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June 15, 2010

CITY OF ROHNERT PARK
ENGINEERING

Board of Directors
Sonoma County Water Agency
404 Aviation Blvd.
Santa Rosa, CA 95403



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Subject: Comments on Draft Water Supply Strategy Action Plan

Dear Board Members:

On June 15, 2010, the Rohnert Park City Council authorized me to send comments regarding the Sonoma County Water Agency's Draft Water Supply Strategy Action Plan (Draft Action Plan).

When the Rohnert Park City Council commented on your Strategic Priorities in 2009, we suggested inclusion of specifics regarding projects and timing. We are pleased to see that this Draft Action Plan includes much more detail as suggested. You and your staff are to be commended for taking input from your customers and responding to it.

Sonoma County Water Agency rates for wholesale water increased over 50% in the last five years. We are in the midst of the most severe economic slowdown since the Great Depression. With this backdrop we send our comments on the Draft Action Plan.

"Carbon Free Water"

Our first concern is regarding **Water Supply Strategy Eight, Immediate Action Two: Develop and implement programs to increase Agency's renewable energy portfolio to achieve "Carbon Free Water"** on page 18. The Action Plan describes the cost of developing the 'carbon free water' as being "paid from a PWRPA (Power and Water Resources Pooling Authority) fund through the purchase of electrical power." The concern is that certain carbon free energy projects tend to be much more expensive than other existing power sources. Power costs are a substantial portion of the Agency budget, so a significant increase in power costs from carbon free energy initiatives will result in large wholesale water rate increases.

In the coming years, the Agency and its customers face severe cost increases as a result of the biological opinion for endangered species and transmission system reliability projects. Carbon free water is a laudable goal and one component of comprehensive changes we will need to make over time. However, water is a lifeline resource that people cannot live without. We mustn't ignore the current economic realities. Carbon free water should only be pursued if it does not increase costs for rate payers (i.e. results in decreased power costs).

Base Demand System Instead of Peak Summer Demand System

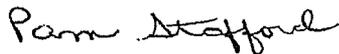
We believe there may be potential to generate significant future savings by pursuing **Water Supply Strategy Nine, Near Term Action One: *Consult with Water Contractors to evaluate feasibility of base demand system instead of continued peak summer demand system.*** Expanding the Agency's transmission system to meet future peak summer demands may prove to be prohibitively expensive. Historically, Rohnert Park chose to make significant investments in its own local supply and recycled water systems. Implementing the above action will reduce the need to expand the Agency transmission system thus reducing costs for our ratepayers, costs for future homeowners and businesses, and construction related environmental impacts. Furthermore, local supply and recycled water reduce green house gas emissions associated with moving water long distances.

Alternate Revenue Models

We would like to emphasize the importance of **Water Supply Strategy Nine, Near Term Action Two: *Evaluate alternative revenue models such as seasonal rates and fixed versus variable costs.*** Under the current rate system—one constant rate regardless of when or how much water is used—there is no incentive to avoid peaking off the transmission system. This creates additional stress and wear on the fifty-year-old system. Pricing water lower when demand is low and higher when demand is high will change use patterns positively, preserve the existing system, and reduce environmental impacts.

Again, thank you for this opportunity to provide these comments. We hope that they are taken in a positive way. We want to be included in the planning and successful execution of the Agency's Action Plan.

Sincerely yours on behalf of the Rohnert Park City Council,



Pam Stafford, Mayor
City of Rohnert Park

cc: Gina Belforte, Vice-Mayor
Jake Mackenzie, Council Member, Water Advisory Committee Chair
Joseph Callinan, Council Member
Amie Breeze, Council Member
John Dunn, Interim City Manager
Darrin Jenkins, Development Services Director/City Engineer ✓
Grant Davis, Interim General Manager SCWA
Chris DeGabriele, Technical Advisory Committee Chair, General Manager
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