

BPU Recommendation to City of Santa Rosa Water Advisory Committee Representative:

Proposed Water Supply Agreement between Marin Water and Sonoma Water

Board of Public Utilities Meeting

June 5, 2025

Peter Martin – Deputy Director, Water Resources

Water Supply Agreement History for Marin Water District

- Marin Water and Sonoma Water enter into initial agreement in July 1975 (Offpeak Water Supply Agreement)
- Added the Supplemental Water Agreement in 1991
- Combined agreement, 1996
- Current agreement renewed in 2015, expires June 30, 2025



Current Water Supply Agreement for Marin Water District – 2015 renewal

Off-peak Water Supply (Exhibit A to 2015 agreement)

- Establishes 4,300 acre-feet per year (AFY) as minimum take or pay and provides flowrates schedule

2nd Amended Agreement for Water Supply (Exhibit B)

- Establishes additional volume of 10,000 AFY
- Establish max delivery and purchase limits/caps based on prior year usage
- Adds 1,000 AF to take or pay, total of 5,300 AFY
- Maximum contract total - 14,300 AFY



Proposed Water Supply Agreement under Consideration

Term – 15 years: Aligns with the Restructured Agreement for Water Supply (2040)

Total Volume of Water: 14,300 AFY (No Change)

Take or Pay Amounts: 5,300 AFY (No Change)

Water Purchase Pricing: Includes pricing premium, conservation charges, Russian River Projects Charge, and a firm water payment (No Change)

Proposed Water Supply Agreement under Consideration

Elimination of ramp-up/ramp down provision: removes limits on Marin Water purchases that were based on prior year purchase amounts **(New)**

Revision of Seasonal Caps on deliveries to Marin Water: From the months of November through April, the maximum cap on deliveries to Marin Water would be increased, subject to availability and transmission capacity **(New)**

Rollover Provision: Allow for rollover of take or pay if Sonoma Water can't deliver each year allotment. Subject to availability/capacity. **(New)**

Proposed Water Supply Agreement under Consideration

Eliminate provisions referencing new segment of aqueduct parallel to Petaluma Aqueduct: New discussion on proposed Marin Water pipeline to their storage reservoirs **(New)**

Provision including Sonoma Water's support for Marin Water's Participation in future Restructured Agreement renewal discussions:
Restructured Agreement end date 2040 **(New)**

Lump Sum Payment : \$12,500,000 for resiliency/capacity improvements **(New)**

Analysis of Impacts to Santa Rosa Water

- Santa Rosa Water is a “prime contractor” to the 2006 Restructured Agreement with Sonoma Water and other contractors
- This agreement would have no impacts to existing allotments, allocations, and curtailment procedures existing in the 2006 Restructured Agreement
- No negative fiscal impacts to Santa Rosa Water, this agreement could reduce overall transmission cost burdens in the future if Marin Water was to acquire more water

City of Santa Rosa Procedural Review and Recommendation

- The 2006 Restructured Agreement requires WAC approval of restatements or amendments to Marin Water's 1996 water supply agreements, or any subsequent water supply agreements, by and between Sonoma Water and Marin Water.
- Santa Rosa Water TAC representative and other contractor TAC representatives recommend the proposed contract (June 2, 2025)
- Staff requesting BPU provide a recommendation to the City Council regarding Council' direction to Santa Rosa's WAC Representative regarding the proposed contract, scheduled for consideration at the Aug 2025 WAC/TAC Meeting

Recommendation

It is recommended by Santa Rosa Water that the Board of Public Utilities consider the proposed water supply agreement by and between Marin Municipal Water District and Sonoma County Water Agency and, by motion, make a recommendation to the City Council regarding Council's direction to its Water Advisory Committee (WAC) representative.