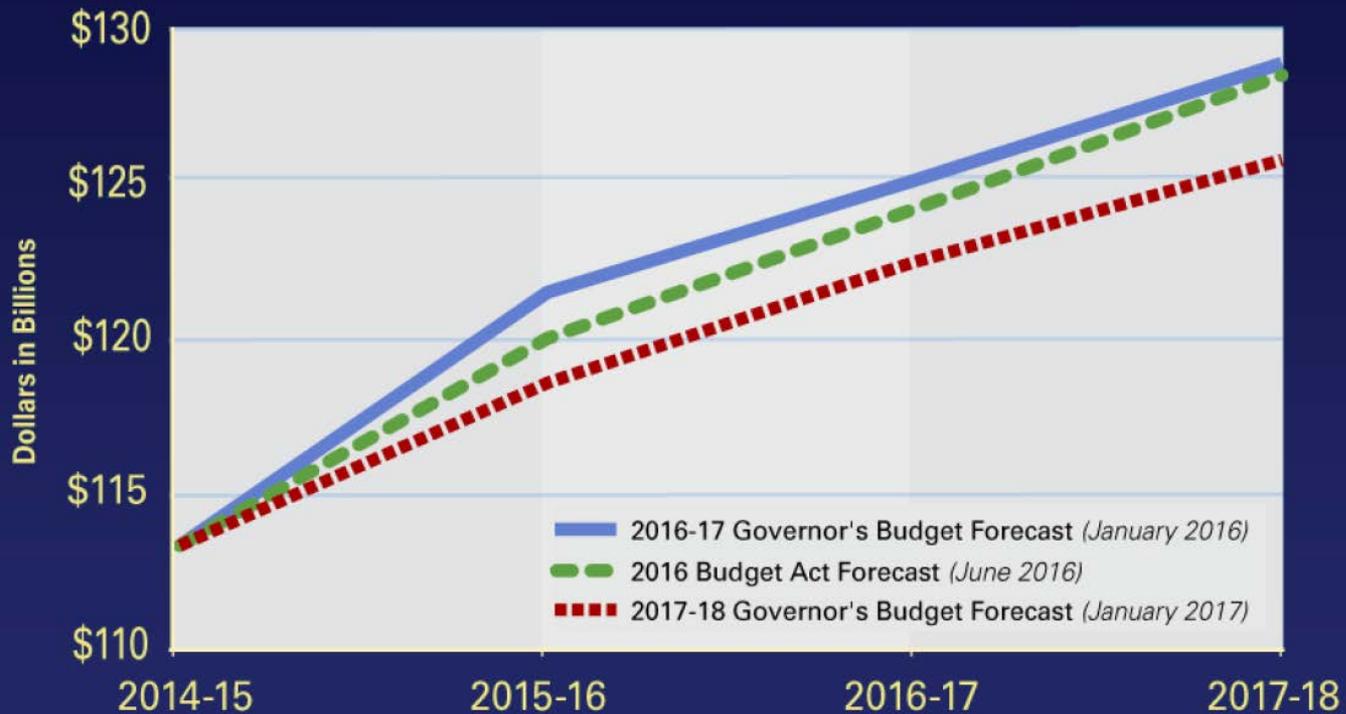


- 2016 was a year of recovery
- Economic growth was widespread in 2016
- Growth Slow down



# Tides of Revenue Turning...

## Tide of Revenues Has Begun to Turn



2017-18 Governor's Budget

3



# Recovery Longer Than Average

## Current Recovery is Approaching Three Years Longer than Average



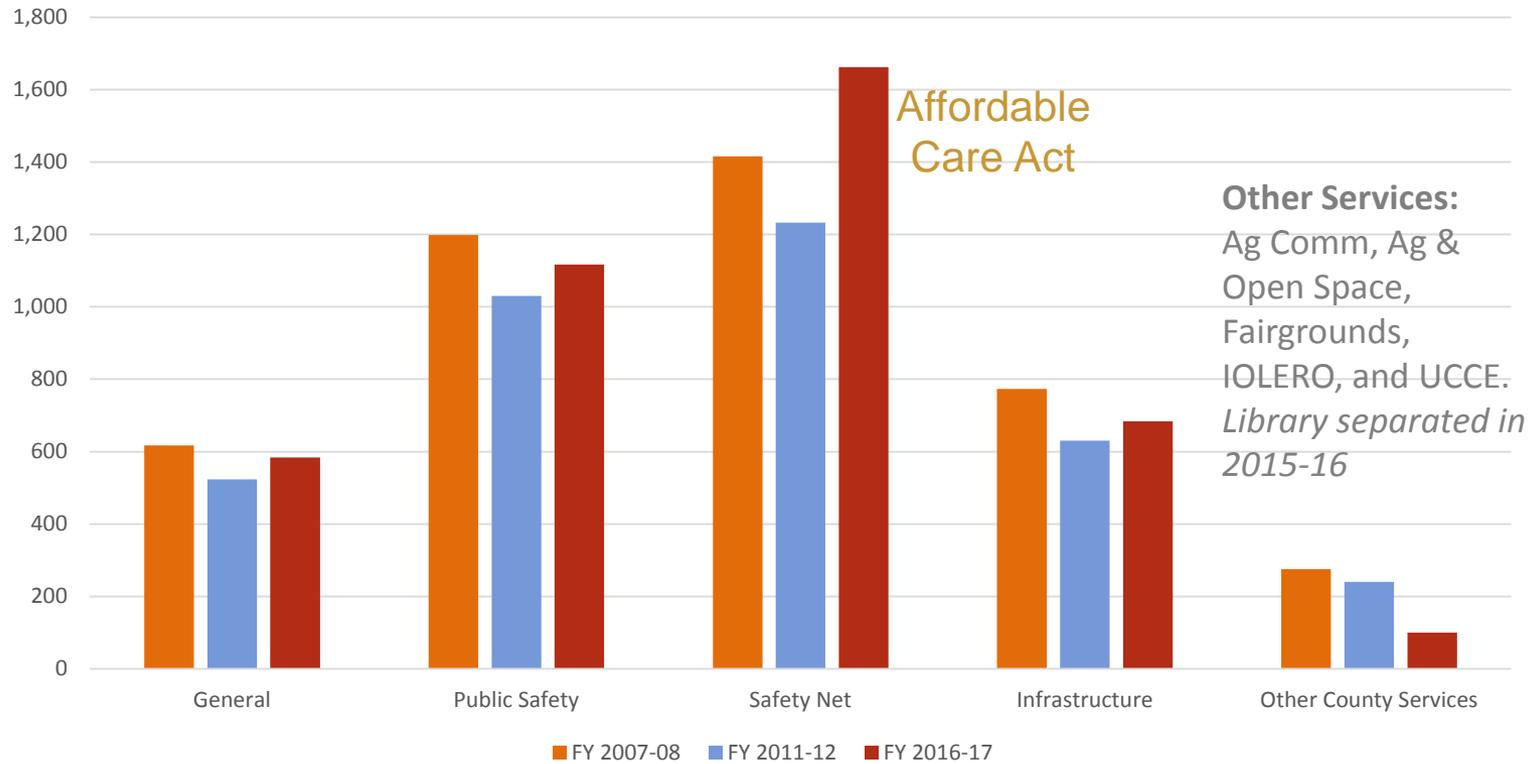
2017-18 Governor's Budget

9

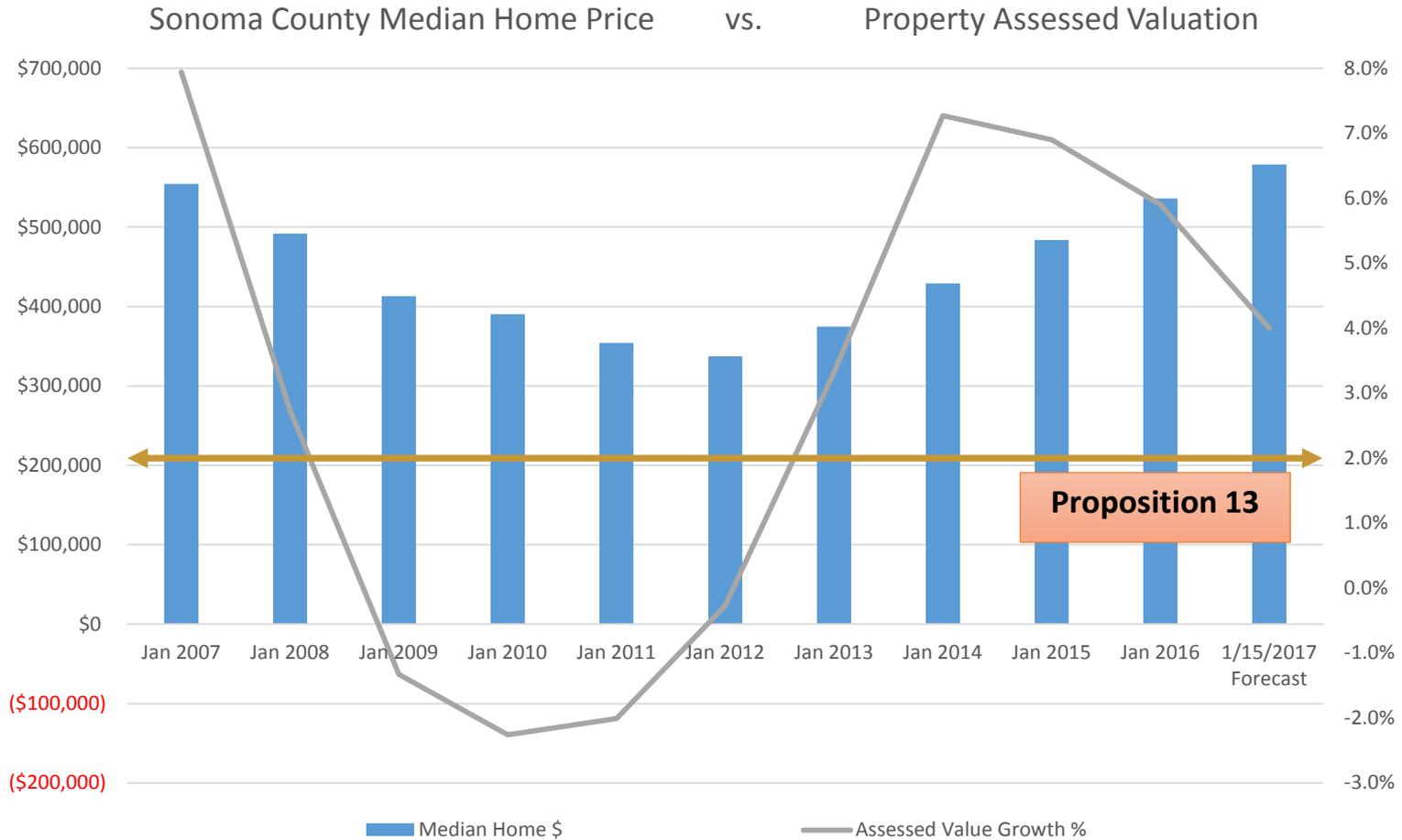


# Full Time Position Resources

County of Sonoma  
Historical Comparison Position Allocation



# Assessed Value Trend: Growth Slowing



# State and Federal Funding Impacts



# Health and Human Services

## State Budget Impacts

Program or Service	Statewide Impact	SoCo Impact
In-Home Supportive Services	Shift of \$626.2M to Counties	\$2.7M
Drug Medi-Cal Waiver	\$662M	\$750k project funds
Proposition 10: tobacco tax	\$74M reduction	\$572k First 5 SoCo
Medi-Cal Administration	\$2.07B, no growth	1.6% caseload increase
CalWORKs	Reduced caseload and funding	-\$2.5M (-11%)
2011 Behavioral Health Realignment (DHS)	\$93.3M for growth	\$850k increase
2011 Realignment (HSD)	3% increase	\$1.2M (5%) increase
1991 Health Realignment (DHS)	No growth	No funding increase
1991 Mental Health Realignment (DHS)	No growth	No funding increase
CalFresh	Reduction in caseload and funding	-\$1.7M (-9%)



# In-Home Supportive Services (IHSS) Maintenance of Effort (MOE)



- Proposal to end IHSS MOE effective June 30, 2017
- Reestablish 35% county share on nonfederal costs

## Fiscal Impact

- \$2.7M in FY 17-18
- Grow to \$12.6M in FY 22-23



# Energy, Environment and Infrastructure

## State Budget Impacts

Program or Service	Statewide Impact	SoCo Impact
Low Carbon Transportation	\$36M	Opportunity
Drought & Emergency Response	\$178.7M	Opportunity
Energy Efficiency	\$27.5M	Opportunity
Transportation and Funding Reform Package	\$1.16B in local formula funds and \$250M in state-local partnership grants	Potential increase
Highway User Tax Account (HUTA)	Revenue reduction	-\$3.7M shortfall
Affordable Housing	None	None



# Federal Funding Impacts

- 10% increase in defense spending (\$54B)
- Where will these funds come from?
  - Environmental Protection Agency
  - Foreign Aid – State Department
  - Entitlement programs?
- Other policy goals
  - Repeal and replace Affordable Care Act
  - Tax reform
  - Infrastructure package



# FY 2017-18 Fiscal Forecast



- Mid-year General Fund estimate shows lower revenue and lower expenditures
- Mid-year General Fund estimated Year End Savings is \$8.4 million



# General Fund Fiscal Forecast

General Fund (in millions)	Revised Budget FY 16-17	Mid-Year Estimate	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22
Taxes	250.2	253.9	261.6	270.2	277.9	284.5	289.9
State/Fed	73.7	70.9	74.7	78.0	81.3	84.8	88.0
Charges for Services	51.7	45.1	52.3	53.1	53.7	54.3	55.0
Other	<u>46.7</u>	<u>48.8</u>	<u>38.2</u>	<u>38.3</u>	<u>38.5</u>	<u>38.7</u>	<u>38.8</u>
<b>Total Revenues</b>	<b>\$422.23</b>	<b>\$418.83</b>	<b>\$426.90</b>	<b>\$439.63</b>	<b>\$451.45</b>	<b>\$462.32</b>	<b>\$471.70</b>
Salaries and Benefits	314.4	302.8	321.6	328.8	336.2	343.8	351.5
Services and Supplies	110.2	109.3	108.2	110.9	113.1	115.4	117.7
Other	99.6	97.2	102.9	103.8	106.0	107.8	108.7
Reimbursements	<u>(85.7)</u>	<u>(82.6)</u>	<u>(89.4)</u>	<u>(90.1)</u>	<u>(91.9)</u>	<u>(93.8)</u>	<u>(95.6)</u>
<b>Total Expenditures</b>	<b>\$438.56</b>	<b>\$426.76</b>	<b>\$443.24</b>	<b>\$453.42</b>	<b>\$463.40</b>	<b>\$473.16</b>	<b>\$482.27</b>
<i>YE Savings Needed</i>	<i>\$16.33</i>	<i>\$7.93</i>	<i>\$16.34</i>	<i>\$13.79</i>	<i>\$11.95</i>	<i>\$10.84</i>	<i>\$10.57</i>
<b>Year End Balance</b>	<b>\$16.33</b>	<b>\$8.40</b>					



# General Fund Fiscal Forecast

Forecast Assumptions:	Adopted FY 16-17	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22
<b>REVENUE</b>						
Sec. Property Tax	5.00%	4.00%	3.50%	3.00%	2.50%	2.00%
Sales Tax	4.00%	3.50%	3.00%	3.00%	2.50%	2.00%
Other Tax (mainly TOT Activity Projection)	5.00%	5.00%	4.00%	3.00%	2.50%	2.00%
Interest Earnings Rate Increase	0.00%	0.50%	0.75%	0.75%	1.00%	1.00%
State/Federal Funds	Dept. Info	2.50%	2.50%	2.50%	2.50%	2.00%
50% of S&B Growth Estimated to be Recovered		1.14%	1.58%	1.13%	1.13%	1.13%
Miscellaneous	Dept. Info	1.00%	1.00%	1.00%	1.00%	1.00%
Other Financing	Dept. Info	1.00%	1.00%	1.00%	1.00%	1.00%
<b>SALARIES &amp; BENEFITS</b>						
Wages COLA Adjustment (Mar. 2017)	3.00%	0.00%				
Medical Benefit Contribution Change	3.00%	0.30%				
<i>Future Salary &amp; Benefits Cost Changes</i>	<i>0.00%</i>	<i>0.50%</i>	<i>2.00%</i>	<i>2.00%</i>	<i>2.00%</i>	<i>2.00%</i>
		<i>Factors listed were chosen for fiscal modeling purposes only.</i>				
Annual Average Wage Merit Adjustment	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
<b>NON-SALARIES &amp; BENEFITS</b>						
Services & Supplies	Dept. Info	2.50%	2.50%	2.00%	2.00%	2.00%
Other Charges	Dept. Info	2.50%	2.50%	2.00%	2.00%	2.00%
Reimbursements (mainly staff costs)		ACTTC Estimate	0.80%	2.00%	2.00%	2.00%



# Fiscal Challenges and Opportunities

## CHALLENGES:

- \$2.7 Million increased IHSS share (FY 2017-18)
- \$3.7 Million Roads Gas Tax Shortfall (FY 2017-18)



## OPPORTUNITIES:

- Reinvestment & Revitalization – April 4th
- Cannabis Business Tax: If the tax passes, staff will return to the Board on March 28 with an ordinance implementation plan
- 3% tax rate increase (Measure L Transient Occupancy) – June 6th



# Roads Operations

- Gas Tax is the largest source of revenue
- \$3.3M gas tax revenue shortfall estimated in FY 2017/18
- Over the past 2 years the County has seen a significant decline in gas tax revenue, taking the 5 year average of \$14.6M down to an estimated \$10.8M in 2016/17.
- \$5.4M is the County's current annual GF contribution to support road operations activities.



# Roads Operations Impacts

## Revenue Challenges

- \$3.7M Roads Operations funding gap in FY 2017/18
- Significant reductions would result in roads maintenance and administration, impacting 28 positions:
  - Road Maintenance division 18 positions
  - Traffic Engineering section 10 positions
  - Elimination of the Culvert crew
    - 228 outstanding culvert replacement projects of which 66 are considered high priority.
  - Elimination of the Public Affairs program



# Roads Operations

## Comparison to Other Counties

### Road Maintenance Staff to Miles Maintained Survey of Comparable Counties

County	County Maintained Centerline Miles	Road Maintenance Staff *	Miles per Maintenance Person
Marin	419	29	14.46
Mendocino	1015	43	23.60
Napa	446	30	14.88
Solano	577	37	15.58
<b>Sonoma**</b>	<b>1380</b>	<b>53</b>	<b>26.04</b>

\* Number of field staff (non-management) providing road maintenance, vegetation management, signing and striping, and drainage (culverts and ditches, not large flood control works) services

\*\* Sonoma County proposed reduction plan



# Roads Operations

## Gas Tax Decline Backfill

Possible options to address Roads Operations gas tax revenue shortfall:

- Re-direct \$2.2M Refuse Franchise Fee annual contribution toward Pavement Preservation to Roads Operations
- Allocate Refuse Franchise Fee one-time savings at year end (estimated at \$321,000)
- Consider designating 25% of anticipated increase in Transient Occupancy Tax revenues (estimated at \$1.3M annually).



# FY 2017-18 Budget Framework



- Mid-year General Fund estimate shows lower revenue and lower expenditures
- Mid-year General Fund estimated Year End Savings is \$8.4 million



# FY 2017-18 Budget

## PLAN A:

- Assumes FY 2016-17 General Fund Savings
- Does NOT address IHSS and Roads fiscal challenges

## PLAN B:

Develop a 2%, 4%, and 6% % Reduction Plans for each County Dept., which will create General Fund financing capacity to:

- Address state/federal funding negative impacts
- Start reducing reliance on General Fund savings
- Align limited General Fund resources with highest priorities



# Strategic Priorities

(Scoping is Underway)



Natural Resources



HOUSING



Infrastructure



SAFETY NET



# General Fund Distribution Approach

- Return to a single year Budget Plan
- Eliminates FY 2016-17 one-time allocations
- Provides support for GF financed staffing cost increases
- Assumes a \$16.3M year-end General Fund savings from current FY 2016-17 Budget
- Requests Departments develop a 2%, 4%, and 6% “Back-Up” Reduction Plan to:
  - ✓ Address Year-End Savings potential shortfall and
  - ✓ Board approved policy direction for new programs



# Ongoing Community Outreach



[www.sonoma-county.ca.gov/cao](http://www.sonoma-county.ca.gov/cao)

#socobudget

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# Next Steps

<b>March 17</b>	Departments submit adjustments to their Fees and Charges Schedules
<b>March 24</b>	Departments submit completed Recommended Budgets
<b>April 11</b>	Board Report to Update the Fund Balance Directory
<b>May 9</b>	Fees and Charges Adjustments – Board Public Hearing
<b>May 9</b>	Third Quarter Board Budget Update
<b>May 10</b>	Governor’s State May Revise Budget
<b>June 12-23</b>	FY 2017-18 Public Budget Hearings



# Recommended Actions

- A. Review Countywide Budget and Historical General Fund Allocations.
- B. Discuss Sonoma County Impacts Associated with State and Federal Proposed Budgets.
- C. Ratify Financial Policies, Approve Revisions, and Consider Future Policies.
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