

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: HEATHER JOHNSON, ENVIRONMENTAL SERVICES OFFICER,
WATER DEPARTMENT
SUBJECT: APPROVAL OF A PROFESSIONAL SERVICE AGREEMENT
WITH THE CATALYST GROUP

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by Santa Rosa Water that the Board of Public Utilities, by motion, approve the Professional Services Agreement (PSA) with The Catalyst Group, to provide facilitation and water quality science services to support changes to water quality regulations in the Laguna de Santa Rosa. The contract amount is not to exceed \$441,979.

EXECUTIVE SUMMARY

The City of Santa Rosa (City) is located in the Laguna de Santa Rosa Watershed (Laguna), a waterbody with documented water quality impairments. The National Pollutant Discharge Elimination System (NPDES) permit for the City's Laguna Treatment Plant includes a special condition addressing one of these impairments: phosphorus. Compliance is managed through the Water Quality Trading Framework (Framework). This permit condition is costly and difficult to implement, and the City has worked with the North Coast Water Quality Control Board (North Coast Water Board) to revise the compliance approach through staff-level discussions and by sponsoring a phosphorus-focused Blue-Ribbon Panel in 2018.

This proposed action would approve a Professional Services Agreement with the Catalyst Group, in an amount not to exceed \$441,979, to conduct a stakeholder analysis, convene a representative task force, and prepare a final report to inform the North Coast Water Board's regulatory process for protecting water quality in the Laguna de Santa Rosa. The work is intended to inform development of clear, effective, and scientifically supported regulatory requirements and help direct compliance funds strategically.

BACKGROUND

The Laguna is listed on California's 303(d) list of impaired waters for nutrients, sedimentation, temperature, and low dissolved oxygen. The North Coast Water Board is developing a regulatory pathway to improve water quality in the Laguna. The City's Laguna Treatment Plant currently has a no-net-load phosphorus discharge requirement for the watershed. The City meets this requirement through the Framework, which is incorporated into the City's NPDES permit, Order No. R1-2020-0012. The Framework requires the City to account for all phosphorus discharged through recycled water to local waterways and implement programs that remove an equal or greater amount of phosphorus. Because the City seeks to beneficially reuse all recycled water each year, discharge volumes vary significantly, and in many years there is no discharge. This makes it difficult to develop projects for future discharges when the number of credits needed is unknown. In addition, some credits developed under the program have limited terms and may expire before they can be used. The Framework also addresses only phosphorus and has been expensive to implement.

In April 2018, the City formed a limited-term Phosphorus Blue Ribbon Panel (BRP) to identify principles supporting watershed-oriented, cost-effective mitigation measures for the no-net-load phosphorus requirement. The BRP included representatives from the City, North Coast Water Board, U.S. Environmental Protection Agency, business community, academia, and nonprofit organizations working on Laguna water quality issues. The process identified two regulatory opportunities: the City's preferred approach and the North Coast Water Board's Framework. The Framework was subsequently modified to address some concerns identified in the BRP and these modifications were incorporated into the City's NPDES permit. After six years of implementing the Framework, the City and North Coast Water Board agree that there may be a better way to protect Laguna water quality than expanding the Framework to additional impairments or applying a similar water quality trading approach to other NPDES permits in the watershed.

The City seeks to develop a stakeholder process to inform the North Coast Water Board's regulatory process and provide a broad group of entities and interested parties an opportunity to participate in facilitated community engagement. The consultant will develop a stakeholder assessment, help a core team prepare a draft charter, facilitate and prepare minutes for approximately 13 Task Force meetings over two years, coordinate the core team to support effective meetings, prepare a mid-project report, coordinate group input on a draft implementation framework, prepare a final report., The Catalyst Group has also partnered with the San Francisco Estuary Institute (SFEI) to provide evidence-based technical support.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

None.

ANALYSIS

The City seeks clear, effective, and scientifically supported regulations and an achievable path to compliance. This project would provide the City and other stakeholders with an opportunity to share their perspectives and provide information to support the North Coast Water Board's regulatory process. Unlike the BRP, this process would include agricultural and tribal interests, along with municipalities, businesses, regulators, and environmental groups. The project would benefit from an unbiased, skilled facilitator to lead this work.

The City issued a Request for Proposals on February 17, 2026, which closed on March 19, 2026. The City received six proposals. A review committee consisting of Santa Rosa Water's Deputy Director of Environmental Services, Stormwater and Creeks Manager, and Environmental Services Officer; and the North Coast Water Board's Environmental Program Manager, Environmental Scientist, and Senior Environmental Scientist selected the top three proposals for interviews. Following proposal review and, after the interviews, the committee selected the Catalyst Group as the proposal best suited to meet the project goals, based on their previous experience with helping stakeholders inform regulations and policies. In addition, the project team also includes the San Francisco Estuary Institute as a sub-consultant to provide evidence-based information about the Laguna de Santa Rosa and the best practices to restore the habitat.

The Catalyst Group demonstrated through its proposal and interview that it is well suited to support this work. City staff recommend entering into this Professional Services Agreement with the Catalyst Group.

Under City Code section 3-08.110(A), Contract/Purchase Award Authority, approval of this Professional Services Agreement requires Board of Public Utilities approval.

FISCAL IMPACT

Approval of this PSA has no additional impact on the budget. Funds for this expense were appropriated in the Fiscal Year 2026-27 budget as a regular operating expenditure.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because approval of the Professional Services Agreement for stakeholder facilitation, water quality science services, and preparation of reports does not have the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from

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CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

None.

NOTIFICATION

Not Applicable.

ATTACHMENTS

- Attachment 1 – Professional Services Agreement

PRESENTERS

Heather Johnson, Environmental Services Officer
Sean McNeil, Deputy Director of Environmental Services