

Water Advisory Committee to Sonoma County Water Agency
Statement of Interests related to the proposed New Eel-Russian
Facility and the Associated Water Diversion Agreement undertaken
by the Eel Russian Project Authority

The Water Advisory Committee (WAC) and Technical Advisory Committee (TAC) represent the municipal water suppliers (Water Contractors) located in central and southern Sonoma County and Marin County that receive wholesale water supply from Sonoma County Water Agency (Sonoma Water), which receives its water from the Russian River System. The WAC and TAC support and request Sonoma Water continue to identify and implement water supply resiliency solutions in response to the planned Federal Energy Regulatory Commission (FERC) license surrender and decommissioning of Pacific Gas & Electric's (PG&E) Potter Valley Hydroelectric Project (PVP). The WAC has adopted the following Statement of Interests to guide Sonoma Water's participation in the Eel-Russian Project Authority (ERPA):

1. Recognize that Russian River water supply is significantly different north and south of the Russian River confluence with Dry Creek (Confluence). Water supplies north of the Confluence are almost entirely reliant on the PVP diversion, runoff, and Lake Mendocino storage, while supplies south of the Confluence principally rely on Lake Sonoma storage.
2. Recognize the continued diversion of water from the PVP and planned through the proposed New Eel-Russian Facility (NERF) into the Russian River watershed supports overall water supply reliability, fisheries, and operations of Lake Mendocino, as well as, particularly during dry periods, providing water volume to supplement releases from Lake Sonoma thereby preserving storage.
3. Recognize that with the surrender of the PVP license, Sonoma Water will need to modify its water rights to no longer rely on cumulative inflow into Lake Pillsbury to determine the type of hydrologic year. Support Sonoma Water in modifying its Russian River water rights to align with water supply sources and be reflective of how the Russian River system operates.
4. As outlined in the Water Diversion Agreement, support ERPA in evaluating all possible alternatives to a continued diversion from the Eel River to the Russian River. The analysis should be transparent, include representation from the Water Contractors, identify cost effective, resilient, and environmentally beneficial solutions to ensure the reliability of the fisheries, recreation and water supply for agriculture, domestic and municipal purposes.
5. Ensure any outcomes or recommendations by the ERPA Board maintain water supply reliability of the Russian River, support the significant investments made by Sonoma Water and the Water Contractors in Russian River ecosystem and fishery restoration initiatives, and costs are allocated based on benefit received.
6. Provide ongoing opportunities for meaningful input and representation in any forum that evaluates water supply resiliency solutions for the Russian River.

7. Ensure any decisions regarding the PVP and NERF are consistent with the 2006 Restructured Agreement for Water Supply between Sonoma Water and the Water Contractors (Restructured Agreement) including, but not limited to, Section 2.4, Potter Valley Project. Request Sonoma Water, as a member of ERPA, advocate for decisions consistent with the Restructured Agreement.
8. Support the actions stipulated in Section 2.4 of the Restructured Agreement and do not support reopening the Restructured Agreement prior to the current term date of 2040.
9. Recognize that the parties to the Water Diversion Agreement (WDA) represent multiple interests and include California Department of Fish and Wildlife (CDFW), California Trout, ERPA, County of Humboldt, Mendocino County Inland Water and Power Commission (IWPC), Round Valley Indian Tribes (RVIT), County of Sonoma, Sonoma County Water Agency (Sonoma Water), and Trout Unlimited (Parties).
10. Recognize that the Water Contractors are not a party to the WDA and therefore any obligations under the WDA do not bind the Water Contractors.
11. Recognize that the Water Contractors have significant, state-mandated obligations to continuously provide safe and reliable water supplies for the communities that they serve.
12. Recognize that certain water rights currently used by PG&E for PVP will be ultimately transferred to the RVIT (Project Water Rights) and the use of those Project Water Rights for NERF diversions will come at a significant cost (Lease Payments) both annually and in total for the duration of the Initial and Renewal Terms of the WDA.
13. Recognize that in addition to the significant costs associated with Lease Payments, the Parties (except CDFW) to the WDA have committed to raise \$50 million during the Initial Term and have an aspirational goal of \$100 million during the Renewal Term for the restoration of the Eel River as well as \$100 million to enhance water supply reliability in the Russian River. These amounts are significant, and the source of the funding is unknown.
14. Recognize that the combination of capital costs, operations & maintenance costs, future decommissioning costs, and the lease and restoration payments paid by ERPA will have a profound effect on the overall cost of the diverted water. It is critical that Sonoma Water, and ERPA, recognize the multiple beneficiaries and proportionality of their demand when devising a revenue plan. The Contractors would not support a revenue scheme that has a disproportionate financial effect on a beneficiary, or group of beneficiaries and support a fair distribution, based on benefits received, amongst all the various Russian River water users (recreation, environment, agriculture, residential, municipal and industrial) who will benefit from the NERF.
15. Recognize that the California Constitution places limits on the amounts that may be charged by Sonoma Water to the Water Contractors, and on the amounts that each Water Contractor is authorized to include in its retail water

rates. Accordingly, any costs to the Water Contractors related to the continued diversion of water through the planned NERF must be proportionate to the benefit received by each Water Contractor.

16. Ask Sonoma Water and ERPA to request that the State Water Board enforce limits on water use, especially in the upper Russian River (north of the Dry Creek confluence), in order to maintain the benefits of any future Eel River Diversions.
17. Recognize that since 2006, the Water Contractors (and thereby the residents and businesses of those cities and districts in Sonoma and Marin Counties) have, through their water purchases from Sonoma Water, collectively contributed approximately **\$50.6 Million** to the restoration of the Russian River watersheds, and compliance with the Biological Opinion, both of which have benefits well beyond that of municipal water supply and that these contributions will continue accruing significantly throughout the full duration of the 2006 Restructured Agreement.