

May 6XXXXX, 2026

Resolution of the Local Agency Formation Commission of the County of Sonoma, State of California, Making Findings and Determinations, Determining Exemption from the California Environmental Quality Act and Conditionally Approving a Proposal for Formation of an Alexander Valley Water District (File No. 2025-03)

RESOLVED, that the Local Agency Formation Commission of the County of Sonoma (“the Commission”) hereby finds and determines as follows:-

1. Procedural History

- 1.1 Landowners located in the Alexander Valley region of Sonoma County filed a ~~proposal~~ Petition with the Commission to form a California Water District under Water Code section 34000 et seq. (Principal Act). The ~~proposal~~ Petition and Application included a Plan for Service and sufficient landowner signatures on the petitions.
- 1.2 The Executive Officer considered the Application~~proposal~~, deemed it complete and conforming to the Cortese-Knox-Hertzberg Act, Principal Act, and Sonoma LAFCO specifications, and issued a Certificate of Filing.
- 1.3 The Executive Officer set the matter for consideration by the Commission and provided notice thereof as provided in the Cortese-Knox-Hertzberg Act.
- 1.4 The Executive Officer analyzed the Plan for Services submitted by the applicants, sought verification of the validity of signatures on petitions in support of the proposal, and prepared a staff report (“the Executive Officer’s Report”). The Executive Officer furnished copies of the Executive Officer’s Report to all persons entitled to copies under the Cortese-Knox-Hertzberg Act.
- 1.5 The Commission conducted a noticed public hearing to consider the proposal on April 1, 2026 and May 6, 2026. At the hearing, the Commission heard and received all relevant oral and written testimony and evidence presented or filed and considered the Executive Officer’s Report. All interested persons were given the opportunity to hear and be heard. At the conclusion of public testimony, the Commission closed the public hearing and indicated a desire to approve the proposal.

1.6 The Commission has reviewed and considered this resolution and hereby finds that it accurately sets forth the intentions of the Commission.

2. CEQA Compliance

2.1 The Commission finds that approval of the proposal is exempt from CEQA because a “project” does not include “[t]he creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.” (CEQA Guidelines, section 15378(b)(4).)

2.24 The Commission further finds that approval of the proposal is exempt from CEQA because a “project” does not include “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.” (CEQA Guidelines, section 15378(b)(5).)

2.3 The Executive Officer is authorized and directed to prepare and file a CEQA Notice of Exemption consistent with this determination.

3. Cortese-Knox-Hertzberg Act Compliance

3.1 The Cortese-Knox-Hertzberg Act directs LAFCOs to consider proposals for the formation of independent special districts, and to evaluate the Plan for Service for the District.

3.2 The Commission has considered the factors in Government Code section 56668, and incorporates the findings in Exhibit A by reference into this resolution.

3.3 Pursuant to California Government Code sections 56885.5 and 56886 and Water Code section 34000, et seq., the Commission finds it is appropriate to approve this change or organization, providing for and subject to the following Terms and Conditions:

a. NAME: The name of the proposed California Water District shall be the “Alexander Valley Water District” (District).

b. ADMINISTRATIVE CONDITIONS:

1. All LAFCO, Sonoma County, and State of California fees must be paid in full prior to filing the Certificate of Completion.

2. Applicant shall prepare the District boundary map and legal description in accordance with the Department of Public Works and State Board of Equalization requirements.

3. The legal description and map, if rejected by the State Board of Equalization or amended by action of the Commission, will be revised at the expense of the Applicant.

c. FORMATION CONTINGENCIES:

1. A successful landowner vote required for confirmation shall be an affirmative vote of a majority of the votes cast in the election, with each landowner having one vote for each dollar's worth of land to which the landowner holds title (or, alternatively, acreage if an equalized roll is not available at time of election).
2. Pursuant to Water Code section 34422, title and worth of land shall be determined from the last equalized County Assessment Roll and, pursuant to the "land" definition in Water Code section 34014, land value shall not include land improvements. If no such Roll exists, the participating landowners will vote by acres owned. As used herein, "landowner" refers to a person who is a holder of title to land within the proposed District boundary or its legal representative as provided in Water Code Sections 19, 34026, 34027, 34030 and 35004. The Commission will provide the Elections Office with a list of properties and assessment roll information based on the boundaries of the District, but actual determinations as to the eligibility of owners to act as voters will be made by the Elections Officer.
- 4-3. Appointment of the initial five (5) members of the Board of Directors.

a-d. PROCEDURES: Pursuant to Government Code section 56100, the Commission specifies that Cortese Knox Hertzberg Act is the procedure for determining the boundary of the Alexander Valley Water District, that other means conflict with or omit entirely the Commission's procedures, and that no parcels shall be added or subtracted from the District without the authorization of the Commission.

b-e. APPROPRIATIONS LIMIT: The District is not expected to receive any revenue from the "proceeds of taxes" for the first full fiscal year of operation, or beyond. Therefore, the Commission determines provisionally under Government Code section 56811(a) that the District will not be subject to an appropriations limit pursuant to Proposition 13b (Gann). After it is formed, the District shall determine and adopt the appropriations limit if any taxes subject to Proposition 13b are enacted consistent with Government Code sections 56811(a) and 57120, if legally required. The planned special assessment revenue, regulatory fees, or service charges are not considered "proceeds of taxes" that would be subject to an appropriations limit. The initial appropriations limit for the District is set at \$856,890 (the amount of the fifth fiscal year in the budget for the Plan for Services).

f. BOARD OF DIRECTORS:

1. The initial Board of Directors of the Alexander Valley Water District shall be composed of five (5) members appointed by

the Sonoma County Board of Supervisors. Directors shall be eligible under California Water Code section 34700. At least one director shall be a domestic well user on a parcel of 10 acres or less. At least one director shall be a farmworker residing in the District. At least three directors shall be registered voters residing within the District, who may also qualify for the domestic well user and farmworker seats. The first election shall create ~~†~~ Three (3) directors shall serve four-year terms and two (2) directors shall serve two-year terms. The ~~F~~future Board of Directors will be elected at large based on one vote for each dollar of assessed land value pursuant to Water Code sections 34400-34403, 34422-34424, 34700, 35003-35125, and the Uniform District Election Law. Candidates for the Board of Directors must be qualified pursuant to Water Code section 34700 and the criteria described in Condition f.2. below. Candidates may self-nominate themselves but must demonstrate to the Elections Official their qualification to be a member of the board when doing so. If candidates are nominated by other individuals or entities, the candidate's qualification to be a member of the board must be stated in the nomination submitted to the Elections Official. If it has not been demonstrated to the satisfaction of the Elections Official that a candidate is qualified to be a member of the board, that candidate's name will not appear on the ballot.

2. The initial Board of Directors of the District shall, within one year of formation, adopt bylaws and take other appropriate action under the provisions of the Principal Act to ensure that the District Board represents a diversity of landowner and registered voter interests in the Alexander Valley. The Board shall adopt director qualification criteria that require a majority of the Directors to be registered voters residing within the District. The Board may adopt other director qualification criteria including land ownership size, land use or water use type (e.g., residential, hospitality, retail services), landowner type (e.g., water supplier entity, tribal, nonprofit, etc.), and occupation. The Board shall provide the draft bylaws to the Commission and consider Commissions comments before adoption.
3. The Board shall increase the number of Board members to seven in accordance with Section 34708 of the Principal Act.
4. The initial Board of Directors of the District shall, within six months of formation, form an Advisory Committee of District-appointed and non-District-appointed members to provide advice and guidance to the Board. Members of the Advisory Committee shall include but are not limited to the following members:

<u>District Board Appointed Members</u>	<u>Other Appointed Members</u>
<ul style="list-style-type: none"> • <u>Agricultural interests</u> • <u>Business community interests</u> • <u>Environmental interests</u> • <u>Rural residential well-owners</u> 	<ul style="list-style-type: none"> • <u>City of Cloverdale appointee</u> • <u>City of Healdsburg appointee</u> • <u>County of Sonoma appointee</u> • <u>Dry Creek Rancheria appointee</u> • <u>Independent Water Systems appointee</u> • <u>Lytton Rancheria appointee</u> • <u>Sonoma County Water Agency appointee</u> • <u>Sonoma Resource Conservation District appointee</u>

g. DISTRICT POWERS AND AUTHORITIES:

1. The District is authorized to exercise all powers and authorities of a California Water District, subject to the following restriction: the District may not provide sewage or waste services; and the District shall only provide stormwater services incidental to its operations as a provider of water, as may be required by State and Federal law.
2. The District is authorized to exercise all powers and authorities of a Groundwater Sustainability Agency (GSA) pursuant to the Sustainable Groundwater Management Act (Water Code § 10720, et seq.), subject to the following restrictions: the District shall not have the authority and power to regulate groundwater extraction specified in Water Code section 10726.4 in the Alexander Area Subbasin (Basin No. 1-54.01) or Cloverdale Area Subbasin (Basin No. 1-54.02) until a Coordination Agreement, memorandum of understanding, joint powers authority or other agreements that result in coordinated management of the entirety of the subbasin. The GSA formation resolutions and any GSA coordination agreements shall be provided to the LAFCO Executive Officer upon completion for compliance review.

e.h. INITIALLY AUTHORIZED EXTRATERRITORIAL SERVICES

1. ~~The District may supply water to customers within the District. The District may not provide sewage or waste services. The District shall only provide stormwater services incidental to its operations as a provider of water, as may be required by State and Federal law.~~
- 2.1. The District may not provide any extraterritorial services without seeking express written approval to do so from the Commission. The District shall not make any exemption determinations pursuant to Government Code section 56133 without the written concurrence of the Commission.

~~3.2.~~ The District may administer a Russian River Water Sharing Program that includes participants within the boundaries of the District and is authorized pursuant to section 56133 to include willing participants throughout the entire Russian River watershed within Sonoma County. The District is authorized to provide services to manage curtailment activities for customers within the District.

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

~~5.3.~~ ~~The District is authorized to assist in funding future diversion infrastructure, and assist in funding the operation of that infrastructure, should~~ If the Eel-Russian Project Authority or other water supply agency pursue such a project/program constructs a new Eel-River Diversion Facility, the District is authorized pursuant to acquire, administer, and distribute Eel River water to users within the District.

~~6.4.~~ The District is authorized to seek surface water and groundwater storage opportunities to serve ~~property owners~~ properties within the District and is authorized pursuant to section 56133 to serve properties outside the District that are served by existing pipelines, reservoirs and wells within the District.

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

d.i. DISTRICT BOUNDARY: The proponents must file a map and legal description (metes and bounds) of the boundaries of the District, as adopted by the Commission, that conforms to State Board of Equalization standards prior to recordation of a Certificate of Completion with the Commission. The legal description and map, if rejected by the State Board of Equalization or amended by action of the Commission, will be revised at the expense of the Applicant.

e.i. SPHERE OF INFLUENCE: The sphere of influence of the District will be coterminous with the boundaries of the District.

f.k. FINANCES: The District shall maintain revenues commensurate with the budget in its Plan for Service. The District shall pass a special benefit assessment as may be augmented by a fee or other revenue measure to obtain not less than \$696,900 for its first year of operation. If the revenue measure is not successfully enacted by

the District at formation or within one year of the recording of the Certificate of Completion, the District shall conduct no service, and no other business, activity, task, or undertaking other than seeking dissolution from the Commission, unless the business, activity, task, or undertaking is clearly required by State or Federal law. The Commission may extend this deadline for good cause upon request by the District in writing, which request must be provided to the Commission at least 2 months prior to the expiration of the deadline.

g.l. All LAFCO, Sonoma County, and State of California fees must be paid in full prior to filing the Certificate of Completion.

h.m. The effective date of the District's formation shall be the filing of the Certificate of Completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.

- 3.4 Based on the foregoing findings and determinations and the record of these proceedings, the Commission finds and determines that the Proposal is consistent with the intent of the Cortese-Knox-Hertzberg Act and the purposes of the Commission, as expressed in Government Code §56001 and §56301. The Commission further finds, therefore, that approval of the Proposal is appropriate, subject to Terms and Conditions.

NOW, THEREFORE, based on the foregoing findings and determinations and the record of these proceedings, and pursuant to the Cortese-Knox-Hertzberg Act, the Commission hereby declares and orders as follows:

1. The Commission has reviewed and considered the proposal for formation of the Alexander Valley Water District.
2. The approval of the formation of the District is subject to a Protest Proceeding per the provisions of the Cortese Knox Hertzberg Act, with a proceeding beginning May 18, 2026 and ending July 13, 2026.
3. The Commission approves the Proposal, subject to the Terms and Conditions, and orders that a protest proceeding be conducted. Whether an election shall be ordered is reserved until the conclusion of the protest proceeding.

The Clerk of the Commission is designated as the custodian of the documents and other materials that constitute the record of the proceedings upon which the Commission's decision herein is based. These documents may be found at the office of the Clerk of the Commission, 111 Santa Rosa Ave., Ste. 240, Santa Rosa, CA, 95404.

THE FOREGOING RESOLUTION was introduced at a regular meeting of the

Commission on the 6th day of May 2026 and ordered adopted by the following vote:

Commissioners:

AYES:

NOES:

ABSENT:

WHEREUPON, the Chair declared the foregoing resolution adopted and

SO ORDERED.

Mark Bramfitt, Executive Officer

The within instrument is a true and correct copy of the original on file in this office.

ATTEST:

BY:

Clerk

DRAFT

Factors for Consideration (California Government Code §56668)

File No.2025-03: Proposal for Formation of Alexander Valley Water District

Population and population density; land area and land use; assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

The subject territory is unincorporated land comprising approximately 27,857 acres generally south of the City of Cloverdale and north of the City of Healdsburg. The territory includes 1608 parcels.

Land uses include residential, agricultural and commercial activities, with viticulture the predominant use.

The territory represents properties that overlie the two groundwater basins defined in the Sustainable Groundwater Management Act (SGMA), excluding incorporated territory, tribal trust lands, and uplands south of Franz Creek.

Due to the primarily agricultural uses, there is a low likelihood of significant growth in the territory.

Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services that would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

There is a general need to address water shortages. The district does not have existing water rights, but proposes to participate in Eel Russian Project Authority, including funding infrastructure and operations of a diversion facility in the future. It may be premature to contemplate a diversion regime that would include an allocation of water supply to the district. The Plan for Service proposes groundwater investigation and management. The district is not needed to form a Groundwater Sustainability Agency, and the district geography does not cover the whole basin; however, the proponents anticipate that the district will become a GSA to utilize SGMA's planning and investigation powers that are not available in the Principal Act. The Plan for Service also indicates that the proposed district will expand and manage the "Russian River Voluntary Water Sharing Program" an effort authorized by the State Water Resources Control Board. ~~The district proponents do not propose anything beyond the activities that have been borne recently by the Russian River Property Owner Association.~~ The proponents also seek the authority to pursue recharge programs and to participate in, and manage aspects of the On-Farm Recharge Program initiated by the Dry Creek Rancheria, ~~but these are not part of the imminent plan for services.~~ Of the four

proposed district services and functions, only the ~~water sharing program~~Eel River program is not suitable for near term implementation.

The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

Other water districts could be formed that are not governed by landowners, and could provide different services with additional controls.

The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377. (Note: Section 56377 encourages preservation of agricultural and open-space land.

Not applicable.

The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

The district will primarily serve agricultural operations and may assist these operations in navigating water shortages. Potentially, in the face of the reduced inter-basin water transfers and climate change influenced periodic drought conditions, the District could assist and support the continued and consistent availability of irrigation water to agricultural lands that sustain continued productivity and economic viability.

The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

The boundaries of the reorganization area are presumed to be definite and certain, and will be required to be definite and certain to complete the change of organization.

A regional transportation plan adopted pursuant to Section 65080.

The proposed District is wholly related to securing more reliable water supply for the region and transportation impacts are speculative.

The proposal's consistency with city or county general plans.

The proposal is not contemplated in the General Plan of Sonoma County. The proposal does not inherently affect land use planning, although agriculturally planned areas depend on water supplies. Although speculative, the proposal could help advance General Plan agricultural preservation policies.

The sphere of influence of any local agency that may be applicable to the proposal being reviewed.

The spheres of influence of both the Cities of Healdsburg and Cloverdale impinge upon the proposed district boundaries. These areas are very modest in area.

The comments of any affected local agency or other public agency.

The Sonoma Resource Conservation District ~~is the only affected public agency that submitted comments regarding in support of~~ the proposal. The Mendocino County Flood Control and Water Conservation Improvement District, the entity managing Mendocino County's benefit from Lake Mendocino for agriculture, industry, recreation, and drinking water and a participant in the Water Sharing Program, supports the establishment of the District. Based on comments and discussions, Sonoma Water supports some components of the proposal.

The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

The formation proponents have presented a budget that would ensure the foundational functioning of the District. However, capital project costs for storage facilities, a revamped diversion project from the Eel River to the Russian River, and operational costs associated with those potential projects has not been identified. The Terms and Conditions will help to ensure sufficient revenues for basic operations. ~~Many Some~~ activities of the ~~d~~District ~~will be fee-for-service are unfunded.~~ The initial on-farm recharge program and Russian River frost water demand management program will rely on user fees from willing participants and will not be funded by the initial revenue measures.

Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

The proposed District is intended to secure a more reliable water supply for existing surface and groundwater users, and is not projected to provide supplies for future development. The District's activities could assist in the management of water resources.

The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

The district formation is not likely to provide more water for housing.

Any information or comments from the landowner or landowners, voters, or residents of the affected territory.

Comments were received from a number of residents (including landowners and registered voters) and considered by the Commission in evaluating the proposed formation of the district.

Any information relating to existing land use designations.

Existing land use designations include commercial, residential, and agricultural zoning. No change to land use designations is contemplated under the district formation proposal.

The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.

The proposed district is in tension with the goal of the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins because it restricts board elections to landowners, and voting is weighted based on assessed value. The district will primarily benefit agricultural interests. The Terms and Conditions permit the District to form a Groundwater Sustainability Agency (GSA) for its own boundary or in combination with other agencies with land and water management authority over the basin, but the District is precluded from exercising certain SMGA powers in a Subbasin until the district from acting as the Groundwater Sustainability Agency (GSA), but the district can participate in a multi-agency GSA if one is formed for the Subbasin. This provision ensures that landowners, as the voting constituents of the district, are not able to dominate groundwater regulation to the detriment of others.

Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

Not applicable.