

SUMMARY

WATER CONTRACTOR COMMENTS ON SCWA NEW WATER SUPPLY STRATEGIES

CATEGORY

C	<p><u>City of Santa Rosa</u></p> <p>Prepare a water supply master plan in collaboration with and approved by the Water Contractors to achieve the following:</p> <p>Fulfill contractual water supply obligations to the Water Contractors and seek out and identify those using water without water rights.</p>
A	<p>Restore reliability of water supply and system capacity.</p>
E	<p>Provide transparency and collaboration in water supply and conservation planning decisions by providing details on feasibility, environmental effects, including but not limited to greenhouse gas reduction strategies, and economic analyses.</p>
D	<p>Prioritize SCWA's and water rate payers' resources to achieve current and future water supply and reliability.</p>
A	<p><u>Valley of the Moon Water District</u></p> <p>Restore reliability of current water supply of 75,000 acre-feet per year and current transmission system capacity to deliver water at a maximum monthly average rate of 92 million gallons per day.</p>
C	<p>Achieve reliable future water supply of 101,000 acre-feet per year and future transmission system capacity to deliver water at a maximum monthly average rate of 150.4 million gallons per day.</p>
D	<p>Prioritize the Water Agency's and water rate payers' resources to achieve current and future water supply reliability.</p>
F	<p>Protect water quality</p>
B	<p>Address impacts on listed Salmonid species</p>
C	<p><u>City of Sonoma</u></p> <p>1. <u>Fulfill contractual water supply obligations.</u> The City has an obligation to provide water to its customers, which, consist of nearly 11,000 people and 360 businesses. If the SCWA does not meet its obligations, we are likewise unable to meet our obligations to our customers. In addition, the City has a public process</p>

	<p>and document for land use decisions that rely on the SCWA working towards fulfilling its long range water supply obligations. The Restructured Water Supply Agreement has a time frame consistent with the City's planning documents; i.e., planning time frames that project water supply needs at least 25 years into the future. It is crucial that the <i>SCWA methodically and diligently perform the necessary planning, permitting and implementation of water supply and delivery improvements to fulfill contractual obligations for the life of the agreement.</i></p>
<p>A, C & B</p>	<p>2. <u>Restore reliability of water supply and system capacity.</u> During the past three years, the City has been under a Stage 1 voluntary conservation and this year declared Stage 2 mandatory water conservation. All this even though the City's share of Russian River water was stored in Lake Sonoma, at over 90 percent full. In addition, the SCWA declared the system to be impaired, not for physical or environmental reasons, but for budgetary reasons. The City and its customers cannot continue to be subject to ongoing declarations of water shortages and system impairments absent a reasoned and contractually consistent basis for these findings. Our customers deserve better! In order [to] stop this mode of operation, it is important that the <i>system be managed and operated in a manner that ensures a reliable supply of 75,000 (ultimately 101,000) acre-feet per year and a transmission system delivery capacity of 92 (ultimately 150) million gallons per day.</i> We believe that perfecting the Russian River diversion of 75,000 acre-feet per year is an important water supply strategy and support the SCWA's efforts in this regard (e.g., implementation of activities related to the Biological Opinion, development of a "contingency" plan should these measures fail to improve environmental conditions in the River). However, we also believe that the <i>SCWA must continue to work towards securing the additional Russian River diversion to meet the City's future needs.</i> We are very much aware that planning and securing additional water rights takes years, even decades to acquire, given the environmental impacts that must be analyzed and considered and the necessary public process that accompanies that consideration.</p>
<p>E</p>	<p>3. <u>Provide transparency and collaboration in water supply planning decisions.</u> The City, a water contractor, considers the SCWA to be a contracting partner, not a water regulator. We believe that this is the only way that both customer and supplier can come to terms with customer needs versus what is realistic to achieve. This "coming to terms" can only be accomplished if communication and</p>

	<p>open dialog occurs in both directions; the decision-making for critical water supply elements is shared among the contracting parties; and those decisions are based on necessary due process of rigorous fact-finding, full disclosure input, negotiation and finally, adequate notice of the decision. We are disappointed with recent SCWA actions and decisions that were made unilaterally. We are particularly dismayed that some of the actions appear to be inconsistent with the terms of our <i>Restructured Water Supply Agreement</i>. In some cases, while the actions and decisions have been interpreted by the SCWA as being within its authority under the agreement, the unilateral manner in which the decisions and actions were made have caused much to negatively affect our contractual relationship and ability to work toward the over-arching mission of providing a safe, reliable and consistent water supply to our customers. We are encouraged that the SCWA Board has also recognized this schism and vowed to work collaboratively with the water contractors. It has been suggested by several members of the WAC, and we concur, that given the divide that currently exists, a “third party”, independent facilitator may be needed in order to help all parties work through our issues and move towards compromise and resolution.</p>
D	<p>4. <u>Prioritize the SCWA’s and rate payers’ resources to achieve water supply reliability.</u> We all have limited resources and it is important that we work together towards prioritizing projects and activities that achieve current and future water supply reliability. The City has been supportive of costly activities related to the Biological Opinion, water system improvements and the Water Project EIR. We believe those projects and activities are critical to the City’s ability to serve its customers in the short and long term. It is noted that there are many worthwhile activities and projects identified in the New Water Supply Strategies, but as a City whose ratepayers demand value for their money, it is important that we prioritize activities and projects based on achieving real and quantifiable water supply reliability.</p>
C	<p><u>City of Petaluma</u></p> <p>1. <u>Fulfill contractual water supply obligations to the Water Contractors.</u> Since 1961 numerous water supply agreements have been negotiated in good faith by the Agency and the Water Contractors for the provision of water supply, most recently in 2006 with <i>the Restructured Agreement for Water Supply (Agreement)</i>.</p>

	<p>The delivery obligations included in the Agreement are consistent with the Agency's 2005 Urban Water Management Plan and the Water Project EIR.</p>
<p>A</p>	<p>2. <u>Improve the operational consistency and reliability of the water transmission system.</u> For the last three years the Agency's Water Contractors have operated in a "crisis" mode in response to storage problems with Lake Mendocino, even though Lake Mendocino is not our primary source of water. In 2007, the Water Contractors reduced Russian River water demands by over 15% relative to 2004 in response to the State's mandate. This year the State increased the mandated Russian River water diversions reductions to 25%, despite the fact that the keys to maintaining storage in Lake Mendocino are further conservation in the upper Russian River and, more importantly, relief from the outdated instream flow requirements contained in Decision 1610. Additionally the Agency capped deliveries at 53 mgd to save costs. All of this has occurred at a time when Lake Sonoma, our primary source of water, remains at 90% capacity. Petaluma and the Water Contractors support the efficient use of water and recognize its value. The recent water savings could not have happened without the Water Contractors commitment to achieving sustained water conservation. But continually operating in a crisis mode as we have done for the last three years is counterproductive. It is critical the Agency operate the water transmission system in a consistent and reliable manner.</p>
<p>E</p>	<p>3. <u>Work in collaboration with the Water Contractors.</u> At the September 15th Board meeting, the relationship between the Water Contractors and the Agency was accurately characterized by the Agency as being "at an all time low." Actions taken by the Agency in the last six months have contributed to this ebb in the relationship. In April the Agency did not inform the Contractors about its on-going negotiations with the State Water Resources Control Board over its Temporary Urgency Change (TUC) petition. In May, the Agency capped its production capacity at 53 mgd for financial reasons without any supporting documentation¹. In September the Agency appropriated \$1 million for implementation of the Agency's proposed water supply strategies, without considering input from the Water Contractors. In September the Agency also unilaterally decided to make a</p>

¹ The staff reports from the April 28th and May 12th meetings at which this action was taken do not include any estimates of the projected savings to be achieved by shutting down the transmission system facilities, nor do they include a discussion of any possible alternatives.

	<p>sea change in water policy without serious discussion with the Water Contractors. The single most important activity the Agency and its Water Contractors engage in together is the provision of a consistent, safe and reliable water supply. Our mutual ability to successfully make this happen is limited unless the Agency works with its customers in a collaborative and cooperative manner.</p>
B	<p>4. <u>Prepare a master plan for implementation of the Biological Opinion (BO).</u> The Water Project and the South Transmission System Pipeline Project are two important projects that received significant investment by the Agency and the Water Contractors, only to be abandoned mid-stream due to costs and a determination by the Agency that they weren't "feasible." Cost and feasibility are important factors when deciding a project's worthiness. But those considerations should happen at the start of a project. We are concerned the Agency may be in danger of repeating this pattern with the BO. While we support implementation of the BO and recognize its importance, there is no information available to suggest implementation of the BO is feasible or affordable for the Water Contractors. Given the BO's estimated cost of \$100 million, we believe it would be worthwhile for the Agency to prepare a Master Plan for implementation of the BO. Such a plan would identify the objectives of the BO, the alternatives for achieving the objectives, and the schedule. The plan would also detail the cost of the alternatives and identify how the project is to be funded. At that point the Agency and the Water Contractors would be to assess the BO's affordability and feasibility. If it turns out not to be affordable or feasible, the Agency and the Water Contractors will be able to make informed decisions before significant funds have been expended.</p>
A & B	<p><u>City of Rohnert Park</u></p> <p>1. The highest priority of the SCWA should be to restore the reliability of the existing 75,000 acre-foot water right and the current transmission system. We understand that meeting the milestones in the Biological Opinion is essential and encourage you to do what is necessary to ensure our mutual successes in that endeavor.</p>
D	<p>2. SCWA's rates for wholesale water increased over 50% in the last five years. The customers have had to pay more for less during the most severe economic slowdown since the Great Depression. Simultaneously, SCWA has dramatically</p>

	reduced the services it offers to its customers on a reimbursement basis – SCWA actually terminated alternative revenue streams such as contractor reimbursements for water conservation staff. We seek a long term financial plan negotiated in good faith with its customers that SCWA will follow.
E	3. SCWA can direct senior staff to pursue a new era of openness and honest communication with its customers.
E	4. The strategic priorities need accountability mechanisms and more specifics. Initiatives should be evaluated for SCWA’s ability/willingness to complete them prior to undertaking them and spending millions of dollars. The SCWA has a record of incomplete initiatives. Examples include the North Sonoma County Agricultural Reuse Project, Water Supply and Transmission System Project, Flood Control Design Criteria update, and recently the Water Supply Transmission System and Reliability project. Rate payers and tax payers need their limited resources spent on fruit bearing efforts.
E	5. The twelve Strategic Priorities do represent an outline of a plan for the future. This plan needs to be fleshed out with appropriate timelines and check-in points.
A	<u>Town of Windsor</u> 1. Restore reliability of the current water supply of 75,000 acre-feet per year and current transmission system capacity to deliver water at a maximum monthly average rate of 92 million gallons per day.
E	2. Provide transparency and collaboration with the Water Contractors in water supply planning decisions.
D	3. Prioritize SCWA’s and water rate payers’ resources to achieve current and future water supply reliability.
B	4. Address impacts on listed Salmonid species through compliance with the Biological Opinion.
F	5. Protect water quality.
C	<u>North Marin Water District</u> 1. Fulfill its contractual water supply obligations to the Water Contractors.
F & A	2. Protect water quality and improve reliability of the water transmission

	system.
B	3. Address impacts on listed Salmonid species through compliance with the Biological Opinion.
C	<u>Marin Municipal Water District</u> 1. Fulfill its contractual water supply obligations to its retail water customers.
F & A	2. Protect water quality and improve reliability of the water transmission system.
B	3. Address impacts on listed Salmonid species through implementation of the Reasonable and Prudent Alternatives in the Biological Opinion.

City of Cotati

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