

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: SEAN MCNEIL, DEPUTY DIRECTOR OF ENVIRONMENTAL SERVICES
SANTA ROSA WATER
SUBJECT: AGREEMENT BY AND BETWEEN SONOMA COUNTY WATER AGENCY AND THE CITY OF SANTA ROSA FOR NUTRIENT OFFSET CREDITS (PHOSPHORUS)
AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the Santa Rosa Water Department that the Board, by motion, approve the Agreement by and between Sonoma County Water Agency and the City of Santa Rosa for Nutrient Offset Credits (Phosphorus) for the Laguna Restoration Reaches 1 and 2 Project.

EXECUTIVE SUMMARY

The City of Santa Rosa treats wastewater for beneficial reuse at the Laguna Treatment Plant. Occasionally, the City may need to discharge some of this water into nearby creeks and the City maintains a permit to do this lawfully. One of the requirements of this permit is that the City's discharge have a zero-net loading for phosphorus. This requirement is currently met by developing nutrient offset projects that remove phosphorus from the watershed or prevent phosphorus from entering the watershed at a rate greater than the amount of phosphorus that is anticipated to be discharged. This agreement would allow the City to purchase up to 20,000 phosphorus credits from the Sonoma County Water Agency (Sonoma Water) for their work on the Laguna Reaches 1 and 2 Project.

BACKGROUND

The City of Santa Rosa has a zero-net loading for phosphorus in our waste water National Pollutant Discharge Elimination System permit (NPDES) discharge permit. This phosphorus limit is met through the Nutrient Offset Program, where the City develops projects that remove phosphorus from the Watershed (Nutrient Offset Projects). The City has successfully completed three Nutrient Offset Projects, preventing approximately 19,000 pounds of phosphorus from entering local waterways in the

Laguna de Santa Rosa Watershed. The phosphorus credits generated from these projects have either been used or are expired and the City needs to develop new projects to maintain permit compliance in respect to phosphorus.

Staff has been working with Sonoma Water to develop a sediment removal and creek restoration project on the Laguna, known as Laguna Restoration Reaches 1 and 2 (Laguna Project). The estimated credits that will be generated from this project are approximately 9,000 credits of phosphorus spread over three years, and an additional 1,000 credits (100 per year) over the next ten years. The actual amount of phosphorus credits is still unknown and will be calculated after the project is completed. Pursuant to the proposed agreement the City could purchase up to 20,000 pounds of credits. The cost of each phosphorus credit in this agreement is \$50 per credit, which is in alignment with cost per credit from previous projects completed by the City. The North Coast Regional Water Quality Control Board (Regional Board) has issued a draft Notice of Approval for this project. The City is not obligated to pay the Sonoma Water unless and until the credits are approved by the Regional Board and validated. The City could purchase up to a total of 20,000 credits for the sum of \$1,000,000, though the actual amount will most likely be less.

The project where the credits would be generated is located on the Laguna de Santa Rosa upstream and downstream of where the creek crosses under Stony Point Road. The project is removing legacy sediment that contains phosphorus, recontouring the channel to have a deep low-flow channel to prevent the invasive Ludwigia plant from spreading and planting native trees and shrubs along the banks to provide better habitat for aquatic organisms. This project is scheduled to be completed Fall 2019.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On September 30, 2019, the Nutrient Offset Program Ad Hoc Subcommittee of the Board conducted a study session to review the status of the Nutrient Offset Program compliance and this agreement.

ANALYSIS

The Nutrient Offset Program is thus far the most cost-effective way to address the zero-net loading for phosphorus required by the City of Santa Rosa's discharge permit. The City goes through extensive efforts to re-use the recycled water generated from the Laguna Treatment Plant (LTP), but in years of above normal precipitation, the amount of recycled water may exceed storage capacity and the City must release the recycled water into local creeks. It is impossible to have zero phosphorus in the discharge from the LTP based on the current treatment plant configuration. Since the recycled water has some phosphorus in it, these discharges must be offset.

Prior to this proposal the City identified and completed three nutrient offset projects. The Oceanview and Beretta projects were farm projects with costs ranging from \$20 to \$67

per phosphorus credit and the other project was a culvert and road improvement project at Pepperwood Preserve for approximately \$47 per credit. It is not anticipated that future projects could be delivered as inexpensively as the Oceanview project which was only \$20 per credit. The Laguna Project is beneficial in that it will provide credits within the cost range of previous projects, but it also supports flood control and habitat restoration.

FISCAL IMPACT

Purchasing credits and/or developing projects to meet the nutrient offsets for the LTP discharge permit was anticipated and has been budgeted for through the normal budgeting process of the 2018/19 fiscal year. This agreement could provide enough credits for multiple compliance years depending on the future discharge volumes.

ENVIRONMENTAL IMPACT

The Laguna Restoration Reaches 1 and 2 project is part of the Sonoma County Water Agency's Stream Maintenance Program for which an Environmental Impact Report was certified pursuant to the California Environmental Quality Act in June 2009 (Final EIR is located at <https://www.sonomawater.org/environmental-documents/>). The Project has been found within the scope of the Stream Maintenance Program EIR and will be implemented consistent with the adopted Mitigation, Monitoring and Reporting Program (MMRP) requirements. The 2019 Stream Maintenance Program Public Notification can be found at:

https://www.sonomawater.org/media/PDF/Water%20Resources/Flood%20Protection/Stream%20Maintenance/stream_maintenance_ad_Spring2019.pdf)

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On September 30, 2019, the Nutrient Offset Program Ad Hoc Subcommittee of the Board met to review the status of the Nutrient Offset Program compliance and this agreement.

ATTACHMENTS

- Attachment 1 – (Agreement by and between Sonoma County Water Agency and the City of Santa Rosa for Nutrient Offset Credits (Phosphorus))
- Attachment 2 – (Sonoma Water Nutrient Offset Project Proposal Laguna de Santa Rosa Reaches 1 and 2)]

CONTACT

Sean McNeil, smcneil@srcity.org 707-543-3938