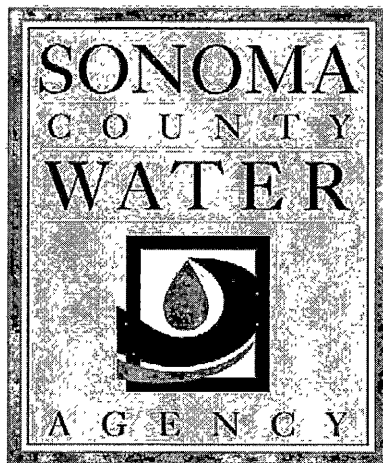

State Water Resources Control Board
Order 5/01/2015

Term 20 - Implementation of Conservation
Regulatory Framework



June 4, 2015

Prepared by

**Sonoma County Water Agency
404 Aviation Blvd
Santa Rosa, CA 95403**

1 Introduction

This report has been prepared by the Sonoma County Water Agency (Water Agency) to fulfill the requirements of Term 20 (a) of the State Water Resources Control Board (State Board) Order dated May 1, 2015 (Order).

Term 20 of the Order directs the Water Agency to take the following actions:

SCWA shall submit evidence of compliance with any future regulatory framework implementing the conservation requirements of the Governor's April 1, 2015 executive Order (future regulatory framework) or a water demand reduction plan (Plan) for all customers that beneficially use water diverted and /or stored under these rights or customers otherwise subject to the temporary changes authorized by this order (excluding customers found on the De Minimus list provided by SCWA on April 29, 2015, whose diversions amount to less than one percent of SCWA's total water distributed), as follows:

- a. For SCWA customers that are subject to the future regulatory framework, SCWA shall submit written confirmation to the Deputy Director to demonstrate whether and how said customer is A) subject to the future regulatory framework and B) in compliance with all applicable conservation and reporting requirements therein. The written confirmation for part A shall be submitted within 2 weeks after the effective date of the future regulatory framework and updated within 2 weeks of any new such customer being added. The written confirmation for part B shall be submitted within 180 days of the date of order issuance.
- b. For SCWA customers that are not subject to the future regulatory framework, SCWA shall prepare a Plan to ensure these customers meet a water demand reduction of a minimum of 20% of baseline water demand. The Plan shall define baseline water demand as appropriate for SCWA's situation based on considerations such as weather, economy, wholesale supplier allocations or other relevant information. For the purpose of compliance with this term, if the Plan does not define baseline water demand, it is assumed to be the average water demand for the previous year (excluding drought years). The Plan shall be submitted within 2 weeks after the date of issuance of this order and updated within 2 weeks of any such new customer being added.

2 Customers Subject to Regulatory Framework

The future regulatory framework referred to in the Order was issued by the State Water Resources Control Board in Resolution No. 2015-0032 (Resolution) on May 5 and went into effect on May 15, 2015. The Resolution set conservation standards for categories of urban water suppliers (defined as having over 3,000 connections) based on the average residential per capita water use from July through September 2014. Table 1 shows the Water Agency customers that are subject to the Resolution's conservation standards and the respective conservation goal for each customer. According to the Resolution, these conservation standards are effective beginning June 1. The Water Agency, continues

to work closely with the local water retailers to implement a regional program and support the Sonoma-Marín Saving Water Partnership.

Table 1: Water Customers with Assigned Conservation Standard

| Water Retailer | Conservation Standard |
|--|------------------------------|
| City of Rohnert Park | 16% |
| City of Santa Rosa | 16% |
| City of Petaluma | 16% |
| Town of Windsor | 16% |
| Valley of the Moon Water District | 20% |
| Marin Municipal Water District | 20% |
| North Marin Water District | 24% |
| City of Healdsburg | 28% |
| City of Sonoma | 28% |
| Sonoma-Marín Saving Water Partnership Total | 19% |

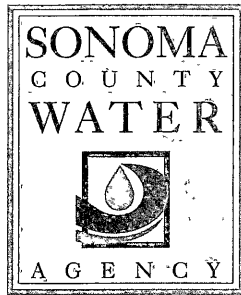
Furthermore, the Resolution requires each water public water system that is not classified as an ‘urban water supplier’ (has less than 3,000 connections) to either reduce water use by 25% compared to 2013 production or limit irrigation to 2 days per week. Table 2 contains the Water Agency customers that have less than 3,000 connections and the actions they have taken to comply with the regulatory framework.

Table 2: Water Customers without an Assigned Conservation Standard

| Water Retailer | Conservation Action |
|----------------------------|----------------------------|
| CalAm - Larkfield | Irrigation Limitation |
| Penngrove Water Company | 25% Reduction |
| City of Cotati | Irrigation Limitation |
| Forestville Water District | Irrigation Limitation |

3 Customers Not Subject to Regulatory Framework

The Water Agency does not have any customers, excluding customers found on the De Minimis list, that are not subject to the regulatory framework.



CF/42-0.19-9 SWRCB Order Approving Temporary
Urgency Change in Permits 12947A, 12949, 12950 &
16596 for 2015 (ID 5315)

May 27, 2015

Ms. Barbara Evoy
Deputy Director of Water Rights
State Water Resources Control Board
Division of Water Rights
P.O. Box 2000
Sacramento, CA 95812-2000

**RE: Request to Amend May 1, 2015 Temporary Urgency Change Order
Water Right Permits 12947A, 12949, 12950, and 16596 (Applications 12919A, 15736,
15737, and 19351)**

Dear Ms. Evoy:

On April 21, 2015, the Sonoma County Water Agency (Water Agency) filed a Temporary Urgency Change Petition (2015 TUCP) for Water Right Permits 12947A, 12949, 12950, and 16596 (Applications 12919A, 15736, 15737, and 19351) with the State Water Resources Control Board (State Board). The 2015 TUCP requested that the State Board make the following changes to the Water Agency's permits for the period of 180 days from May 1, 2015 until October 27, 2015: (1) reduce the required minimum instream flow in the Russian River from the confluence of the East and West Forks to the river's confluence with Dry Creek from 185 cfs to 75 cfs; and (2) reduce the required minimum instream flow in the Russian River from its confluence with Dry Creek to the Pacific Ocean from 125 cfs to 85 cfs. The orange curve in Figure 1 shows the Lake Mendocino storage levels that were projected to occur during the remainder of 2015 with the instream flow requirements required by D-1610 and the green curve shows the projected storage level with the requested changes in the 2015 TUCP. As shown in Figure 1, the requested changes were projected to preserve approximately 6,300 AF of water storage in Lake Mendocino, resulting in almost 35,000 AF of storage on October 1. The State Board issued an order approving the 2015 TUCP on May 1, 2015 (TUCP Order).

On May 13, 2015, Pacific Gas and Electric Company (PG&E) filed a request with the Federal Energy Regulatory Commission (FERC) for a temporary variance of the minimum flow requirements of its license for the Potter Valley Project (PVP). PG&E filed the variance request because Lake Pillsbury was

approximately 50 percent full as a result of the ongoing drought and flood control constraints in the late winter. Despite the extremely low storage level, the water year classification, as defined in PVP's FERC license, is normal. PG&E projected that under a normal water year classification, the required and contractual water release and delivery obligations for the remainder of Water Year 2015 would result in Lake Pillsbury storage declining below 10,000 AF sometime in August. PG&E has indicated that a minimum storage pool of 10,000 AF is needed to prevent reservoir bank sloughing, which can result in turbidity impacts downstream in the Eel River and negatively affect rearing salmon and steelhead. Additionally, bank sloughing poses a significant risk of sediment partially or completely clogging the low level outlet of Scott Dam.

To preserve storage in Lake Pillsbury, PG&E has requested that FERC approve changing the water year classification from normal to dry. Under a dry water year classification, minimum flow requirements in the East Fork Russian River will be reduced from 75 cfs to 25 cfs until May 31 and from 40 cfs to 25 cfs beginning June 1. To ensure that Lake Pillsbury does not drop below 10,000 AF before December 1, 2015, PG&E has also established storage thresholds that will be evaluated monthly beginning July 1. If storage is below the monthly target threshold, the minimum flow requirement could be reduced to as low as 5 cfs, to reach the following month's target threshold.

On May 18, 2015 FERC issued an order that temporarily approves PG&E's request to change the Water Year classification for PVP from normal to dry until June 17, 2015. This requested change was not anticipated when the Water Agency filed its 2015 TUCP in April. The resulting substantial reduction in releases into the East Fork Russian River will have a significant impact on storage in Lake Mendocino during the term of the TUCP Order. A water supply analysis recently prepared by Water Agency engineering staff indicates that without significant storm events between now and early fall, the storage levels in Lake Mendocino are projected to decline to about 25,000 AF by October 1 due to the reduced PVP inflows and the releases necessary to meet downstream water demands and the minimum instream flow requirements on the Russian River. This storage level is approximately 10,000 AF less than what was projected in the 2015 TUCP. The analysis used to calculate the projected Lake Mendocino storage was completed using the Water Agency's Russian River simulation model with the following assumptions: (1) a minimum instream flow in the Upper Russian River of 75 cfs from May 1 through December 31; (2) 2013 hydrology; (3) current Russian River system losses; and (4) PVP operations based on the May 18, 2015 FERC Order approving PG&E's request to operate PVP under a dry water year classification. The blue curve in Figure 2 shows the Lake Mendocino storage levels that have occurred so far during 2015 and the orange curve shows the storage levels that are projected to occur during the remainder of 2015 if the minimum instream flow requirements approved by the TUCP Order are not amended.

Requested Amendments to Order

To preserve the drought-limited water supply in Lake Mendocino and to avoid excessively high releases from Lake Sonoma down Dry Creek that could result in violations to the Incidental Take Statement in the Biological Opinion¹, the Water Agency requests that Provision 1 of the TUCP Order be amended with the following changes (additions marked as underlined text):

1. The minimum instream flow requirements in the Russian River, as specified in Term 20 of Permit 12947A, Term 17 of Permits 12949 and 12950, and Term 13 of Permit 16596, shall be modified as follows:

a. Minimum instream flow in the upper Russian River (from its confluence with the East Fork of the Russian River to its confluence with Dry Creek) shall remain at or above 75 cubic feet per second (cfs) through June 15 and remain at or above 25 cfs starting June 16.

b. Minimum instream flow in the lower Russian River (from its confluence with Dry Creek to the Pacific Ocean) shall remain at or above 85 cubic feet per second (cfs) through June 15 and remain at or above 50 cfs starting June 16.

c. For purposes of compliance with this term, the minimum instream flow requirements shall be measured based on a 24-hour mean instream flow criterion. ~~on a 5-day running average of average daily stream flow measurements, provided that instantaneous flows on the upper Russian River shall be no less than 65 cfs and on the lower Russian River shall be no less than 75 cfs.~~

The green curve in Figure 2 shows the Lake Mendocino storage levels that are projected to occur during the remainder of 2015 with the requested amendments described above. As shown by the green curve in Figure 2, it is projected that the requested changes would preserve approximately 7,000 AF of water storage in Lake Mendocino, resulting in almost 32,000 AF of storage on October 1. This will be a significant benefit if the drought continues into the 2016 water year. Furthermore, PG&E has indicated that it is planning to file another request for a variance with FERC to reduce the PVP's minimum instream flow requirements for the Russian River watershed from November 2015 to March 2016 so that PG&E may perform additional repairs to the PVP penstocks.

¹See *Biological Opinion for Water Supply, Flood Control Operations and Channel Maintenance conducted by U.S. Army Corps of Engineers, the Sonoma County Water Agency and the Mendocino County Russian River Flood Control and Water Conservation Improvement District in the Russian River Watershed*, pp. 297-299 (NMFS, Sept. 24, 2008) for details on the incidental take statement and criteria.

Ms. Barbara Evoy
Deputy Director of Water Rights
State Water Resources Control Board
Division of Water Rights
May 27, 2015
Page 4 of 5

Consequently, water transfers from the Eel River to the East Branch Russian River through PVP will be significantly reduced again this winter, making Lake Mendocino more reliant on carryover storage and inflow from storm events from its own watershed to fill during the 2016 water year.

Agency Consultation

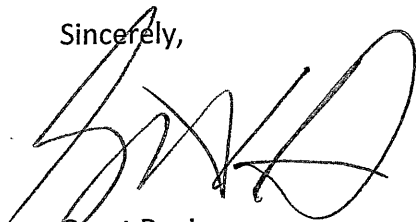
On May 11, 2015 Water Agency staff met with representatives of the National Marine Fisheries Service (NMFS) and the California Department of Fish and Wildlife (CDFW) to discuss the impacts to Lake Mendocino storage that will result from PG&E's variance to minimum instream flow requirements to the East Fork Russian River. NMFS and CDFW indicated that they do not oppose the Water Agency's proposed amendments to the TUCP Order, but they requested that minimum instream flows not be reduced until after June 15, to provide adequate flows for out-migrating salmon.

On May 18, 2015 Water Agency staff met with representatives of the North Coast Regional Water Quality Control Board (Regional Board), including its Executive Officer, to discuss the impacts to Lake Mendocino storage that will result from PG&E's variance to minimum instream flow requirements to the East Fork Russian River. The Regional Board representatives indicated that they do not oppose the Water Agency's proposed amendments to the TUCP Order. The Regional Board, NMFS and CDFW have all indicated that they will submit correspondence to the State Board to provide input regarding the Water Agency's requested amendments to the TUCP Order.

Conclusion

The Water Agency is submitting this request for amendments to the TUCP Order to address the significant reductions in inflow from the PVP resulting from FERC's order approving PG&E's variance request. Under these changed hydrologic conditions, the Water Agency requests that the State Board approve the requested amendments to the TUCP Order, which will reduce the applicable minimum instream flow requirements for the Upper Russian River and Lower Russian River starting June 16 to preserve storage in Lake Mendocino and to prevent the development of more severe storage conditions. Please contact Don Seymour or myself if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Grant Davis', written over a white background.

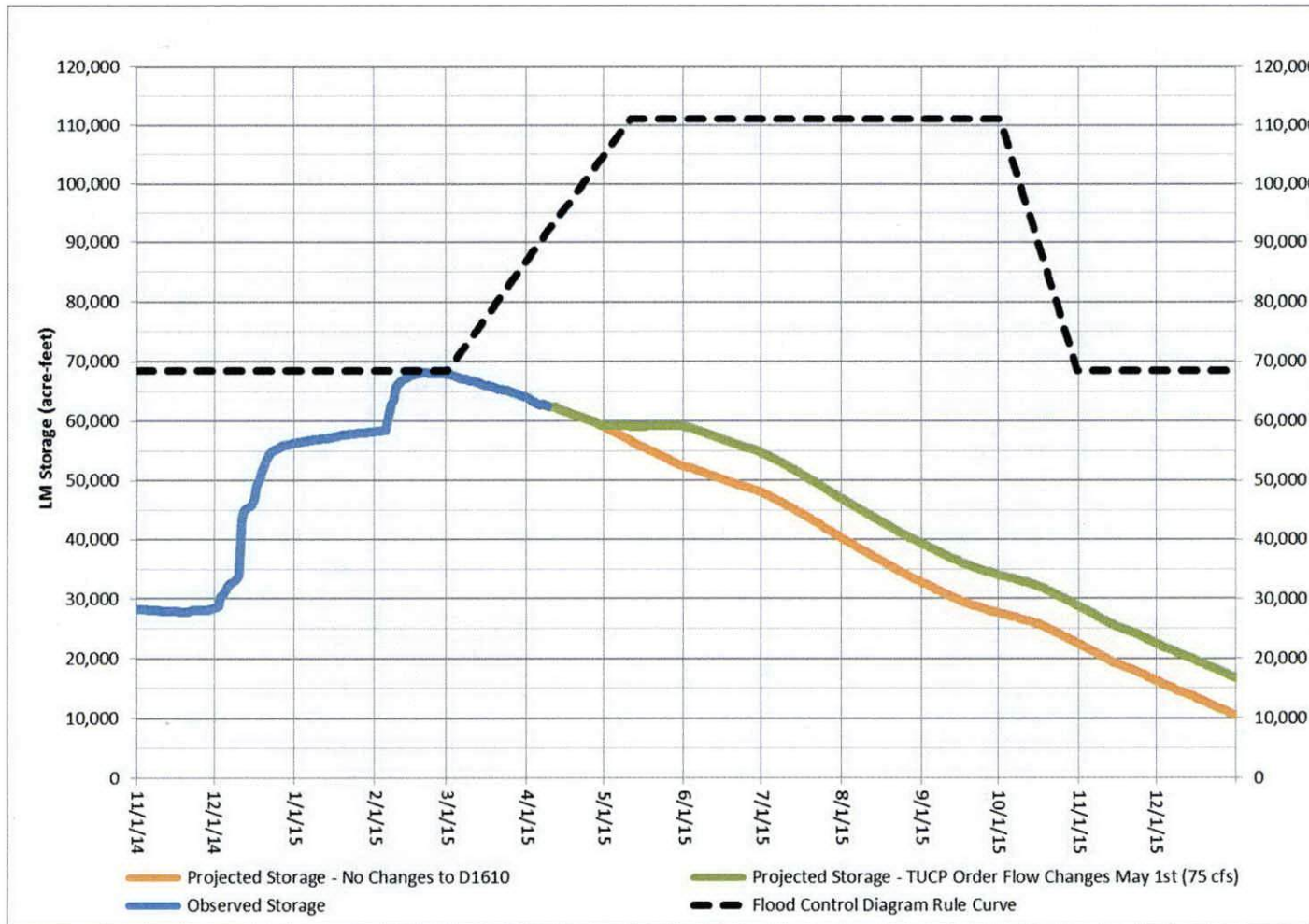
Grant Davis
General Manager

Ms. Barbara Evoy
Deputy Director of Water Rights
State Water Resources Control Board
Division of Water Rights
May 27, 2015
Page 5 of 5

cc: Katherine Lee - State Water Resources Control Board, Division of Water Rights
Pamela Jeane, Jay Jasperse, Don Seymour, Todd Schram, David Manning - Water Agency
Alan Lilly - Bartkiewicz, Kronick & Shanahan, P.C.

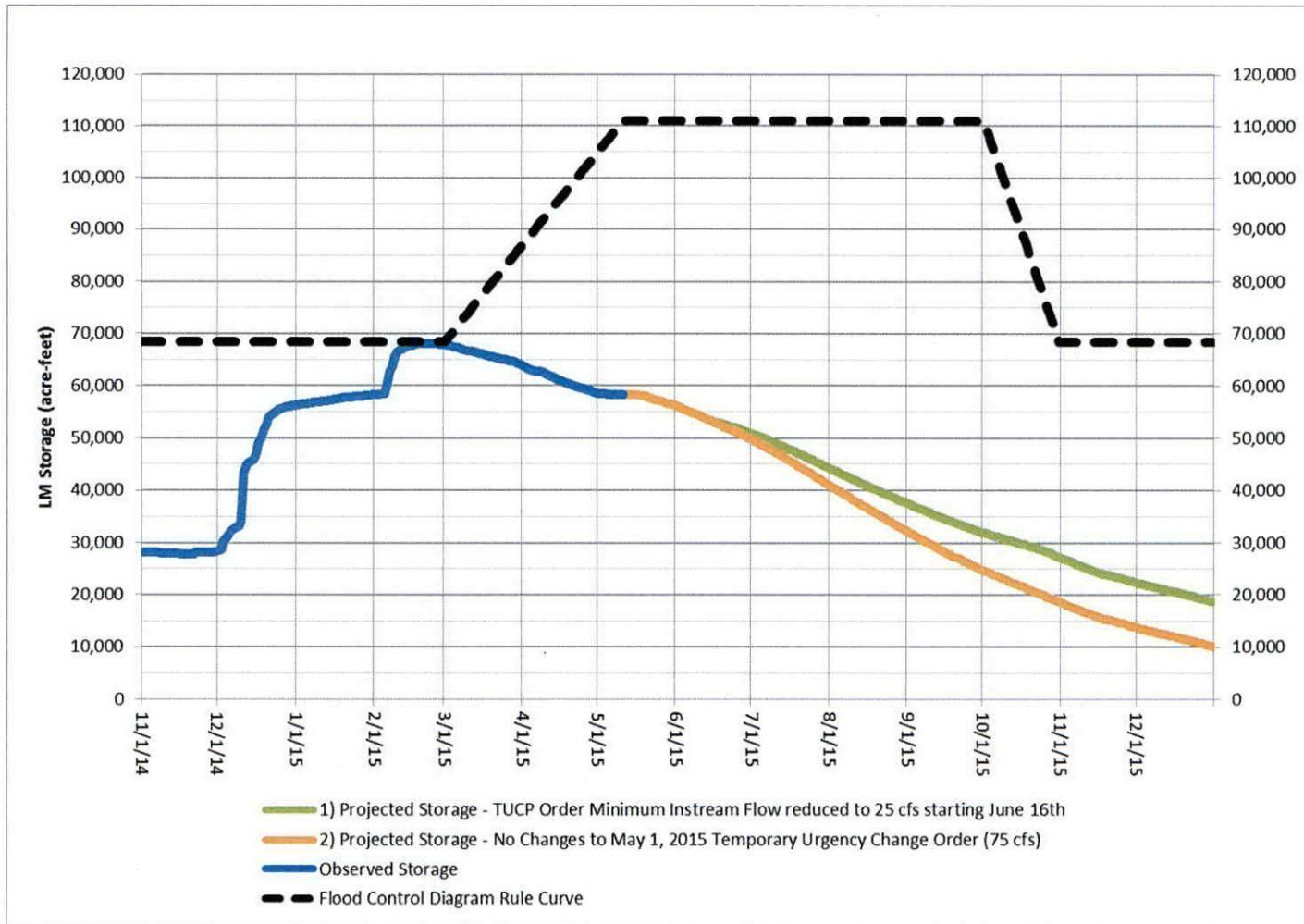
RW S:\Clerical\Pinks\05-25-15\May 2015 TUCO Amendment Request Final_5 27.docx

Figure 1 – Observed and Projected 2015 Lake Mendocino Storage Levels with 2015 TUCP Order



*Scenarios assume a PVP minimum instream flow requirement for the East Fork Russian River of 75 cfs through May 31 and 40 cfs starting June 1, per 2004 Amended FERC License

Figure 2 - Observed and Projected 2015 Lake Mendocino Storage Levels, May 21, 2015



*Scenarios assume a PVP minimum instream flow requirement for the East Fork Russian River of 25 cfs, per May 18 FERC Order approving Temporary Variance of PVP minimum flow requirements