



July 27, 2010

Grant Davis
General Manager
Sonoma County Water Agency
404 Aviation Boulevard
Santa Rosa, CA 95403

RE: City of Santa Rosa Input on the Sonoma County Water Agency Draft Water Supply Strategy Action Plan – May 2010

SUSAN GORIN
Mayor

Dear Mr. Davis,

GARY WYSOCKY
Vice Mayor

JANE BENDER
VERONICA JACOBI
ERNESTO OLIVARES
JOHN SAWYER
MARSHA VAS DU'PRE

The City of Santa Rosa appreciates the opportunity to provide input on the Sonoma County Water Agency's (Water Agency) Draft Water Supply Strategy Action Plan (Action Plan). The City would like to thank the Water Agency staff for the outreach efforts and presentations that have been made to Santa Rosa's Board of Public Utilities and City Council regarding the Action Plan. The City looks forward to continued collaboration on the further development and refinement of the Action Plan.

Upon review, the Santa Rosa City Council recommends the following as the top priorities for the Action Plan:

- Address impacts on listed salmonid species and Dry Creek Summer flows through implementation of the Biological Opinion
- Fulfill contractual water supply obligations to the Water Contractors and seek out and identify those using water without water rights
- Restore reliability of current water supply and transmission system capacity
- Develop financing options as well as a regional analysis of the financial and environmental costs to both the Water Agency and the Water Contractors for full implementation of each of the 10 water supply strategies
- Work with the Water Advisory Committee (WAC) to prioritize the order in which actions will be taken to maximize the Water Agency's and water rate payers' resources to achieve current and future water supply reliability

In addition, the Santa Rosa City Council provides the following input on the Action Plan:

1. Water Supply Strategy 1 – Address Dry Creek Summer Flows (Page 6)

The Santa Rosa City Council believes that seeking federal funding and considering bond funding should be a high priority for implementation of the requirements of the Biological Opinion. The Council suggests adding this as an Immediate Action to Strategy 1.

2. Water Supply Strategy 1, Immediate Action 1 – Habitat enhancement (Page 6)

The Council supports implementation of the requirements of the Biological Opinion to protect the endangered fish species living in the Russian River and Dry Creek. In order to determine if the Biological Opinion requirements are protecting the endangered fish species, it is imperative to define success for habitat enhancement. The Council suggests adding a project under this immediate action for the Water Agency to work with the National Marine Fisheries Services, California Department of Fish and Game and other stakeholders to define success for the habitat enhancement along Dry Creek.

The Council also recommends including additional detail and description of the Phase 1 and Phase 2 studies referred to in this action item, as well as adding a Near Term Action describing the needed environmental work and seeking the funding needed for implementation of the conclusions of the feasibility studies.

3. Water Supply Strategy 1, Immediate Action 2 – Reduce peak demand on transmission system (Page 6)

The Council is fully committed to reducing peak demand and to that end, established a peak reduction program in 1998, with annual capital funding. The peak reduction program provides incentives for improving irrigation efficiency, reducing irrigation water use, and developing alternate water supply sources. One of the most successful programs has been the City's Green Exchange Program, established in summer 2007, which has provided incentives leading to the removal of over 1 million square feet of turf within the City's service area. The Council recommends adding a project to investigate the feasibility of implementing a region-wide turf removal program to assist with reducing peak demand.

4. Water Supply Strategy 1, Immediate Action 2, Project B – Storage – Groundwater Banking Feasibility Study (Page 6)

The Council suggests that information on the estimated entire life-cycle cost for implementing groundwater banking, including capital costs, operational costs, energy costs, and environmental costs, including but not limited to potential water quality impacts and green house gas emissions, as well as information on the potential reduction in peak demand be included for this project.

5. Water Supply Strategy 1, Immediate Action 3 – Bypass pipeline feasibility study (Page 7)

The Council recommends including cost estimates and potential funding options for constructing the Dry Creek bypass pipeline in the Action Plan.

6. Water Supply Strategy 1, Near Term Action 1 – Construct second and third miles of Dry Creek habitat enhancement, per BO (Page 7)

The Council understands that the Water Agency will have a better understanding of the potential costs for habitat enhancement along Dry Creek as the Water Agency begins constructing the first mile of habitat enhancement. The Council recommends including cost estimates, based on costs for implementation of the first mile of habitat enhancement, as well as potential funding options for implementation of the second and third miles of habitat enhancement along Dry Creek. The Council also recommends providing additional information and detail on this action, including a description of environmental work needed, timeline for implementation, and funding needed.

7. Water Supply Strategy 1, Long-Term Action 1 – Construct fourth, fifth and sixth miles of Dry Creek habitat enhancement, per BO (Page 7)

The Council recommends including cost estimates, based on costs for implementation of the first mile of habitat enhancement, as well as potential funding options for implementation of the fourth, fifth and sixth miles of habitat enhancement along Dry Creek. The Council also recommends providing additional information and detail on this action, including a description of environmental work needed, timeline for implementation, and funding needed.

8. Water Supply Strategy 1, Long-Term Action 2 – In the event that habitat enhancement efforts are unsuccessful, build Dry Creek bypass pipeline (Page 7)

The Council concurs with North Marin Water District Board's comment number 4 (letter to Grant Davis dated June 17, 2010) regarding the Dry Creek bypass pipeline and believes that the Water Agency needs to have a contingency plan ready to implement should habitat enhancement be unsuccessful. The Council recommends adding a Near Term Action to evaluate the cost effectiveness of constructing the Dry Creek bypass pipeline in lieu of pursuing the second and third miles of Dry Creek habitat enhancement.

9. Water Supply Strategy 2, Immediate Action 1, Project B – Demand Analysis (Page 8)

The Council believes that in order to meet the current and future demands of our region and adequately manage the Russian River system, the Water Agency needs to have an understanding of the amount of water that is illegally diverted from Dry Creek and the Russian River. The Council recommends including an estimate of illegal diversions in the water demand analysis modeling.

10. Water Supply Strategy 2, Immediate Action 1, Project E – Interim Change Petitions (Page 8)

The Council understands that the Biological Opinion requires the Water Agency to submit interim change petitions every year until permanent changes to Decision 1610 are made. The Council also understands that the Water Agency and Water Contractors need to collaborate and work together in order to successfully implement the change petitions every year. The Council suggests expanding the project to include the annual submission of the interim change petitions and to include collaboration and coordination with the Water Contractors on this project before submittal by the Water Agency.

11. Water Supply Strategy 2, Immediate Action 3 – Work with grape growers to support development and implementation of agricultural water conservation strategies (Page 9)

The Council supports water conservation implementation for all water users and recommends that the Water Agency include Near Term Actions for implementation of the recommendations from the vineyard irrigation and frost protection water conservation pilot studies.

12. Water Supply Strategy 2, Immediate Action 5 – Support enhanced weather forecasting for frost protection and irrigation by agriculture (Page 9)

The Council concurs with the questions raised in North Marin Water District Board's letter, comment number 7 (letter to Grant Davis dated June 17, 2010). The Council recommends that the Water Agency provide additional detail on how this project is funded and what, if any, cost is being incurred by the Water Contractors to implement this project.

13. Water Supply Strategy 2, Immediate Action 8 – Agency Water Rights Reporting (Page 10)

The Council concurs with the questions and comments in North Marin Water District Board's letter, comment number 8 (letter to Grant Davis dated June 17, 2010). The

Council understands this to be a regulatory requirement of the State Water Resources Control Board and recommends deleting this action from the Action Plan.

14. Water Supply Strategy 2, Long-Term Action 1 – Address Potter Valley Diversion Issues (Page 10)

The Council believes this is an important action to address and suggests that the Water Agency determine if there are any immediate or near term actions that need to be included in order to implement this action. In addition, the Council recommends that the Water Agency expand the involved parties to include other stakeholders, such as the Friends of the Eel River.

15. Water Supply Strategy 3, Immediate Action 2, Project A – Support development of Hydrometeorology Test bed (HMT) for Russian River Basin (Page 11)

The Council concurs with North Marin Water District Board's comment number 10 (letter to Grant Davis dated June 17, 2010) regarding considering if this project could be combined with Water Supply Strategy 2, Immediate Action 5 to achieve cost savings.

16. Water Supply Strategy 3, Near Term Action 1, Project A – Develop Adaptation Measures (Page 11)

The Council concurs with the questions and comments in North Marin Water District Board's letter, comment number 11 (letter to Grant Davis dated June 17, 2010). The Council recommends that the Water Agency provide additional detail on the support that the Water Agency will be providing and what costs may be involved.

17. Water Supply Strategy 5, Develop Water Smart Development (WSD) Standards (Page 13)

The Council is fully committed to water conservation requirements for new development and has been requiring new development to install efficient indoor fixtures since 1991 and has required new development to install efficient landscapes since 1992, with updated requirements in 2007 and most recently in 2009. The Council supports the development of water smart development standards and requests that the Water Agency include additional information on the costs of implementation as well as quantification of the water supply benefits.

In addition, the Council believes that this is one Action as opposed to a Strategy and suggests including this as an Action under Water Supply Strategy 9 – Implement Integrated Water Management.

18. Water Supply Strategy 7, Improve Transmission System Reliability (Page 16)

The Council believes that this is a critical strategy and should be one of the top priorities of the Water Agency. The Council recommends that the Water Agency include cost estimates for all projects listed in Immediate Action 1.

In addition, the Council concurs with North Marin Water District Board's comment number 14 (letter to Grant Davis dated June 17, 2010) regarding the rubber dam and recommends that replacement of the rubber dam be included as one of the Water Agency's reliability projects.

19. Water Supply Strategy 8, Take Advantage of Energy and Water Synergies (Page 18)

The Council is fully committed to reducing the City's greenhouse gas emissions. One way to reduce greenhouse gas emissions is by reducing the amount of electricity needed for pumping water. The Council recommends including an action item to explore opportunities for storing water closer to point of use to reduce the energy needed to move water.

20. Water Supply Strategy 8, Immediate Action 2, Project B – Fuel Cells (Page 18)

The Council recommends that the Water Agency include the need to thoroughly examine the operations and maintenance costs of using fuel cells, as well as the potential environmental costs of using fuel cells.

21. Water Supply Strategy 9, Immediate Action 2 - Long Term Financial Analysis (Page 20)

The Council supports the creation of a long-term financial analysis to determine the most cost-efficient projects to meet current and future water supply needs. The Council recommends that the financial analysis compare both regional and local water supply, conservation, demand management, and recycled water projects to determine the most cost-effective supply for the rate payer.

22. Water Supply Strategy 9, Near Term Action 1 – Evaluate Base Demand System (Page 20)

The City has been aggressively implementing indoor and outdoor water conservation programs since 1976-77 and has developed local supply sources to help reduce peak summer demand. The Council would like to understand what the Water Agency believes are the advantages and disadvantages of a base demand system. The Council recommends that the Water Agency include an analysis of impacts and benefits to water supply and the environment, as well as financial benefits and impacts to the Water

Agency's and Water Contractor's customers from implementation of a base demand system.

23. Water Supply Strategy 9, Near Term Action 3 – Develop ongoing process with Water Contractors to monitor impacts of land use decisions on water supply and Long Term Action 1 – Conduct periodic updating of demand projections by Water Contractors in advance of UWMP updates

The Council concurs with North Marin Water District Board's comment number 17 (letter to Grant Davis dated June 17, 2010) regarding updating of water demand projections.

24. Water Supply Strategy 9, Near Term Action 4 - Negotiate New Restructured Agreement (Page 21)

The Council is aware that the negotiation of the Restructured Agreement for Water Supply took more than 5 years to complete. The Council would like to better understand what portions of the Restructured Agreement that the Water Agency believes need to be amended. Therefore, the Council recommends that the Water Agency amend this item to identify areas where specific amendments to the Restructured Agreement need to be made in lieu of opening up the entire agreement for renegotiation. In addition, the Council fully supports maintaining the integrity of Section 3.5 of the Restructured Agreement should any amendment to the Restructured Agreement need to occur.

25. Water Supply Strategy 10, Immediate Action 1 - Collaborative Platform (Page 22)

The Council understands that this strategy will allow the Water Agency and the Water Contractors to share data more efficiently. The Council recommends that the Water Agency include more information to describe the water supply benefits of implementing this action.

26. Water Supply Strategy 10, Near Term Action 3 – Agency Governance Structure (Page 22)

The Council understands that the Water Agency Board has already authorized a survey of elected officials regarding possible changes to the Water Agency governance structure. However, it is not clear what water supply benefits would be generated by this action. The Council recommends that the Water Agency describe the goal of this action, including potential processes to facilitate governance structure changes and the potential water supply benefits associated with these changes.

27. Water Supply Strategy 2, Immediate Action 1, Project D – Environmental Impact Report (Page 8)

As part of the Environmental Impact Report for the modification of Decision 1610 minimum instream flow requirements, include an analysis of the water quality impacts under reduced instream flows as required by the Biological Opinion.

The City Council appreciates the opportunity to comment on the Water Agency's Draft Action Plan. Should you have any questions or need any additional information on the Council's input, please feel free to contact Miles Ferris, Director of Utilities at 707-543-3940.

Sincerely,

Susan Gorin
Mayor

Cc: Jay Jasperse, Sonoma County Water Agency
Ann Dubay, Sonoma County Water Agency
WAC Members
TAC Members
Board of Public Utilities