1 2 3 4 5 6 7	STEPHAN C. VOLKER (CSB #63093) ALEXIS E. KRIEG (CSB #254548) STEPHANIE L. CLARKE (CSB #257961) JAMEY M.B. VOLKER (CSB #273544) LAW OFFICES OF STEPHAN C. VOLKER 1633 University Avenue Berkeley, California 94703 Tel: (510) 496-0600 Fax: (510) 845-1255 Email: svolker@volkerlaw.com akrieg@volkerlaw.com	
8 9	Attorneys for Protestants Pacific Coast Federation of Fishermen's Associations and Institute for Fisheries Resources	
10 11	OSHA R. MESERVE (CSB #204240) PATRICK M. SOLURI (CSB #210036) SOLURI MESERVE, A LAW CORPORATION 510 8th Street	
12 Sacramento, California 95814 Tel: (916) 455-7300 Fax: (916) 244-7300 Email: osha@semlawyers.com		
15 16	patrick@semlawyers.com Attorneys for Protestant Local Agencies of the North Delta	
17		
18 19	DEFO	of the
20	BEFORE THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD	
20		
22	HEARING IN THE MATTER OF CALIFORNIA DEPARTMENT OF WATER RESOURCES AND UNITED STATES BUREAU OF RECLAMATION	WRITTEN TESTIMONY OF THOMAS STOKELY TO
23		WESTLANDS WATER DISTRICT'S PART 2 CASE IN CHIEF
24	REQUEST FOR A CHANGE IN POINT OF DIVERSION FOR CALIFORNIA WATER FIX	(Part 2 Rebuttal)
25	DIVERSION FOR GREIF ORIGINA WATER FIX	(Fart 2 Resultar)
26		
27		
28		

Written Testimony of Thomas Stokely (Part 2 Rebuttal)

My name is Thomas Stokely. I am presenting this testimony on behalf of LAND, PCFFA
and IFR in this evidentiary hearing before the State Water Resources Control Board (State
Water Board) concerning a joint petition filed by the California Department of Water Resources
(DWR) and the U.S. Bureau of Reclamation (USBR) to add three new points of diversion
and/or rediversion to specified water right permits for the State Water Project (SWP) and the
Central Valley Project (CVP) associated with the California WaterFix Project. I have previously
testified in this matter. My statement of qualifications is provided in Exhibit PCFFA-88, as
modified by my testimony on March 27, 2018. (March 27, 2018 Hearing Transcript, page 32,
lines 3 to 8.). My PowerPoint for this testimony is LAND-291.

This testimony rebuts information provided and testimony presented by Jose Gutierrez of Westlands Water District (Westlands) on the status of its water contracts and deliveries, including Mr. Gutierrez' assertions that area of origin has not been used to give priority to CVP water contractors. (WWD-15 and WWD-17.) As explained in more detail below:

- 1. Westlands' claim of entitlement to irrigate 600,000 acres with 1.4 million acre feet (MAF) of CVP water per year is refuted by the public record. This claim far exceeds the limit of Congress' specific authorization for the San Luis Unit. The San Luis Act of 1960 (Public Law (PL) 86-488) (LAND-230) restricted water exports from the CVP to serve only 500,000 acres for the entire San Luis Unit, and only about 400,000 acres for Westlands.
- 2. Westlands' claim to a contractual entitlement to CVP water of 1,150,000 acre feet per year (AFA) is incorrect. Westlands' claim is based on an expired 1963 water contract with the USBR. Westlands also relies upon an expired provision in the Barcellos Judgment that far exceeds what federal law permits. Westlands is only operating under two-year interim water service contracts that the Ninth Circuit Court of Appeals has ruled have no right to renewal and are subject to mandatory consideration of reduced water deliveries under the National Environmental Policy Act (NEPA).
- Mr. Gutierrez' assertion that area of origin principles have not been applied by USBR, the State Water Board and the courts to CVP contracts and other policies is incorrect.

1. Westlands' claim of 600,000 acres to be served with 1.4 MAF of water is refuted by the public record including PL 86-488, Congress' specific authorization for the San Luis Unit. (LAND-230.) According to Mr. Gutierrez:

Westlands Water District is a California water district with its service area in western Fresno and Kings counties encompassing over 600,000 acres with the historical demand for water or about 1.4 million acre feet per year primarily for irrigation.

(WWD-15, p. 2 lines 14–16.) The San Luis Act limited water exports to serve only 500,000 acres for the entire San Luis Unit. According to the 1955 House and Senate Committee Reports for the Trinity River Act of 1955, PL 84-386 (CSPA-351), the amount of water allocated for the San Luis Unit under the Trinity River Act of 1955 (PL 84-386) (CSPA-350) is only 525,000 AFA, a quantity sufficient to irrigate less than half that acreage.

Federal law is very clear that the San Luis Unit was to include only 500,000 acres for all four water districts, as I explain below. The San Luis Act governs the construction, operations and maintenance of the San Luis Unit and designates specific diversion points. The new diversion points requested by USBR and WWD to accommodate the California WaterFix are not authorized by any federal statute. Westlands' claim of entitlement to irrigate 600,000 acres thus conflicts with Congress' intent that CVP deliveries be limited to no more than 525,000 AFA to be delivered to at most 500,000 acres for the San Luis Unit. Excess acreage that is irrigated within the San Luis Unit violates federal law. It also deprives upstream users of critically needed water, degrading water quality and reducing flows essential to the health of the ecosystems supported by this water, including the Delta Estuary, and Trinity, Sacramento and San Joaquin rivers.

The San Luis Act limited water deliveries to serve only about 500,000 acres in the entire San Luis Unit service area, including approximately 400,000 acres for Westlands. The San Luis Act of 1960, Public Law 86-488 states that "approximately 500,000 acres" would be served federal irrigation water in the San Luis Unit of the CVP:

13

14

15

16 17

18

19

20 21

22

23 24

25

26 27

28

Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembles That (a) for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area . . .

(LAND-230, p. 1.) The San Luis Unit also includes three other water districts—Panoche, Pacheco and San Luis, comprising approximately 100,000 acres. Congress only authorized irrigation of approximately 400,000 acres within Westlands, not 600,000 acres as Westlands claims. (LAND-296.)

The San Luis Unit Feasibility Study map (LAND-297; see also LAND-302 [Central Valley Project, San Luis Unit (1956) A Report on the Feasibility of Water Supply Development]) shows irrigation of approximately 400,000 aces within Westlands. This is also confirmed on page 51 of the Report of the San Luis Drainage Task Force (LAND-296) which indicates that the 496,000 acres within the San Luis service area includes roughly 400,000 acres in Westlands. The map in LAND-299 shows Westlands' current district boundary overlaid onto the Congressionally authorized CVP Service area found in the 1956 San Luis Unit, Central Valley Project, "A Report on the Feasibility of Water Supply Development" service area map (LAND-297). As one can see, Westlands exceeds the Congressionally authorized boundaries and the request for water supply deliveries to these unauthorized areas violates the acreage and volume restrictions imposed by existing federal law.

Before Congress imposed the 500,000-acre limit in 1960, Congress had already found, as documented in the Committee Reports, that 525,000 acre-feet of water per year was the "ultimate need" of the San Luis Unit for CVP water:

The Trinity River division would be integrated physically with the, Central Valley project and operation would be coordinated with that of other features of the Central Valley project. Under the plan of development and operation an average of 704,000 acre-feet of Trinity River water would be diverted annually to the Sacramento River Basin. This amount, when coordinated with the operation of the Central Valley project system would provide about 1,190,000 acre-feet of water for additional use in the Central Valley. Of this 1,190,000 acre-feet, about 665,000 acre-feet would be used annually, under the plan, to meet the ultimate needs of the Sacramento canals service area, comprising about 200,000 acres, and about 525,000 acre feet annually would be available for use on lands of the west side of the San Joaquin Valley.

(CSPA-351, p. 909.)

16 17

18 19

21

22

20

23 24

26

25

27 28

Thus, Westlands' claims of entitlement to irrigate 600,000 acres with 1.4 MAF of water detailed above are contrary to law. Additionally, its entitlement should be further reduced by the acreage that Westlands has permanently or temporarily retired due to soil salinization. internal water transfers, conversion to other uses such as solar, drainage settlements such as Sagouspe and Britz/Sumner Peck and other factors. Westlands fallowed 140,477 acres as recently as 2017 when there was 100% CVP contract delivery, significantly more than past years when there was 100% CVP allocation. (LAND-298, p. 9.) Westlands' 2016 "Solar Development Map" also shows substantial acreage committed to municipal and industrial nonirrigation purposes. (LAND-293.) During cross examination, Mr. Gutierrez said that Westlands' irrigable acreage is 465,000 acres, which is the latest USFWS consultation for Westlands' interim contract renewal (LAND-298, p. 9) showing 140,477 acres fallowed in 2017 during 100% contract allocation. (Hearing Transcript, March 12, 2018, p. 243, lines 16–18.) Clearly, Westlands' claim to water supplies based on 600,000 acres of land is not authorized by Congress.

According to Mr. Gutierrez, "Reclamation makes allocation decisions based on the terms of the CVP contracts and other policies." (WWD-15, p. 3.) By "other policies" one would assume Mr. Gutierrez includes federal laws and specifically, federal reclamation law and the federal Endangered Species Act along with the Central Valley Project Improvement Act.

One such contract policy and federal law is compliance with the Biological Opinion on Implementation of the CVPIA and Continued Operation and Maintenance of the CVP (Reference 1-1-98-F-0124) November 21, 2000. (LAND-301.) This biological opinion put conditions on Reclamation's water allocation to Westlands Water District and other CVP contractors. (LAND-301, pp. 2-62 to 2-65 [Comprehensive Mapping].) Further, it requires compliance with specified reasonable and prudent alternatives. In the USFWS' most recent biological assessment for Westlands' Interim Contract (LAND-298, 2017 BA), the USFWS found the required mapping essential to determining the impacts on endangered species covered by the water supply export and contract was deficient, and the map from USBR and

Westlands failed to provide the required land use changes: "No land use change analysis was provided for this consultation." (LAND-298, p. 9.) With respect to the map from the USBR 2017 Biological Assessment (LAND-298, p. 10), FWS noted that the map was illegible and unintelligible:

Land Use Effects

In the CVPIA Programmatic biological opinion (CVPIA BiOp) dated November 2000 (Service File 98-F-0124), Reclamation and the Service committed to develop a Comprehensive Mapping Program (CVPHMP) (as described on page 2.62 and 2.63 of the CVPIA BiOp), to identify remaining natural habitate and

develop a Comprehensive Mapping Program (CVPHMP) (as described on pages 2-62 and 2-63 of the CVPIA BiOp), to identify remaining natural habitats and cropping patterns within the State-permitted CVP Place of Use (POU), and identify any changes within those habitats that have occurred from 1993 to 1999, and then every 5 years thereafter. . . .

[¶] In support of this conclusion, the BA provided **Figure 2** (USBR 2017). No land use change analysis was provided for this consultation.

We note that the WWD annual crop reports (which do record acreages of fallowed lands by year within the district) have documented a significant drop in fallowed acreage in 2017, compared with the past four years. The fallowed area in WWD in 2017 was 140,477 acres, in 2016 was 175,901 acres, in 2015 was 212,846 acres, and in 2014 was 206,915 acres (see http://wwd.ca.gov/news-andreports/crop-acreage-reports/). We are unable to determine where the fallowed lands are within WWD with the data provided in the BA (**Figure 2**).

(LAND-298, pp. 8–9.) Provision of inadequate mapping of land uses fails to meet the requirements of the 2000 Biological Opinion.

2. Mr. Gutierrez's claim that Westlands has a contractual entitlement to CVP water of 1,150,000 acre feet per year is incorrect. (WWD-15, p. 4.) Westlands is relying upon an expired provision in the *Barcellos* Judgment to claim more water and acreage than federal law allows. Westlands is only operating under two-year interim water service contracts that the Ninth Circuit Court of Appeals ruled must include NEPA analysis of reduced water deliveries and are not guaranteed renewal. (PCFFA-18; *Pacific Coast Federation of Fishermen's Associations v. U.S. Department of Interior*, 655 Fed.Appx. 595 (9th Cir. 2016).)

Westlands is misusing an expired 1963 water contract with USBR in an attempt to justify its future claims for allocations of water. In making this claim, Westlands is relying on an expired long term contract and an expired stipulated judgment that provided additional

1 | ar 2 | W 3 | to 4 | su 5 | au 6 | er 7 | Al

amounts of water beyond its original 1963 contract only until 2007. (WWD-4.) After 2007, Westlands' water contract supplies are based solely on its interim contracts, which are limited to a maximum duration of two years and confer no right of renewal. In 2016, PCFFA successfully challenged and defeated Westlands' claim that interim contracts carry forward automatically. (PCFFA-18.) The Ninth Circuit Court of Appeals ruled that Westlands was not entitled to automatic renewal of its interim contracts and therefore USBR's "No Action Alternative" in the contract renewals—which presumed renewal—did not comply with NEPA:

8

9

10 11

1213

14

15

16 17

18

19

2021

22

2324

26

25

2728

The EA's "no action" alternative, which assumed continued interim contract renewal, did not comply with NEPA. A "no action" alternative may be defined as no change from a current management direction or historical practice. 43 C.F.R. § 46.30. But a "no action" alternative is "meaningless" if it assumes the existence of the very plan being proposed. *Friends of Yosemite Valley v. Kempthorne*, 520 F.3d 1024, 1038 (9th Cir. 2008). Rather, the "no action alternative looks at effects of not approving the action under consideration." 43 C.F.R. § 46.30. Here, the action under consideration was the renewal of the water delivery contracts. See *Pit River Tribe v. U.S. Forest Serv.*, 469 F.3d 768, 784 (9th Cir. 2006) (holding that extensions of Bureau of Land Management leases permitting production of geothermal energy did not preserve the status quo where the extensions were not mandatory).

(PCFFA-18, pp. 3-4.)

Furthermore, the Ninth Circuit went on to state:

[W]e do not agree with the district court that the Central Valley Project Improvement Act ("CVPIA"), a part of the Reclamation Projects Authorization and Adjustment Act of 1992, required Reclamation to enter into the interim contracts.

We also reject Reclamation's argument that the contracts themselves mandated renewal. NEPA imposes obligations on agencies considering major federal actions that may affect the environment. An agency may not evade these obligations by contracting around them.

(PCFFA-18, pp. 4-5.)

The Ninth Circuit Opinion (PCFFA-18) established a framework for NEPA analysis that will likely lead to further reductions in water exports to Westlands due to environmental concerns and Westlands' retirement of more lands nearly every year. Westlands' claimed right to renewal of its interim contracts at existing contract amounts is thus demonstrably wrong.

4

3

6

7

5

8

10 11

12 13

14

15 16

17

18

19 20

21

2223

2425

26

2728

The *Barcellos* Judgment referenced in WWD-15 (p. 4, line 22) has not been in effect for more than a decade. It expired on December 31, 2007:

2. <u>Termination of Stipulated Agreement and Duration of Judgment</u>. The Stipulated Agreement identified in Paragraph 1.29 (b) above shall terminate at the end of the month in which this Judgment is entered. This Judgment shall govern the rights and duties of all parties for its term commencing the first day of the month following entry of this Judgment and terminating December 31, 2007, except as otherwise provided in Paragraph 13.3(c) below and Exhibit K of this Judgment.

(LAND-300, p. 10, lines 1–9.) Westlands' interim water contract also includes language noting the expiration of the *Barcellos* Judgment on December 31, 2007. (WWD-4, p. 3, line 28; see also LAND-295.) Contrary to Westlands' misleading testimony, the *Barcellos* Judgment cannot be used to justify Westlands' current CVP water contract amounts and irrigated acreage because the stipulated rights or duties expired long ago. And, a long-expired stipulated judgment cannot possibly amend an Act of Congress. To remove any doubt, the stipulated agreement expressly limited any contrary claim by Westlands: "Neither this Judgment nor the Stipulation for Compromise Settlement is a contract or an amendment to a contract with the United States as described in Section 203(a) of the 1982 Act." (LAND-300, p. 56.)

Pursuant to the Court of Appeal's decision on D-1641, State Water Resources Control Board Cases (2005) 136 Cal.App.4th 674, Westlands also has no right to delivery of any particular percentage of its water contract with USBR:

- "Westlands must show that it has a right under its contract with the Bureau to the
 greater amount of water and that the redirection of CVP water to fish and wildlife
 will interfere with that right. Westlands has not made that showing." (LAND-292,
 p. 69 [State Water Resources Control Board Cases (2005) 136 Cal.App.4th 674,
 805].)
- "Because Westlands has no right to CVP water that Congress directed the Bureau to put to other uses in the Central Valley Project Improvement Act, changes in the Bureau's permits that will allow the Bureau to comply with the Central Valley Project Improvement Act will not interfere with Westlands's rights, and therefore the changes will not operate to the injury of Westlands as a legal user of CVP water within the meaning of section 1702." (LAND-292, p. 70 [State Water Resources Control Board Cases (2005) 136 Cal.App.4th 674, 806, fn. 54].)

obligation to add landowners outside of the authorized place of use in the Bureau's CVP water permits to the authorized place of use:

It is certainly true that by virtue of [Water Code] section 37826, the landholders in

Furthermore, the Court of Appeal established that the State Water Board is under no

It is certainly true that by virtue of [Water Code] section 37826, the landholders in West Plains became entitled to the benefits of the 1963 water service contract between Westlands and the Bureau. But that contract was itself subject to the terms of the Bureau's permits, including the place of use authorized in those permits. To the extent the landholders in West Plains were already within the place of use authorized in the Bureau's CVP permits, section 37826 made those landholders eligible to receive CVP water because all that remained for them to achieve that eligibility was a contract with the Bureau. Landholders like the Anderson parties, however, needed two things to be eligible to receive CVP water: they needed a contract with the Bureau, and they needed their lands to be added to the authorized place of use in the Bureau's permits. Section 37826 accomplished the former, but not the latter. Nothing in that statute purports to make any change in the Bureau's permits to appropriate water for the CVP or purports to impose on the Water Rights Board a ministerial duty to make such a change.

(LAND-292, p. 80 [State Water Resources Control Board Cases (2005) 136 Cal.App.4th 674, 824].)

3. Mr. Gutierrez incorrectly asserts that area of origin principles have not been applied by USBR, the State Water Board and the courts to CVP contracts and other policies. According to Mr. Gutierrez: "It is my understanding that Reclamation, the Water Board, and courts have consistently declined to give priority to contractors based on "area of origin" principles." (WWD-15, p. 3, lines 15–23.)

There was significant cross examination of Mr. Gutierrez regarding CVP water contracts that do have area of origin principles applied to them, contrary to his written testimony. (Hearing Transcript, March 9, 2018, pp. 223–231; March 12, 2018, pp. 53–54, 61–62.)

In my Part 2 testimony for PCFFA, I explained the priority of in-basin uses for Trinity River water. (PCFFA-87.)

As explained in my Part 2 testimony for CSPA, the USBR's water permits for the Trinity River Division of the CVP were issued in conjunction with expansion of the CVP place of use in the San Luis Unit, including much of Westlands. (CSPA- 220, p. 3, lines 13–19, CSPA-354, CSPA-355 and CSPA-356.) USBR's Trinity River permits all contain identical conditions

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

regarding application of Section 10505 of the Water Code and a condition to release water for Humboldt County and sufficient flows for the preservation and propagation of fish and wildlife 3 and other downstream uses as required pursuant to federal law. (PCFFA-90, p. 19.) (Also see SWRCB-15, p. 166, conditions 9 and 10; SWRCB-16, p. 167-168, conditions 16 and 17; 4 SWRCB-17, PDF p. 41, conditions 9 and 10; SWRCB-18, p. 147, conditions 9 and 10; SWRCB-19, p. 151, conditions 9 and 10.) For instance,

Condition 9 from SWRCB-15 (p. 166) states:

Permittee shall release sufficient water from Trinity and/or Lewiston Reservoirs into the Trinity River so that not less than an annual quantity of 50,000 acre-feet will be available for the beneficial use of Humboldt County and other downstream users.

Condition 10 from SWRCB-15 (p. 166) states:

This permit shall be subject to the prior rights of the county in which the water sought to be appropriated originates to use such water as may be necessary for the development of the county, as provided in Section 10505 of the water Code of California.

Furthermore, Westlands' own manager in 1954, Jack W. Rodner, when talking about the proposed Trinity River Division, stated the following about areas of origin in a March 25, 1954 *Trinity Journal* article:

As desperate as our needs are for the west San Joaquin Valley, we do not want to take a drop of water from the Trinity River until all the water that can be beneficially used in the Trinity and Sacramento areas is definitely reserved for them

(LAND-294.)

USBR's Record of Decision for the "Long Term Plan to Protect Adult Salmon in the Lower Klamath River calls for increased releases from Trinity and Lewiston dams during periods of drought and poor water conditions from, in part, the conditions and limitations on export required by federal law to preserve and propagate Trinity River basin fish and wildlife. The first proviso of the 1955 Act in Section 2 (PCFFA-89, p. 2) qualifies the integration of the TRD into the CVP with a direction to the Secretary to determine needed releases from the TRD to the Trinity River for the preservation and propagation of Trinity River basin fish and

11

12 13

14

15

16 17

18

19

20

21

22 23

24

25

26

27

28

wildlife, subject to a statutory minimum release, and Proviso 2 that requires 50,000 acre-feet of water for Humboldt County. (PCFFA-112 and PCFFA-106.) The following limitations on the integration of the Trinity Division with the CVP apply:

In the Final EIS, the primary statutory authority for the proposed action was identified as Section 2 of the 1955 Act which provides for specific limitations on the integration of the Trinity River Division with the rest of the Central Valley Project (CVP) and gives precedence to in-basin needs including that "the Secretary is authorized and directed to adopt appropriate measures to insure the preservation and propagation of fish and wildlife" (Proviso 1) and that "not less than 50,000 acre-feet shall be released annually from the Trinity Reservoir and made available to Humboldt County and downstream users" (Proviso 2). For the actions implemented in 2012, 2013, and 2014, Reclamation identified Proviso 1 as the primary authority for flow releases. On October 1, 2014, the U.S. District Court for the Eastern District of California ruled that Proviso 1 did not provide authority for releases made in 2012, 2013, and 2014. Reclamation identified both Proviso 1 and 2 as the primary authority for the flow releases in 2015 and 2016. On February 21, 2017, the Ninth Circuit Court of Appeals reversed the District Court's order regarding Proviso 1, holding that Proviso 1 provided authority for the flow releases. Additional discussion of both Proviso 1 and 2 are included in the Statutory Appendix to the EIS.

(PCFFA-106, p. 2, fn. 1.) Mr. Gutierrez' testimony that in allocating water supplies to the CVP USBR need not comply with area of origin requirements is therefore incorrect. Further, CVP operations, along with allocations of water from the CVP, are also conditioned on meeting specified federal laws and limitations in accordance with State law, including the Area of Origin protections. (LAND-303, p. 1; see also LAND-304 [California v. U.S. (1978) 438 U.S. 645].)

Conclusion

In summary, Westlands' claimed irrigated acreage of 600,000 acres exceeds the Congressional authorization of about 400,000 acres by 50 percent, leading to its inflated and unlawful claim for 1.4 MAF of water per year. Westlands' claimed water need is further refuted by the ongoing reductions in its irrigated acreage due to land retirement, soil salinization and conversion to non-agricultural land uses. Westlands' CVP interim water contract renewals with USBR are not guaranteed at full amounts or even at all. Under the Court of Appeal ruling in State Water Resources Control Board Cases, reductions in Westlands' water supply as a result of fish and wildlife protection, contract terms and area of origin protections in USBR's

state water permits are not a legally cognizable impact to Westlands or SLDMWA members as they are not "legal users of water" as defined by section 1702 of the Water Code. Westlands cannot rely on an expired long term water contract, the expired *Barcellos* Judgment or an assumption of automatic interim CVP contract renewal at current contract amounts to justify continued excessive deliveries of CVP water. Mr. Gutierrez' statement about area of origin protections not being applicable to the CVP is also inconsistent with USBR's obligations under state water permits and federal law.

Executed on the 13th day of July, 2018, at Mount Shasta, California.

Thomas Stokely