



MARIN MUNICIPAL WATER DISTRICT

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August 24, 2005

Mr. Randy Poole
General Manager
Sonoma County Water Agency
P.O. Box 11628
Santa Rosa, CA 95406

Dear Randy:

As you know, the Marin Municipal Water District is currently pursuing diligently a variety of strategies to assure that our customers will have adequate water supplies in normal as well as in drought years. As part of this effort, the MMWD board has prioritized the evaluation of desalination of San Francisco Bay water as a source of supplemental water supply and an alternative to increased deliveries of imported water from the Sonoma County Water Agency. We want to emphasize that the MMWD board's recent action to shift our final block of "as-available" water to "firm" status pursuant to our Supplemental Water Supply Agreement does not reflect any change to this approach. Nor does it diminish our interest in assuring that water deliveries from the Russian River will continue to be reliable and with the minimal environmental impact possible.

MMWD is committed to the sustainable management of the water resources on which we rely. This includes not only Lagunitas Creek, but also the river systems from which our imported water from SCWA originate. We appreciate and applaud SCWA's recent efforts to improve the anadromous fisheries on the Russian River. However, we are concerned that SCWA has yet to fully embrace efforts to restore the health of beleaguered Eel River, including substantially reducing or eliminating Eel River diversions via the Potter Valley Project (PVP) and potentially de-commissioning diversions facilities on that river, if these actions prove necessary to restore the river to good environmental health.

In addition to the health of the Russian and Eel Rivers, MMWD is concerned about the increasing signs of groundwater problems and shortages on the Santa Rosa plain. The overdrafting of groundwater on the Santa Rosa plain has direct adverse impacts to all SCWA contractors, since SCWA's "emergency" wells in that basin are an important component of the long-term reliability of the SCWA supply system. We urge SCWA to support meaningful groundwater

management on the Santa Rosa plain, including adopting a groundwater management plan as several other groundwater-dependent counties have done and as recommended by the Sonoma County Grand Jury.

To assist us in our evaluation of long-term supplemental supply alternatives, we respectfully request a written response from you to the following questions:

1. Regarding the Eel River, we have received mixed messages that require your clarification. Several years ago, we were told by SCWA that the PVP diversion was essential to the long-term reliability of SCWA deliveries to Marin. SCWA made similar statements to FERC in the context of hydropower relicensing proceedings. However, in recent years, including during testimony in April of this year before the State Water Resources Control Board, you have stated that diversions from the Eel River are not necessary to meet instream flow requirements in the Russian River at Guerneville, nor are such diversions necessary to allow SCWA to meet its full contractual obligations for water deliveries to MMWD and other SCWA contractors in Marin and southern Sonoma Counties. You have stated that such requirements and deliveries can be met by releases from Lake Sonoma. These statements appear to be contradictory, and have led to some confusion among MMWD staff, Board members and the public. Please explain to us in clear terms whether SCWA deliveries to MMWD are dependent on PVP diversions. If SCWA can confirm that deliveries to Marin are not dependent on the PVP diversion system, it would help dispel persistent concerns by Marin residents and others that reliance on SCWA imports is detrimental to the Eel River.

2. A related question involves SCWA's intentions regarding the continued operation of the PVP. MMWD's contract with SCWA references the potential purchase by SCWA of this facility. Because the cost of any such acquisition would be quite substantial (presumably in the hundreds of millions of dollars), we need to understand what that would mean in terms of costs that may be passed through to MMWD and other contractors. Please update us on SCWA's current plans and intentions regarding the PVP, including whether SCWA has any plans to purchase or pay for continued operations of the PVP, the likely cost of such acquisition or operating plan, how such costs would be met, and whether SCWA plans to pass any of these costs on to MMWD and other contractors. In light of your recent statements that MMWD's contractual deliveries do not depend on diversions through the PVP and would not be effected by curtailment of those diversions, we trust that MMWD would not be asked to pay for costs associated with the continued operation of the PVP. Please confirm this in your response.

3. Regarding water supplies from the Lake Sonoma, SCWA has represented for several years that substantial unused storage is available to SCWA from this source. Given the growing requests for water supply by contractors in SCWA's delivery territory, please update us on SCWA's plans to avail itself of additional water supply from Lake Sonoma, including challenges or constraints to

accessing this additional supply, any plans to mitigate impacts on Dry Creek, implications for additional water treatment requirements, and current estimates of the total cost of accessing and delivering this water to SCWA contractors.

4. Regarding Sonoma County groundwater generally, and SCWA's emergency wells specifically, please provide an assurance to us that these "emergency" wells will indeed provide a reliable backup supply in the event of a severe drought. As we understand it, the wells have been operating full-time in recent years and groundwater levels are dropping faster than projected rates of recharge. What are SCWA's plans for ensuring sustainable management of groundwater and reliable backup supplies to meet the needs of contractors in the next drought?

5. Concerning water conservation programs, we are curious about any new initiatives that SCWA may be proposing. As you know, we are charter members of the California Urban Water Conservation Council, and have been pioneering water conservation measures for many years. We would be happy to participate in any additional efforts that SCWA would like to promote in this arena, and offer our support and assistance.

Thank you in advance for your courtesy and cooperation in answering our questions on these matters. We look forward to your reply, and to working cooperatively with you on these important issues.

Sincerely,

Handwritten signature of Jared Huffman in cursive script, with the letters "SEG" written in a smaller font at the end of the signature.

Jared Huffman
President, Board of Directors

Handwritten signature of Paul Helliker in cursive script.

Paul Helliker
General Manager