

DRAFT* MINUTES OF THE SPECIAL WATER ADVISORY COMMITTEE
AND
TECHNICAL ADVISORY COMMITTEE
Utilities Field Operations Training Center
35 Stony Point Road, Santa Rosa, CA
August 5, 2024

Attendees: Dan Herrera, City of Petaluma
Jon Shribbs, City of Petaluma
Matt Fullner, Valley of The Moon Water District
Jon Foreman, Valley of the Moon Water District (Joined meeting at 9:55 a.m.)
Jennifer Burke, City of Santa Rosa
Natalie Rogers, City of Santa Rosa
Eric Miller, North Marin Water District
Jack Baker, North Marin Water District
Grant Davis, Sonoma County Water Agency (SCWA or Sonoma Water)
Laura Sparks, City of Cotati
Craig Scott, City of Cotati
Ron Wellander, City of Sonoma
Mike Berger, City of Sonoma
Cristina Goulart, Town of Windsor
Sam Salmon, Town of Windsor
Emily Sanborn, City of Rohnert Park
Vanessa Garrett, City of Rohnert Park
Jed Smith, Marin Municipal Water District
Paul Sellier, Marin Municipal Water District
Michelle Montoya, City of Santa Rosa

Staff/Alternates: Paul Piazza, SCWA
Lynne Rosselli, SCWA
Don Seymour, SCWA
Dale Roberts, SCWA
Kent Gylfe, SCWA
Sasha Ponomareva, SCWA
Andrea Rodriguez, SCWA
Brad Sherwood, SCWA
Oriana Hart, City of Petaluma
Larry Russell, Marin Municipal Water District
Cortney Bowser, City of Rohnert Park
Peter Martin, City of Santa Rosa
Claire Nordlie, City of Santa Rosa
Lisa Cuellar, City of Santa Rosa

Public: Brenda Adelman, Russian River Watershed Protection
Don MacEnhill

1. Check In
Natalie Rogers, WAC Vice Chair, called the meeting to order at 9:05 a.m.
2. Public Comment
Jeb Smith, Marin Municipal, would like to encourage having a broad regional approach.

Believes each of our decisions can affect one another, and the more communication that can happen, the more understanding of each other's issues and the possibility of sharing resources.

3. Election of WAC Leadership

Natalie Rogers, WAC Vice Chair, reordered the agenda so that Item 3 – Election of WAC Leadership, would be the last item on the agenda.

Natalie Rogers, City of Santa Rosa, was nominated for WAC Chair. Moved by Ron Wellander, City of Sonoma, seconded by Emily Sanborn, City of Rohnert Park. Election of Natalie Rogers, City of Santa Rosa, as WAC Chair was unanimously approved.

Jon Foreman, Valley of the Moon Water District, was nominated for WAC Vice Chair. Moved by Jack Baker, North Marin Water District, seconded by Emily Sanborn, City of Rohnert Park. Election of Jon Foreman, Valley of the Moon Water District, was unanimously approved.

No public comment.

4. Recap from the May 6, 2024 WAC/TAC Meeting and Approval of Minutes

Moved by Sam Salmon, Town of Windsor, seconded by Jack Baker, North Marin Water District. Unanimously approved with Valley of the Moon Water District absent.

No public comment.

5. Recap from the July 1, 2024 TAC Meeting and Approval of Minutes (TAC)

Moved by Matt Fullner, Valley of the Moon Water District, seconded by Cristina Goulart, Town of Windsor. Unanimously approved.

No public comment.

6. Water Supply Coordination Council – July 22, 2024

The Water Supply Coordination Council met on July 22 and prepared today's agenda.

No public comment.

7. Sonoma Water Bond Credit Rating Update

Lynne Rosselli, SCWA, presented.

Sonoma Water issues revenue bonds to fund their capital improvement plan. The last time bonds were issued was in July 2022. To be able to issue the bonds, they must have third party credit rating. This credit rating helps to inform investors on how to do a competitive bid on the purchasing of these revenue bonds. In July 2022, they were rated as AAA stable. Credit agencies can do an annual credit check but one was not done in 2023. A credit check was done in July 2024. At that time, Sonoma Water's credit rating was downgraded from AAA stable to AA+ stable. The credit agency is looking at financial predictability and stability. The main metrics used to determine those two criteria are operating revenue minus operating expenses, and how much that is compared to their debit services that they need to pay. For the 2022 bonds, Sonoma Water had \$3.7 million in revenue bonds, and the debt service went up to roughly \$5 million. They had to have net revenues that were 115% of their debt services, which has been complied with every year. Due to the three years of drought, net revenues decreased to 126% from 270%. However, they are climbing up this past fiscal year with current net revenues around 145%. As a result of the fully volumetric rates, decrease in water sales, years of drought conditions, and increasing operations cost, Sonoma Water was downgraded to AA+ stable. All water and power utilities are facing downgrades due to reasons outside of their control including drought, inflation, supply change issues, increase in price of treatment

chemicals, and wildfires.

City of Sonoma asked with the downgrade in ratings, what is the impact.

Lynne Rosselli, SCWA, answered that you might see an increase in total interest costs of 5 to 10 points (estimated to be about \$10,000 annually).

Vanessa Garrett, City of Rohnert Park, asked if, with the downgrade in rating, it will be hard to get bonds issued for capital improvement projects or will it affect the issuing of bonds and if there are strategies to push credit ratings up.

Lynne Rosselli, SCWA, answered they do not anticipate any problems issuing bonds or getting a good interest rate with the AA+ rating. With the fully volumetric rate and the uncertainties in water deliveries, they will need to increase rates to increase revenue.

No public comment.

8. Water Supply Conditions and Temporary Urgency Change Order

Grant Davis, SCWA, presented.

Lake Sonoma storage is currently at 244,000 acre-ft and the control of releases has been transferred to Sonoma Water. The storage is now below the conservation pool for the first time, with the releases at 100 cubic-ft per second (cfs), with the reservoir declining at 240 acre-ft per day. Lake Mendocino storage is currently at 83,200 acre-ft, with releases at 190 cfs, with the reservoir declining at 280 acre-ft per day. PG& E continues to operate the Potter Valley Project in compliance with Federal Energy Regulatory Commission (FERC) and the approved variance. The current minimum releases into the east fork of the Russian River are 5 cfs. Currently managing flows into the Russian River in accordance with the State Board Order, which approved the Temporary Urgency Change Petition on June 6, 2024. The Order reduces the minimum instream flows in the upper Russian River from 185 cfs to 125 cfs and from 125 cfs to 70 cfs in the lower Russian River. That Order expires October 16, 2024.

Brenda Adelman asked how much extra water is kept in reservoirs when the water flow to the Russian River is cut almost in half. Would like to know how that helps us versus harming the Russian River watershed.

Grant Davis answered that the orders are designed with minimum stream flows for fisheries in mind.

Brenda Adelman shared that there has been no evidence of the flows helping the fish.

Grant Davis, SCWA, said that with ocean conditions and multiple year droughts, which also affect fish, there has been data showing that the stream flows and habitat maintenance has helped.

9. Sonoma Marin Saving Water Partnership (TAC)

a. 2024 Water Production Relative to 2013 Benchmark

Jennifer Burke, City of Santa Rosa, presented.

Total deliveries in June 2024 relative to 2013 are down 22% in overall water usage and are down 27% for the year-to-date.

No public comment.

b. Water Use Efficiency Messaging

Andrea Rodriguez, SCWA, presented.

August messages are focused on the water smart manual, landscape design templates, Water Smart plant labels, and Be Climate Ready With Garden Sense.

Master Gardens, "Greatest Care of Earth", at Sonoma County Fair promoted climate-ready landscape practices.

Jennifer Burke, City of Santa Rosa, shared that the display at the Sonoma County Fair was beautiful and believes it shows a great display of how to have a water efficient landscape.

No public comment.

10. Biological Opinion Status Update

Grant Davis, SCWA, presented.

Expecting new Biological Opinion at end of this month, with the target date the week of August 20, 2024.

Dry Creek Habitat Enhancement Project – The mile that is left has become elusive, as it is becoming more and more difficult to work with the private landowners. Had 14 miles to work with as a template, with 5 miles of restoration done. With the 6th mile becoming elusive, other forms of mitigation will be required.

Fish Monitoring and Maintenance – Downstream migrant traps were operated on Dry, Mill, Mark West, Green Valley, Dutch Bill, Austin, and Willow creeks. Currently the Dry Creek trap is the only trap still fishing. Due to safety concerns related to the current configuration of the stream channel, Sonoma Water is unable to operate the Mirabel trap on the mainstream Russian River. Dry Creek and Mill Creek are performing with Steelhead. Dutch Bill Creek is also showing a significant number of Coho.

Interim Flow Changes – On June 6, 2024, the Division of Water Rights issued an Order approving Sonoma Water's change petition which was required to be filed to comply with the 2008 Biological Opinion since the current hydrologic condition is normal.

Jennifer Burke, City of Santa Rosa, asked if there was an update on the fish flow environmental impact report (EIR).

Grant Davis, SCWA, said there is no update at this time.

Brenda Adelman asked if there will be a public process for the Biological Opinion and for the fish flow change EIR.

Grant Davis, SCWA, said that there will be a Public Policy Facilitation Committee meeting once the Biological Opinion is issued, they will look for the best time to conduct that meeting. Regarding the EIR, with all of the changes with the Potter Valley Project, it has affected how things will move forward.

Brenda Adelman said 95% of the time during the public meeting is used to give reports on what the agencies are doing and there is no encouragement of the public to comment or get their questions responded to.

11. Eel Russian Project Authority and Potter Valley Project Update

Grant Davis, SCWA, presented.

Seeing incremental process with the project, as PG&E needs to submit their draft license surrender application for the facilities, which includes the removal of two dams, next year. There is a lot of activity around how a new facility would function and how the construction of a new facility would be authorized. At this time, there is no Eel Russian Project Authority meeting scheduled. Looking to possibly have one later this year due to PG&E adding in Sonoma Water's proposal for a new facility. A \$2 million grant has been secured from the Bureau of Reclamation, which will take diversion facility design from 30% to 60%.

Congressman Huffman was instrumental in securing the funds.

Laure Sparks, City of Cotati, shared that the meeting with the Regional Director of the Bureau of Reclamation was really positive.

No public comment.

12. Integrated Regional Water Management Plan(s) Update

Grant Davis, SCWA, presented.

There are two integrated water management plans. The first is the nine county Bay Area Plan, which included \$20 million to get radars up and running, which Scripps in San Diego will be operating. The second is the Integrated Water Management Plan for the North Coast, which includes seven counties from Sonoma County to the Oregon border. This is an award winning project that continues to bring in funding to our counties, especially for

disadvantaged communities throughout the region. There is a proposed \$10 billion climate resiliency bond which includes funding for water and wastewater and habitat projects that we are well positioned for, which will help the State bring funding to the regional levels.

No public comment.

13. Communications Update

Andrea Rodriguez, SCWA, presented.

July was a quiet month, but hosted members of the Santa Rosa Water team for a transmission tour. Sonoma Water is celebrating its 75th anniversary. Sonoma Water is posting history on their website. Also hosted a stream gage and Dry Creek habitat tour for a Sacramento delegation which include guests from Assembly Water, Parks, and Wildlife Committee, California Water Data Consortium, Environmental Defense Fund, Legislative Analyst's Office, Senator Dodd's office, Speaker Rivas' office, and The Nature Conservancy. For public outreach, the Groundwater Sustainability Agencies are looking for volunteers for well monitoring. Sonoma Water is hosting the LandPaths tour at Lake Sonoma, which is a hatchery tour completely in Spanish.

No public comment.

14. Government Affairs Update

Brad Sherwood, SCWA, presented.

California Governor reduced the Climate Resiliency program funding by \$3 billion, which was funding we need. However, we were successful in hitting Associated of California Water Agencies (ACWA) Region 1 goals, which ensures funding for the Integrated Regional Water Management programming. This funding was not in the bond in earlier versions, so a big thanks to everyone at ACWA Region 1 who supported this funding. Funding for projects including the Potter Valley Project, recycled water, and sanitation. On the Federal side, there is a Continuing Resolution coming up again. Good news is our federal advocates have been making sure our appropriation requests are in the bills we need them in. This includes Army Corp maintenance, mussels, fish recovery, fire recovery work, and season to season forecasting. Senator Padilla has been an anchor for funding for season to season forecasting. One issue is the Army Corp budget, on the fire resiliency side, is not increasing their fire vegetation management budget. They have about half a million dollars per reservoir, which is not enough to do a proactive program. Working to increase that budget so more management work can happen. Sonoma Water is meeting with the water contractor's City Managers to meet with them and their leadership teams. Just had a meeting with City of Santa Rosa. This came from the realization that there was a need to help water contractors with educating their leadership teams and their communities. Helping Lake Sonoma to staff the visitors center. Had over 1,000 visitors last month, and over half of them came during the week.

Jed Smith, Marin Municipal Water District, asked how much coordination is done with the Marin government relations team.

Brad Sherwood, SCWA, answered that they probably did not coordinate enough with them.

Jed Smith, Marin Municipal Water District, said they will get it setup.

Jennifer Burke, City of Santa Rosa, said there was an ACWA board meeting last Friday and it was not the position of Board, but position of the State Legislative committee, to take a neutral position on the proposed climate bond. A lot of people did not show up to the State Legislative meeting, but as a reminder, it is important for people to come and voice their opinions. It is clear that ACWA will not be changing their position and will be remaining neutral. This bond will be a fight without their support behind it.

Brad Sherwood, SCWA, said they have signed on with other water agencies in support of the bond and is optimistic it will pass. Also, the National Association of Towns (NATO) is hosting a leadership summit which means that there will be around 600 county leaders from around the nation coming here. This will be hosted at Lake Sonoma, and the WAC

and TAC may want to send representatives to meet with everyone.

No public comment.

Moved back to Item 3 – Election of WAC Leadership.

15. Items for Next Agenda

Grant Davis, SCWA, requested that we place a formal acknowledgement on the agenda to thank Mike Healy for his service.

No public comment.

16. Check Out

Chair Rogers adjourned the meeting at 10:16 a.m.