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**BEFORE THE
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD**

HEARING IN THE MATTER OF CALIFORNIA)
DEPARTMENT OF WATER RESOURCES AND) **TESTIMONY OF**
UNITED STATES BUREAU OF RECLAMATION) **SEAN P. GEIVET**
REQUEST FOR A CHANGE IN POINT OF)
DIVERSION FOR CALIFORNIA WATERFIX)

I. SUMMARY

1. My testimony begins with a statement of my qualifications and work experience. Next, I provide a general description of the Friant Division of the Central Valley Project (“Friant Division”). Then I describe each of the three districts for which I serve as General Manager: Porterville Irrigation District (“Porterville”), Saucelito Irrigation District (“Saucelito”) and Terra Bella Irrigation District (“Terra Bella”) (collectively “Managed Districts”). That discussion includes the total irrigated acreage within each district, the location of each district, and the types of crops grown in each district. Next, I describe the sources of water used by each district and the availability of groundwater, or lack thereof, to serve each district’s demands. Finally, I discuss the actions taken by the Managed Districts in response to the Friant Division water shortage in 2014 and 2015, and the impacts of that water shortage on the Managed Districts and their growers.

II. QUALIFICATIONS

2. I jointly serve as General Manager for Porterville, Saucelito and Terra Bella. I have managed Terra Bella for more than eighteen years and Porterville and Saucelito for ten years. I hold a Bachelor of Science degree in Agricultural Engineering from California State Polytechnic University at San Luis Obispo, and a Master of Business Administration from University of Phoenix. I have twenty-six years of water management experience serving as an engineer and water manager for four irrigation districts located within the Friant Division. Over the course of my professional career I have had direct responsibility for water facility and management projects including the design, construction, operation and maintenance of irrigation distribution systems used by four water agencies delivering water from the San Joaquin River via the Friant-Kern Canal to their growers in conjunction with available groundwater supply (if any) underlying their farmland; the development and operation of district water equipment, plants, turnouts and other facilities associated with the Friant-Kern Canal system; the implementation of numerous public work contracts for water facilities; the negotiation and implementation of district and grower water purchase and exchange agreements; and the daily administration of the permanent contract between the United States Department of the Interior, Bureau of Reclamation and Porterville, Contract No. I75r-4309D (FWA-24), the permanent contract between the United States Department of the Interior, Bureau of Reclamation and Saucelito, Contract No. I75r-2604D (FWA-26), and the permanent contract between the United States Department of the Interior, Bureau of Reclamation and Terra Bella, Contract No. I75r-2446D (FWA-30). As a result of my water management experience, I have become familiar with the Friant Division annual water supply, local groundwater conditions, and the system of delivery of San Joaquin River water

to Porterville, Saucelito and Terra Bella as well as other contractors within the Friant Division. A true and correct copy of my resume has been submitted as FWA-71.

III. THE FRIANT DIVISION

3. The Friant Division spans from Madera County in the north to Kern County in the south. The principal features of the Friant Division include Friant Dam, Millerton Lake and the Madera and Friant-Kern Canals. It is my understanding that the primary purpose of Millerton Lake is to regulate the run-off of San Joaquin River for diversion into the Madera and Friant-Kern canals to provide a supplemental and new irrigation water supply to water agencies such as Porterville, Saucelito and Terra Bella, as well as other Friant Division contractors. A true and correct copy of a map depicting all the water agencies located within the Friant Division is identified as FWA-60.

IV. THE MANAGED DISTRICTS

4. The Managed Districts are all California irrigation districts (Water Code, Division 11, Section 20500 et seq.) formed for the purpose of importing surface water to their respective boundaries. The Managed Districts are rich in soils and climate but have varying amounts of available local groundwater supply.

5. Porterville was formed in 1949, and is located in Tulare County. Porterville's boundaries include approximately 16,900 gross acres. The total irrigated acreage within Porterville is 13,553 acres. Porterville serves approximately 60 farms that grow over 27 crops including alfalfa, almonds, walnuts, citrus, table grapes, and plums/prunes. It delivers water to about 130 active delivery points. A true and correct copy of a map of Porterville is Exhibit A to the Porterville permanent contract, and is separately disclosed as FWA-72. Porterville is generally divided east to west by the Friant-Kern Canal, which enters

Porterville at the northeast corner and exits in the south-central portion. The Tule River generally divides Porterville north to south, entering from the east boundary and exiting on the west boundary. Porterville lies on the alluvial fan of the Tule River on the eastern side of the San Joaquin Valley adjacent to the western edge of the Sierra Nevada. The surface water available to Porterville can only supply supplemental water to the growers, who otherwise rely on local groundwater to meet their crop irrigation water requirements. Porterville's Friant Division and local surface water supplies are managed to provide an effective conjunctive use program in Porterville. Porterville does not serve groundwater to its growers. The growers pump groundwater from privately owned wells. Groundwater levels are monitored to assess the effects of Porterville's programs.

6. Saucelito was formed in 1941, and is located in Tulare County. A true and correct copy of a map of Saucelito is Exhibit A to the Saucelito permanent contract, and is separately disclosed as FWA-73. Saucelito is comprised of approximately 19,657 gross acres. The total irrigated acreage within Saucelito is 19,295 acres. Saucelito delivers water to approximately 97 farms that grow almonds, grapes, kiwis, olives, oranges, pistachios, prunes, walnuts, cherries, nectarines, quince, tangerines, alfalfa, cotton, corn, wheat and milo. Saucelito's Friant Division surface water supplies are managed to provide an effective conjunctive use program in Saucelito. Saucelito does not serve groundwater to its growers. The growers pump groundwater from privately owned wells. Groundwater levels are monitored to assess the effects of Saucelito's programs.

7. Terra Bella was formed in 1915, and is located in Tulare County. A true and correct copy of a map of Terra Bella is Exhibit A to the Terra Bella permanent contract, and is separately disclosed as FWA-74. Terra Bella is comprised of approximately 13,962 gross

acres. The total irrigated acreage within Terra Bella is 12,087 acres. The majority of the irrigated acreage is developed to permanent crops. “Permanent crops,” as used in this testimony, means crops grown on trees and grapevines and blueberry vines. Terra Bella delivers water to approximately 372 farms that grow oranges, tangerines, grapefruit, lemons, limes, pistachios, walnuts, olives, kiwis, grapes, pomegranates, cherries, persimmons, quince, pecans, prunes and plums, corn, barley and oats.

V. CROPS GROWN IN TERRA BELLA

8. In 2012, 78% of Terra Bella was planted to permanent crops. In 2014, that percentage dropped to 74%. In 2015, that percentage again dropped to 72%. A permanent crop, once planted, will not produce a mature crop until somewhere between three to seven years, depending on the crop and variety. Permanent crops generally require many years before full production is under way. Unlike annual crops, a reliable and secure water supply is necessary both to keep the tree or vine alive as well as produce a crop. The loss of a permanent crop is extremely detrimental to a grower. It can affect the financial viability of the grower’s business for more than a decade.

9. In general, Terra Bella has very little, if any, land planted to annual crops. Certainly unless the grower had access to groundwater, no annual crops were planted in 2014 or 2015.

VI. THE MANAGED DISTRICTS’ FRIANT DIVISION WATER SUPPLY

10. Under its permanent contract with the United States, Porterville is entitled to a Class 1 water supply in the amount of 15,000 acre-feet per year from water stored in or flowing through Millerton Lake (Porterville assigned the right to 1,000 acre-feet of its original entitlement to 16,000 acre-feet Class 1 water to Hills Valley Irrigation District; see

FWA-15). Additionally, Porterville is entitled to a Class 2 water supply in the amount of 30,000 acre-feet per year from the same source. The Class 2 water supply is uncertain as to its availability and time of occurrence, and is only furnished if the United States determines it is available according to the terms of its contract.

11. Saucelito likewise is entitled to a Class 1 water supply in the amount of 21,500, consisting of 21,200 acre-feet under its permanent contract (FWA-72) and 300 acre-feet of Class 1 water under a partial assignment from Tea Pot Dome Water District. A copy of the assignment is identified in FWA-83. Saucelito also has a Class 2 water supply under its permanent contract in the amount of 32,800 acre-feet per year.

12. Terra Bella is entitled to a Class 1 water supply in the amount of 29,000 acre-feet per year.

13. The quantity of the Friant Division contract supply for each Managed District was determined by the United States in its needs analysis study conducted with regard to the unique circumstances existing in each water agency. In each instance, the United States water needs analysis was predicated on a detailed study evaluating the anticipated total acreage of the district when completely developed, the probable crop distribution and associated crop consumptive demand within the district, the locally available effective precipitation and any groundwater supply determined to be available to landowners in the district, as well as the anticipated Friant Division San Joaquin River supply according to various water rights, permits and contracts acquired and entered into by the United States in order to implement the authorized plan for development of the Friant Division.

VII. GROUNDWATER AVAILABLE TO THE MANAGED DISTRICTS

14. The reliable annual groundwater supply within Terra Bella is less than what is required to satisfy the Municipal and Industrial demands within its boundaries. In 2014 only 409 acre-feet, and in 2015 only 948 acre-feet, was used to meet these demands. Growers within Terra Bella are overwhelmingly dependent on surface water delivered by the United States from the San Joaquin River.

15. Water users in Porterville do have access to some reliable groundwater supplies in normal years. In 2014 and 2015, increased groundwater pumping was used to create the replacement supplies necessary to keep the water users relatively productive. However, this increased groundwater pumping came at a price of reliability. Many of the wells within Porterville's boundaries failed in 2014 and 2015, leaving homes and crops without sufficient water. The groundwater levels fell in Porterville an average of 15 feet per year in 2014 and 2015.

16. Water users in Saucelito are similarly situated as those in Porterville. They have access to some reliable groundwater supplies that they used to stay productive in 2014 and 2015. The groundwater in Saucelito also fell an average of 15 feet per year in 2014 and 2015. Saucelito has fewer homes than Porterville, and so was mostly spared from the reality of homes without access to reliable water supplies.

17. The Managed Districts overlie portions of the Tule Sub-Basin 5-22.13, which the California Department of Water Resources designated as critically overdrafted. (Exhibit No. FWA-63). In 2014, the California State Legislature passed the Sustainable Groundwater Management Act (Water Code Section 10720 et seq.) ("SGMA"). Under the provisions of SGMA, the Managed Districts may form a Groundwater Sustainability Agency (GSA) by

June 30, 2017, and thereafter must adopt a Groundwater Sustainability Plan (GSP) by January 1, 2020. Failure to either form a GSA or adopt an adequate GSP requires State intervention and control of the Managed Districts' groundwater supplies. The Managed Districts are actively participating in the formation of a local GSA. Either through a GSP or State intervention, the Managed Districts must implement groundwater sustainability goals by 2020. Implementation of SGMA will limit the future use of groundwater within the Managed Districts. Any such reductions will only increase dependence on surface water supplies from the Friant Division and other sources.

VIII. THE MANAGED DISTRICTS' RESPONSE TO FRIANT DIVISION WATER SHORTAGE IN 2014 AND 2015

18. In the water year 2014, for the first time in over 60 years, the United States made no allocation of Friant Division San Joaquin River water to any of the Managed Districts. The water users were panicked and severely stressed about the prospects for water in 2014 and again in 2015.

19. While the lack of any allocated San Joaquin River water supply came as a great shock to virtually all landowners and water users in the Managed Districts, none felt the blow as strongly as the water users in Terra Bella. Lacking sufficient groundwater supplies, Terra Bella was forced to scour the local markets for any available surface water supplies. Emergency Water accounts were developed and growers placed their orders. Terra Bella was able to develop and implement a number of water transfers and an exchange, which are described below. The total water supply developed was roughly half of the average demand within Terra Bella in 2014 and less than 40% of the average demand in 2015. Water users realized more would need to be done. So the least productive orchards were dried up and the

water saved was used for the most productive orchards. Further, the moderately productive orchards were irrigated with just enough water to keep the trees alive but not produce a crop, and again the water saved was used for the most productive orchards. The final tactic used by water users in 2014 and 2015 was delaying the planting of new orchards.

20. In 2014 and 2015, the water users in both Porterville and Saucelito were forced to use more groundwater to keep the crops alive and productive, in order to make up for the lack of normal surface water deliveries. Additionally, much of the ground used for annual crops was set aside and not planted.

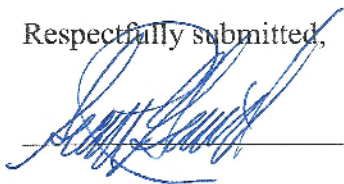
IX. LIMITED REPLACEMENT WATER SUPPLIES WERE SECURED

21. In 2014 and 2015, replacement surface water was too expensive for the water users in Porterville and Saucelito. Therefore they did not participate in the replacement water market in any meaningful way. Saucelito was able to use its rescheduled water from 2013 to create an Emergency Water Program for the water users in the District that lack access to groundwater. The water was sold at market rates, \$1,200 per acre-foot, and was just enough to cover water user demand.

22. Unable to rely on groundwater to any meaningful degree, the water users in Terra Bella had to procure replacement water in both 2014 and 2015. In 2014 Terra Bella was able to negotiate five different larger transfer agreements and one exchange agreement. Terra Bella also helped to facilitate a number of smaller transfers completed on behalf of individual water users. The first large transfer agreement Terra Bella was able to complete was with Fresno Irrigation District for 500 acre-feet of previously banked water at a price of \$1,200 per acre-foot. This water was secured relatively early in the season and helped bridge the gap between the end of the 2013 water contract year and Terra Bella's ability to secure larger

blocks of water. Next, 913 acre-feet of surface water was secured from the San Joaquin River Restoration Program in the form Unreleased Restoration Flows at a cost \$583 per acre foot. An exchange was then negotiated with the Arvin Edison Water Storage District (AEWSD) for 2,454 acre-feet at an exchange rate of five to one. As a result, Terra Bella owes AEWSD 12,270 acre-feet to be repaid in years when the Friant Division Class 1 allocation is above 90%. Terra Bella was able to negotiate for 2,309 acre-feet of water from the Kaweah River water users at a price of at least \$1,507 per acre-foot. Through long-standing water transfer and land use agreements, Terra Bella was able to develop a program with its partners on the Tule River to bring 1,568 acre-feet of Tule River water to Terra Bella at a rough cost of \$125 per acre-foot. Finally, late in the season Terra Bella was able to work with the San Joaquin River Exchange Contractors for a 4,500 acre-foot transfer of San Joaquin River water at a cost of \$250 per acre-foot. In 2015 Terra Bella was able to negotiate two larger transfer agreements. First, it negotiated for 2,686 acre-feet of water from the Kaweah River water users at a price of at least \$1,550 per acre-foot. Second, Terra Bella negotiated with the San Joaquin River Exchange Contractors, Westlands Water District, and its historic local partners for 4,484 acre-feet of San Joaquin River water at an approximate cost of \$600 per acre-foot and an agreement to return a small amount of surface water in a wetter year. Terra Bell also helped facilitate a number of smaller transfers completed on behalf of individual water users. In the end, Terra Bella spent in excess of \$8.8 million in 2014 and \$6.8 million in 2015 to replace its lost surface water supply in an attempt to keep its growers as whole as possible. Even with these extraordinary costs, Terra Bella was only able to replace half of its average demand in 2014, and less than 40% of the average demand in 2015, resulting in crop loss and other damages.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Sean P. Geivet", is written over a horizontal line.

SEAN P. GEIVET