

August 24, 2007

**GRAND JURY**

SEP 27 2007

**RECEIVED**

The Honorable Robert S. Boyd, Presiding Judge  
 Superior Court of Sonoma County  
 600 Administration Drive, Room 106J  
 Santa Rosa, CA 95403

**RE: Sonoma County Water Agency and All Sanitation District's Joint Response to  
 2006 – 2007 Sonoma County Grand Jury Report, Wastewater: Money Down the Drain**

Honorable Judge Boyd:

The 2006 – 2007 Sonoma County Grand Jury Report, "Wastewater: Money Down the Drain?" beginning on page 32 of the Grand Jury Final Reports, has eight (8) recommendations which appear on pages 44 and 45. The report requests responses to recommendations to R1, R2, R3, R5, R6, R7, and R8 from the Sonoma County Water Agency (SCWA) and R1, R5, and R6 from all Sanitation Districts.

Report Title: "Wastewater: Money Down the Drain?"  
 Recommendation R1 (page 44)

***Begin the creation of a master plan that includes ground water, surface water, and waste water.***

Response: The recommendation requires further analysis.

SCWA will review the possible scope and content of a county-wide master plan, and perform an analysis of the benefits of moving forward with such a plan, and report to the Board of Directors by December 28, 2007.

Many ongoing SCWA efforts could lay the foundation for such master planning if such an effort is able to be initiated in the future. For example, acting as the SCWA Board of Directors, the Board of Supervisors approved the Urban Water Management Plan. The UWMP lays the foundation for master planning by identifying the extent to which entities in SCWA's service area are expected to use those four sources through 2030. SCWA has also worked with the USGS and other stakeholders to complete groundwater basin studies for the Alexander Valley Basin and the Sonoma Valley Basin and is currently working with the County, USGS, and all other municipal groundwater users to complete a five-year comprehensive basin study of the Santa Rosa Plain Groundwater Basin. These analyses and studies are discussed in SWCA's Urban Water Management Plan, available for review at [http://www.scwa.ca.gov/pdf/2005\\_uwmp\\_report.pdf](http://www.scwa.ca.gov/pdf/2005_uwmp_report.pdf) or by contacting SCWA. The SCWA is

also supporting and actively participating in the development of a non-regulatory groundwater management plan in the Sonoma Valley that is scheduled for completion this year, and will go a long way towards securing the Valley's overall water supply for future generations.

However, the SCWA currently does not have the authority to direct, initiate, or control a "master plan that includes ground water, surface water, and waste water" for the entire county. Nonetheless, with the Board's direction, the SCWA will evaluate the grand jury's recommendation and report back to the Board by the end of 2007.

Report Title: "Wastewater: Money Down the Drain?"  
Recommendation R2 (page 44)

***The SCWA and the BPU should contact other counties that have created a central separate water board to examine its feasibility and adaptability to Sonoma County.***

Response: The recommendation will be implemented.

SCWA recognizes the benefits that regional consolidations may provide ratepayers and taxpayers through cost saving opportunities. This has been demonstrated through various consolidation efforts in previous years. For example, as a result of the research conducted in 1997, a Recycled Water Workshop staff report was prepared and a workshop was held on September 23, 1997, by SCWA's Board. At that time, the Board directed SCWA staff to (1) conduct a feasibility study to consider options regarding consolidation between the City's Sub-regional Wastewater System and the Agency, (2) work with the Town of Windsor and City of Healdsburg regarding participation in the Sonoma County Recycled Water Distribution System, and (3) work with the City of Petaluma and City of Santa Rosa and Sonoma Valley County Sanitation District to link reclamation systems together. The Board's reason for the consolidation and linkages was to make more treated wastewater available "for wetlands restoration, agricultural irrigation, and other options if CALFED funding or other outside funding sources become available." Other consolidation possibilities were not recommended or explored further at that time.

Since 1997, Santa Rosa and SCWA have reached agreement on consolidation of South Park Sanitation into the City's system. In addition, the Town of Windsor and the Airport-Larkfield-Wikiup Sanitation Zone, run by SCWA, have established linkages for storage and distribution of recycled water, and local projects for recycling water have been implemented in Sonoma Valley.

SCWA will report to the Board of Directors the findings of this review within nine months.

Report Title: "Wastewater: Money Down the Drain?"

Recommendation R3 (page 44)

***The cities and county should consider creation of a common fund, pooling grants and a percentage of user fees to cover capital improvements.***

Response: The recommendation requires further analysis.

The recommendation requires further analysis. While pooling grants and a percentage of user fees in order to fund capital improvements may produce the ability to fund large-scale projects and leverage resources, there may be legal restrictions in place regarding the use of user fees originating in one jurisdiction to fund capital improvements in another jurisdiction. Moreover, there may be policy and operational restrictions in place within SCWA and the cities that prevent such pooling of funds. SCWA will report to the Board of Directors on these potential restrictions by December 28, 2007.

Common funds already exist to some extent. For example, the Restructured Agreement between SCWA and the districts and cities, which are SCWA contractors, sets up common funding for capital projects as well as other common purposes related to potable water supply. Water Conservation, Water Reuse, Common Facilities, Storage Facilities, and various aqueduct facilities all have capital projects and each has its own identified funding paid for by the water contractors through the water rates. The funds, rates charged, budgets, and project priorities are reviewed annually by the Water Contractors' Water Advisory Committee. A copy of the Restructured Agreement can be obtained by contacting SCWA.

Report Title: "Wastewater: Money Down the Drain?"  
Recommendation R5 (page 45)

***Determine how much, realistically, should be set (a)side for capital improvements.***

Response: This recommendation will not be implemented because it is not warranted or is not reasonable.

While determining how much funding is needed for capital improvements county-wide may produce a benefit to SCWA and the various independent jurisdictions within Sonoma County, SCWA has no authority to direct the manner in which independent jurisdictions budget for capital improvements. The same legal obstacles that hinder developing a "masterplan" as referenced in Recommendation 1 also play out here. As such, SCWA believes that it cannot reasonably determine how much should be set aside for capital improvements by other independent jurisdictions. In the event that a separate, central water board is developed pursuant to recommendation R2 above, that body should be charged with developing capital improvement funding set asides.

However, SCWA does determine the funding needed for capital improvements which the Agency oversees. The Agency documents this through its Capital Projects Plan. At that time, SCWA updates its long-range financial plans with the latest estimates of cost and timing for the various projects. Each of the water and wastewater treatment entities, as well as flood zones, for which the Agency is responsible, has a capital improvement plan.

Report Title: “Wastewater: Money Down the Drain?”  
Recommendation R6 (page 45)

***Reopen the examination of consolidation of smaller facilities and continue consolidation efforts.***

Response: The recommendation will be implemented.

There are efforts underway to explore the possibility of transferring the Sea Ranch Sanitation Zone into a Community Services District with local ownership and governance. In addition, SCWA is considering the possible connection of the Occidental County Sanitation District to the Russian River County Sanitation System treatment plant in Guerneville. The South Park County Sanitation District and the City of Santa Rosa have an agreement in place whereby the City, which already treats the District’s waste water and maintains the collection system, will take over full ownership of the District in 2011. In addition, Penngrove sends its wastewater to Petaluma; Rohnert Park, Cotati, Sebastopol, and South Park utilize the City’s Sub-Regional Treatment Plant; and the Town of Windsor and the Airport-Larkfield-Wikiup Sanitation Zone share interconnections which provide operational flexibility for the operation of treated water storage and reclamation.

Each potential consolidation has its own unique set of considerations and timeframes that are both unpredictable and influenced by opportunities and other external events. In order to implement this recommendation, SCWA will report on the status of potential consolidations to the Board of Directors in the annual capital project planning and budgeting processes.

Report Title: “Wastewater: Money Down the Drain?”  
Recommendation R7 (page 45)

***Develop a plan to increase the quantity of water that can be discharged from Lake Sonoma.***

Response: The recommendation will be implemented.

SCWA is working to complete an EIR on the Water Supply, Transmission, and Reliability Project. This project is part of an overall effort to obtain increased water rights from the Russian River and from water stored in Lake Sonoma and to increase the capacity of the water

supply and transmission system. A major part of this project is the examination of the alternatives for making water in Lake Sonoma available, including changes to in-stream flows. Another key milestone necessary for developing a plan for getting additional water from Lake Sonoma is the National Marine Fishery Service's (NMFS) Draft Biological Opinion concerning endangered salmon and steelhead in the Russian River. SCWA is working with NMFS to develop reasonable and prudent alternatives, which will be in the Draft Biological Opinion, for flows in the upper Russian River and in Dry Creek. The anticipated project time frame for deciding on the alternative solutions and obtaining additional water rights is within the next ten years.

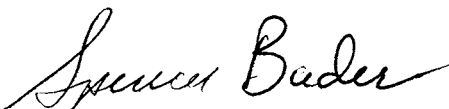
Report Title: "Wastewater: Money Down the Drain?"  
Recommendation R8 (page 45)

***Continue and expand the study of the aquifers to better determine their health and capacity.***

Response: The recommendation will be implemented.

As discussed above and more fully in SCWA's Urban Water Management Plan, studies of ground water have been completed for the Alexander Valley and Sonoma Valley. As a result of the Sonoma Valley study, SCWA is leading the effort to draft a non-regulatory ground water management plan to comply with AB3030 by the end of 2007. Additionally, SCWA is expanding its efforts by leading a five-year comprehensive basin study for the Santa Rosa Plain Groundwater Basin. It is anticipated that this study will be complete in 2010. This \$1,975,000 study is funded by SCWA, the Cities of Santa Rosa, Cotati, Rohnert Park, and Sebastopol, the Town of Windsor, County of Sonoma, California American Water Company, and the US Geological Survey. For a thorough description of the objectives of this study, see the Urban Water Management Plan at [http://www.sewa.ca.gov/pdf/2005\\_uwmp\\_report.pdf](http://www.sewa.ca.gov/pdf/2005_uwmp_report.pdf).

Sincerely,



Spencer Bader  
Water Agency Division Manager  
Administrative Services

cc: Board of Supervisors  
Court Executive Officer  
County Administrator  
County Clerk