

County Of Sonoma Agenda Item Summary Report

Clerk of the Board Use Only

Meeting Date

Held Until

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Agenda Item No:

Agenda Item No:

Department: Sonoma County Water Agency

4/5 Vote Not Required

Contact:
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Board Date:
09/15/2009

Deadline for Board Action:

AGENDA SHORT TITLE: Water Project Redirection and New Water Supply Strategies.

REQUESTED BOARD ACTION:

See Supplemental Page

CURRENT FISCAL YEAR FINANCIAL IMPACT - None.

Explanation (if required): None.

Prior Board Action:

12-09-08: Direction authorizing the release of the Water Project Draft Environmental Impact Report (Water Project Draft EIR) for public review, establishing a 90-day review period, setting public hearings, and filing of a Notice of Completion;

06-24-08: Resolution deferring finalization of Water Project Draft EIR pending approval of Sonoma County General Plan 2020, and the issuance of the NMFS Russian River Biological Opinion by National Marine Fisheries Service;

05-01-07: Water Project Update directing that water supply alternatives for the Water Project, including the Dry Creek Bypass Pipeline be included at a program level of analysis in the EIR, and development of a strategy that includes participation by elected officials of the water contractors in the hearing process for the Draft EIR;

11-09-04: Resolution 04-1089 directing preparation of an EIR for a Water Supply, Transmission, and Reliability Project.

Alternatives – Results of Non-Approval: If staff is directed to continue the Water Project, additional staff time and funds would be used to respond to comments on the Draft EIR, perform additional analyses, and prepare a Final EIR for a project that ultimately would not be consistent with current and developing water supply strategies. Funding for these tasks has not been budgeted and is not covered by existing water rates.

Background:

This item was originally before the Board on August 25, 2009. The Board delayed action on this item in order to give the Sonoma County Water Agency's (Agency) water contractors an opportunity to comment more fully on the issues raised by the item. On August 31, 2009, the Water Advisory Committee (WAC) adopted a resolution requesting changes to the Board actions proposed by Agency staff on August 25.

Agency staff have reviewed the WAC resolution and recommend only one minor change to the actions proposed on August 25.

As detailed in the background to the August 25 item (A1), Agency staff has concluded that it is no longer feasible to carry out the Water Project as specifically set out in the draft Environmental Impact Report (Water Project) released in June 2008. Instead, Agency staff recommends working with the water contractors to develop new alternative water supply projects to meet the reasonable expected future water demands of the water contractors, incorporating the water supply strategies that were presented to the Board by Agency staff on April 13, 2009.

The WAC's resolution supports Agency's staff's recommendation to work with the water contractors and others to develop new water supply projects consistent with the water supply strategies. At the WAC's meeting on August 31, WAC members clearly understood that changed circumstances – particularly, the issuance of the Biological Opinion in September 2008 and the reduction in flows from PG&E's Potter Valley Project – had impacted the viability of the Water Project and given rise to a need to look into new water supply strategies.

Notwithstanding this recognition, the WAC resolution asks the Board to delay taking any action to formally terminate work on the Water Project. For the reasons discussed below, Agency staff recommends that the Board act now, rather than delaying a decision, for a number of reasons.

First, the Agency is by law required to prepare an update to its Urban Water Management Plan (UWMP) by the end of 2010. To meet this deadline, Agency staff must begin work on the 2010 Plan immediately. The Agency's existing UWMP contains supply and demand analyses that were based upon the assumption that the Water Project would be implemented. Delaying action on terminating the Water Project means that Agency staff would not know until some later date whether that assumption should be used in the 2010 Plan. If the Board delays its decision, it will be difficult if not impossible for Agency staff to complete the 2010 UWMP by the end of 2010, thus exposing the Agency to legal action.

Second, the Biological Opinion (BO) requires the Agency to file an application by September 24 with the State Water Resources Control Board (SWRCB) to permanently reduce Russian River minimum instream flows. Receiving SWRCB approval for these reductions is critical to ensuring that the Agency is able to fully secure and utilize its existing Russian River water supply. Agency staff is concerned that the Agency's continued pursuit of the Water Project will undermine its attempt to obtain SWRCB approval of the BO-required minimum flow changes. Unless the Water Project is formally terminated, the Agency would be pursuing a project to reduce instream flows at the same time it is pursuing a project to increase Russian River diversions. Given this inconsistency, and given the infeasibility of the Water Project as noted, Agency staff recommends terminating work on the Water Project before making application to the SWRCB.

Finally, in staff's view, it is also important to act now for planning and public policy reasons. Nothing in the foreseeable future will change the conclusion that the Water Project is no longer environmentally, financially, or practically feasible. Given that fact, it is important that the Board formally terminate work on the Water Project, so that land use and other decisions are not based upon an assumption that it will be implemented, and so that the water contractors and the Agency can commence work to develop and implement new alternative water supply projects to meet reasonable future demands.

The WAC resolution also requested that the Agency not withdraw or modify its existing application and petitions with the SWRCB, which were filed in connection with Water Project's expected additional diversions and rediversions from the Russian River. The water contractors are concerned that the Agency not take any action with respect to this application and petitions that would impair the Agency's ability to directly divert Russian River water, or to release and redivert water from Lake Sonoma, in an amount greater than 75,000 acre-feet per year, if necessary in order to meet future demands. This was always the staff's intention, and in response to the water contractors' concerns on this issue, we have modified the requested action on this point to read:

County Counsel and the General Manager/Chief Engineer are authorized and directed, following consultation with the Agency's water rights counsel, to take appropriate steps to withdraw or modify the Agency's pending State Water Resources Control Board application and petitions to reflect this Board's decision not to proceed with the Water Project, while preserving the Agency's rights to store, divert, and redivert water now and in the future under its existing water-right permits or, if determined to be necessary in the future to meet then-existing demands, under any pending or future application, to the maximum extent possible.

Except for this change, staff recommends that the resolution presented at the August 25 meeting be adopted. A new resolution containing the change discussed above is attached.

Attachments: Resolution with exhibit (R1), copy of 08/25/09 agenda item, "Water Project Redirection and New Water Supply Strategies" (A1)

On File With Clerk: "Greenhouse Gas Emissions Related to Water and Wastewater Services: Baseline, Reduction Strategies, and Recommendations," June 2008. Prepared for the City of Santa Rosa, Utilities Department and "Sustaining Our Water Future, A Review of the Marin Municipal Water District's Alternatives to Improve Water Supply Reliability," prepared for Food & Water Watch.

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Board Action (If other than "Requested")

Vote:

Supplemental Page:

REQUESTED BOARD ACTION(S):

Resolution

- a. Authorizing and directing the General Manager/Chief Engineer, with the input of the water contractors and other interested stakeholders, to commence and continue the development of new water supply projects, plans, and strategies to meet the reasonable expected future water demands of the Agency's water contractors, taking into account the National Marine Fisheries Service Russian River Biological Opinion constraints and reduced Potter Valley Project flows, and incorporating the water supply strategies attached as Exhibit A, climate change analysis, maximum levels of water conservation and efficiency measures, recycled water, conjunctive use, and low impact development strategies;
- b. Declaring that the Agency will redirect its efforts towards the pursuit of such new water supply strategies and will no longer pursue development and implementation of the Water Project described in the Draft Environmental Impact Report dated June 2008, due to changes in circumstances giving rise to environmental, regulatory, and financial constraints that render development and implementation of the Water Project impractical and infeasible, and authorizing and directing the General Manager/Chief Engineer to cease work on the Water Project Environmental Impact Report;
- c. Authorizing and directing the General Manager/Chief Engineer and County Counsel to negotiate a new Agreement for Water Supply reflecting the Board's direction above;
- d. Authorizing and directing the General Manager/Chief Engineer to commence preparation of the Agency's 2010 Urban Water Management Plan based upon the assumption that the Agency will redirect its efforts towards pursuit of new water supply strategies as described above and will not implement the Water Project;
- e. Authorizing and directing County Counsel and the General Manager/Chief Engineer, following consultation with the Agency's water rights counsel, to take appropriate steps to withdraw or modify the Agency's pending State Water Resources Control Board application and petitions to reflect this Board's decision not to proceed with the Water Project, while preserving the Agency's rights to store, divert, and redivert water now and in the future under its existing water-right permits or, if determined to be necessary in the future to meet then-existing demands, under any pending or future application, to the maximum extent possible.