California Department of Water Resources Maureen Sergent's Testimony in Support of the Consolidated Place of Use Petition

Since DWR and Reclamation filed the joint petition for change to consolidate the places of use of the projects on March 20, 2009, water supply conditions have improved in certain regions of the state. However, the water supply in significant portions of the state, particularly those in the San Joaquin Valley and southern California, remain critically short. Consistent with the Governor's Emergency Proclamation, DWR is implementing the Drought Water Bank and working to expedite water transfers and related efforts by water users and suppliers that cannot participate in the Drought Water Bank. The Petition for Change to consolidate the places of use of the SWP and CVP will provide DWR and Reclamation with the operational flexibility to facilitate the delivery of water to areas most severely impacted by the current drought. The following examples illustrate some of the proposals that can be facilitated by the requested change.

2009 Drought Water Bank

The 2009 Drought Water Bank was created to facilitate acquisition of water to replace supplies lost due to the current hydrologic conditions coupled with the increased regulatory restrictions on the Projects. DWR is negotiating contracts for the transfer of water made available from agencies on the Sacramento and Feather Rivers through crop idling and groundwater substitution. Consolidation

of the Projects' places of use will facilitate the implementation of the Bank in the event that the quantity of water transferred by a contractor with a water rights settlement agreement with either DWR or Reclamation would exceed that available under its individual water rights. In such cases, the transfer quantity may include a small portion of Project supply. It is possible that all the water proposed for transfer can be provided under the individual water rights of the agencies making the water available. As appropriate, those agencies have already filed or will soon file petitions for change with the Division of Water Rights to cover the proposed transfer. The current Petition for Change will only affect water that portion of any transfer to the Bank that includes Project water, water provided that is outside that water available under the agencies individual water rights. The petition will allow the delivery of SWP or CVP supplies to the consolidated place of use of the Projects downstream of Barker Slough, Banks, or Jones Pumping Plants. Existing proposals submitted to DWR for the Drought Water Bank total less than 80,000 acre-feet. It is likely that less than 10,000 acre-feet of that will be Project water.

South of Delta Transfers and Exchanges

The majority of proposals that will be facilitated by the consolidation of the SWP and CVP places of use involve transfers and exchanges between Project contractors south of Jones and Banks pumping plants. The proposed exchanges and transfers among SWP and CVP contractors south of the Delta will not result in additional diversions by the Projects. They will simply allow a redistribution of

available supplies to areas with critical needs within the two places of use. Given the very limited water supplies available to both Projects and the constraints on pumping at both Banks and Jones, both projects will export the full quantity available to them within the pumping window. In the absence of approval by the Board, the same quantity of water will be pumped by the Projects for use within the individual places of use.

Empire West Side ID/Westlands Water District Transfer

A landowner with property in both Empire Westside Irrigation District, a SWP contractor and Westlands Water District, a CVP contractor, submitted a request to DWR to delivery a portion of its SWP Table A water to land it owns within Westlands. The current CVP allocation for WWD is 10 percent. The land within Westlands is planted to permanent, high-value crops. The land within Empire is planted to annual crops and has access to alternate supplies from the Kings River depending on local hydrology. If alternate supplies are not available, the land within Empire will be fallowed to allow the water to be transferred to Westlands. Even with the transfer from Empire, the combined water supply to the land within Westlands will likely only provide sufficient water for crop survival.

Santa Clara Valley Water District

Santa Clara Valley Water District contracts for a water supply from both the SWP and CVP. The SWP water is delivered through the South Bay Aqueduct and the CVP water is delivered from San Luis Reservoir through the San Felipe Division.

Due to Delta pumping constraints and shortages in SWP and CVP supplies, water levels in San Luis Reservoir are well below normal. Santa Clara's CVP supplies are typically conveyed through San Luis Reservoir to Pacheco Pumping Plant, part of the federal San Felipe Division. As storage levels in the reservoir drop below 300,000 acre-feet, capacity of the pumps at Pacheco Pumping Plant decreases. In addition, algae in the reservoir may impact Santa Clara's ability to use the supply for treated drinking water. Pumping capacity and water quality continue to decline until the reservoir reaches the level of Pacheco Pumping Plant's lower intake. At that point, the Reclamation is unable to deliver CVP water through the San Felipe Unit. DWR and Reclamation propose to exchange SWP and CVP water to increase operational flexibility by pumping Santa Clara's CVP water to be Jones for delivery to DWR at O'Neill Forebay, in exchange for an equal amount of SWP project water pumped at Banks and delivered to SCVWD through the South Bay Aqueduct. The Consolidated Place of Use will allow the continued delivery of water to Santa Clara during the San Luis low point period, and minimize negative impacts to the economy of the Santa Clara service area, water levels within the regions groundwater basin and local environmental resources. The exchange will not result in an increase in deliveries to Santa Clara or an increase in Delta pumping.

Kern County/Westlands Water District Exchange

Another proposal involves the transfer of up to 13,486 acre-feet of SWP water from the Kern County Water Agency to Westlands to allow the return of

Westlands' CVP supplies previously stored in Semitropic Groundwater Storage Bank for use during future drought periods. Semitropic will return the previously banked water in one of two ways. Semitropic will pump CVP water previously stored in Kern for use within its service area. Kern would then deliver an equivalent amount of its currently allocated SWP Table A water to Westlands. Alternately, Kern Table A water would be delivered to Westlands and the groundwater storage account in Semitropic would be adjusted by an equivalent amount. In the absence of the transfer, the CVP water would remain in groundwater storage and KCWA would take delivery of its full SWP allocation. The proposed transfer will provide some critical relief for Westlands but will replace only a small fraction of the reduction in 2009 CVP deliveries. Total deliveries to Westlands will remain well below the recent historic average.

Del Puerto WD/Oak Flat WD Transfers and Exchanges

Del Puerto is a CVP contractor from the Delta-Mendota Division of the CVP taking delivery of CVP water from the Delta-Mendota Canal. Oak Flat is a SWP contractor taking delivery of SWP water from the California Aqueduct. Both districts are geographically adjacent to each other, are served with common management and share many common landowners. Given the shortages of both CVP and SWP water supplies, these districts and their common landowners would like to be able to optimize the management of these limited water resources within and between the two districts. Thus, this could involve the transfer and delivery of CVP water to lands currently served by SWP supplies as

well as the transfer and delivery SWP water to lands currently served with CVP supplies.

Arvin-Edison WSD Groundwater Banking Project Returns

Metropolitan Water District previously stored SWP water in the Arvin-Edison Water Storage District. Arvin Edison will return banked SWP water to MWD this year. Without the consolidated place of use the previously banked SWP water must be recovered from banking facilities via groundwater extraction. The consolidated place of use will provide the ability to return Arvin Edison's CVP water in exchange for a like amount of banked SWP water. The flexibility to return CVP water could enhance the return quantity, timing, and water quality this year. The return involving delivery of CVP water will not exceed 10,000 acrefeet.

Transfer and Exchange Criteria

The transfers and exchanges described above illustrate the type of exchanges to be facilitated by the consolidation of the Projects places of use. DWR and Reclamation anticipate that more needs and opportunities for changing where SWP or CVP water is applied may be developed which could benefit from the consolidated place of use. In order for this petition to also cover any future transfers or exchanges, DWR and Reclamation propose the following parameters within which any projects covered by this petition will be conducted.

- A. For any project involving a transfer of SWP or CVP water through the Delta, DWR and Reclamation will continue to operate the Projects in accordance with the 2008 delta smelt biological opinion, which analyzed the effects of a maximum of 600,000 acre-feet of transfers exported only from July through September, the criteria and protective measures contained in D1641, as well as the biological opinions for the protection of Sacramento River winter-run Chinook salmon, spring-run Chinook salmon, and steelhead.
- B. Carriage loss will be deducted from any water transferred through the Delta.
- C. The total quantity of water delivered to SWP or CVP contractors as a result of the change will not exceed historic average deliveries.¹
- D. No transfer or exchange will take place that results in the net loss of San Joaquin River or Sacramento River flow.
- E. No transfer or exchange will take place that results in the net loss of any Eastside CVP water from the San Joaquin Valley.

7

¹ Historic deliveries for both SWP and CVP contractors are attached as Exhibits 1 (SWP) and 2 (CVP) to the Petition. Importantly, only the CVP contractors that are expected to receive water as a result of this petition have been included. If, in the future, a CVP contractor needs to be added to the list, the historic delivery information for that particular contractor will be provided.

F. DWR and Reclamation will develop, in coordination with SWRCB staff, a reporting plan that will account for all water transferred or exchanged under the provisions of any order approving the consolidated place of use. The reporting plan will include the parties to the transfer or exchange, how much water is to be transferred, how the water will be made available, the facilities required to affect the transfer, any anticipated changes to streamflow or drainage resulting from the transfer and how the transfer will affect the overall water supply of the agency receiving the transfer water.

Summary

Due to the critically dry water supply conditions in 2009, water agencies are actively pursuing supplemental water supplies to mitigate the impacts of the loss of Projects supplies, particularly in the San Joaquin Valley where some districts are receiving only 10 percent of their CVP supplies. With the exception of the limited amount of project water to be delivered under the Drought Water Bank, anticipated to be less than 10,000 acre-feet, the proposals facilitated by the requested consolidation of the SWP and CVP places of use will not result in an increase in pumping from the Delta or the total quantity of Project water delivered south of the Delta. DWR and Reclamation believe the consolidation of the Projects' places of use will provide the operational flexibility to allow agencies to quickly and efficiently get water supplies to areas with critical needs consistent with the Governor's Emergency Proclamation.