

September 28, 2007

VIA FAX (916-341-5400) &  
EMAIL (driddle@waterboards.ca.gov)

Ms. Diane Riddle  
Division of Water Rights  
State Water Resources Control Board  
P.O. Box 2000  
Sacramento, CA 95812-2000

Re: Comments on Revised Draft Environmental Impact Report for Consideration of Modifications to United States Bureau of Reclamations Water Right Permits 11308 and 11310 (Applications 11331 and 11332) to Protect Public Trust Values and Downstream Water Rights on the Santa Ynez River below Bradbury Dam (Cachuma Reservoir), dated July 2007 ("2007 DEIR")

Dear Ms. Riddle,

The City of Solvang appreciates the opportunity to provide comments concerning the 2007 DEIR prepared by the State Water Resources Control Board ("State Board")

The City of Solvang is a small city located in the Santa Ynez river water shed adjacent to Alisal Bridge. Solvang is within the Santa Ynez River Water Conservation District ("SYRWCD") and is within the SYRWCD ID#1 service area. Solvang obtains water from four sources: 1. Diversions from the underflow of the Santa Ynez River pursuant to Permit No. 15878; 2. The State Water Project pursuant to a subcontract with ID#1; 3. The Cachuma Project through ID#1 service; and, 4. upland wells.

As a participant in SYRWCD and as a large water user served by ID#1, Solvang has participated in the development of and supports both the comments submitted to you by SYRWCD and the separate comment letter submitted jointly by the Cachuma Conservation Release Board and ID#1 (the "Member Units"). In particular, Solvang urges the State Board to revise the DEIR to identify Alternative 3C with the

Settlement Agreement as the proposed project and to adopt it as the preferred alternative for all of the reasons discussed in those comments.

The Solvang City limits include 1,600 acres. The current population is approximately 5,434 and our utilities department services 1,931 water service connections. Solvang incorporates elements of a traditional Danish Village and the majority of the local economic activity is related to the tourism industry. Solvang currently has some of the highest water rates in the state and all water connections are metered. The combination of the high cost of water and aggressive conservation programs, especially ones targeted at hotel visitors who do not pay the water bill, have resulted in significant reductions in water use even as population and economic activity grow. All of Solvang's wastewater is processed and returned to the watershed. As a result, there is very little flexibility in the current demand and very little additional benefit that can be gained from conservation or reuse strategies.

Solvang has been involved in the various disputes and proceedings referred to in the SYRWCD and Member Unit's comment letters. Those disputes and proceedings and the uncertainty that they have caused for the Solvang's water supply have resulted in significant direct and indirect costs to Solvang. Because Solvang relies upon the tourist industry, both the actual, and the perceived, reliability of the water supply are vitally important to the economic well being of the area. Tourists have many choices so they will not plan to go to an area that might have a problem that will disrupt their vacation. Uncertainty over water supply invariably hurts the tourist economy and Solvang's tax revenue. In addition, Solvang's water users already pay a very high cost for water due, at least in part, to the per capita share of legal and consulting fees required by the historic disputes.

Solvang concurs with the SYRWCD comments that the December 17, 2002 Settlement Agreement resulting from the discussions directed by WR 94-5 is an historic and comprehensive resolution of the long standing issues concerning the Santa Ynez River. The Settlement Agreement resolves long standing water quantity, water quality and flood control issues between the parties while implementing the requirements of the Biological Opinion and Fish Management Plan. The resolution through the Settlement Agreement has allowed Solvang to turn its attention and resources to working collaboratively with ID#1 and SYRWCD on mutual projects to enhance water supply infrastructure and reliability. Alternative 3C with the technical amendments will implement the Settlement Agreement and allow all of those that rely upon Santa Ynez River supplies to work on constructive projects that will both improve the riparian environment and improve the quality and reliability of water supply for downstream users.

None of the other Alternatives discussed in the DEIR are shown to be environmentally superior and choosing any one of them may result in a step backward to extensive litigation and other proceedings that divert precious resources from constructively addressing the water shed issues that concern all of the parties interested in this proceeding.

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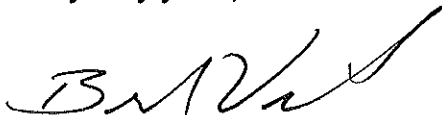
In particular, as discussed in detail in Section II.K of the SYRWCB comments, Solvang is extremely concerned about the late introduction of Alternatives 5B and 5C into the DEIR. These alternatives have not been subject to the scientific study and scrutiny that has been focused on the other alternatives, and in particular, Alternative 3C and the Settlement Agreement. As the SYRWCD comments describe, preliminary analysis indicates that 5B and 5C would result in minimal, if any, enhancement of public trust resources at a significant cost to downstream water rights holders as well as the Member Units that rely upon the Cachuma Project.

Contrary to the DEIR's discussion of the hoped for results of alternatives 5B and 5C, this preliminary data indicates that water will be provided for fish flows when they are not needed and that will result in significant adverse impacts to all of the water users in drought periods. Running extra water down the river in wet years when the fishery needs have already been substantially met merely wastes water that will be of much greater benefit to the habitat and water users if it as much of it as possible is saved for the inevitable dry years.

At this point, the State Board has before it a contractual settlement that meets the Biological Opinion and Fish Management objectives and is binding upon all of the water users in the watershed. That is rare in any watershed in the west. The partial implementation of the Settlement Agreement by the Bureau of Reclamation and the downstream water rights holders is resulting in substantial habitat improvements. Solvang urges the State Board to adopt that scientifically supported, physically feasible and contractually agreed upon operational plan.

We appreciate your attention to these comments and diligence in addressing this matter. If you have any questions or require clarification of any of Solvang's comments please feel free to contact me.

Very truly yours,



Brad Vidro  
City Manager

cc: Chris Campbell, Baker, Manock & Jensen  
Roy Hanley, Hanley & Fleishman  
Bruce Wales, Santa Ynez River Water Conservation District  
Ernest Conant, Young Woolridge  
Chris Dahlstrom, Santa Ynez River Water Conservation District, ID#1  
Gary Kvistad, Hatch & Parent  
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