## TESTIMONY BY MARLENE DEMERY, CITY MANAGER CITY OF SOLVANG

My name is Marlene Demery. I am the city manager of the City of Solvang, and have served in that capacity since February of 2002.

I am a registered professional engineer in the State of California with a degree in Civil Engineering from California State University, Long Beach. Prior to assuming my current position with the City of Solvang, I practiced civil engineering for over twenty years for the County of Santa Barbara and the City of Lompoc. I also was previously employed by the Bureau of Reclamation as a Hydraulic Engineer in the late 1970's.

The City of Solvang lies approximately 9 miles downstream of the Cachuma Reservoir on the Santa Ynez River. The City has a population of approximately 5450, and operates its own water distribution system. The City, which was incorporated in 1985, is the successor to the Solvang Municipal Improvement District, which obtained its permit to appropriate water from the Santa Ynez River in 1969.

The City has several water sources: water from the Santa Ynez River appropriated under its State Board permits, groundwater, Cachuma Project water because Solvang is within the Santa Ynez River Water Conservation District, Improvement District No. 1, and most recently State Water Project water made available through the Coastal Branch. Although the City has made great strides in water conservation and

continues its conservation efforts, Santa Ynez River supplies are of great importance for the City for both its residents and to maintain its substantial tourist economy. Solvang is planning for growth of at least 2600 additional residents. Solvang also plans expansion of local businesses, in particular, those that cater to tourists and attract a substantial transient population that require a significant amount of water over and above the amount used by the residents.

Although Solvang is not a direct party to the Settlement Agreement,
Solvang has a direct stake in that Agreement as member of the Santa Ynez River Water
Conservation District, and is directly affected as a downstream rights holder. Solvang
fully supports the Settlement Agreement, as set forth the City Council's Resolution 03652, attached as Exhibit "1" to my testimony.

It is critical that all users of the Santa Ynez River work together to find practical solutions among competing interests while being mindful of environmental impacts. The City believes that the Agreement strikes a fair balance between the needs of the downstream rights holders, the Cachuma member units, and the environment. In particular, the City is satisfied that the Settlement Agreement protects its rights as a downstream user.

The City is cognizant of the fact that a key to the settlement is that the State Board ratify releases from the Cachuma Project in accordance with WR 89-18 as modified by the Settlement Agreement. Therefore, the City respectfully requests that the

State Board modify Reclamation's permits accordingly. In addition, the City supports the comments of the Cachuma Conservation Release Board and others that the surcharging of the Cachuma Reservoir as set out in Alternative 3C of the Environmental Impact Report will help water supply in dry years. The City believes, however, that any costs of mitigation that may be imposed in connection with surcharging the reservoir should not be charged to the downstream water rights holders.