STATE OF CALIFORNIA

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

STATE WATER RESOURCES CONTROL BOARD

) In the Matter of:)) PUBLIC HEARING TO CONSIDER TAKING) AN EMERGENCY DROUGHT-RELATED WATER) RIGHTS ACTION ON A PETITION FOR) TEMPORARY URGENCY CHANGE FILED BY) THE DEPARTMENT OF WATER RESOURCES) AND THE UNITED STATES BUREAU OF) RECLAMATION REGARDING TEMPORARY) RELAXATION OF THE FEBRUARY DELTA) OUTFLOW AND THE SAN JOAQUIN RIVER) FLOW OBJECTIVES IN RESPONSE TO) CURRENT DRY CONDITIONS))

JOE SERNA JR./CalEPA BUILDING

)

1001 I STREET

BYRON SHER AUDITORIUM

SACRAMENTO, CALIFORNIA

VOLUME I

TUESDAY, FEBRUARY 17, 2009

1:34 P.M.

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ALSO PRESENT:

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Mr. Steve Ottemoeller, Friant Water Authority, Friant Water Users Authority

Ms. Maria Rey, NOAA Fisheries

Mr. Darrin Thome, US Fish and Wildlife Service

Ms. Karna Harrigfeld, Stockton East Water District

Mr. Bill Paris, San Joaquin River Group Authority

Dr. Perry Herrgesell, Department of Fish and Game

Ms. Ann Grottveit, California Avocado Commission

Ms. Barbara Barrigan-Parilla, Restore the Delta

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Mr. Craig Johns, Sacramento Regional County Sanitation District

 $\operatorname{Mr.}$ Cliff Schulz, Kern County Water Agency and State Water Contractors

Mr. Ron Milligan, Operations Manager, Central Valley Project

Dr. Mike Chotkowski, Acting Regional Environmental Officer, US Bureau of Reclamation

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PROCEEDINGS 1 2 --000--3 CO-HEARING OFFICER BAGGETT: Let's get 4 started. We have probably an hour of policy statements 5 alone. б This is the time and the place for the hearing 7 to receive evidence relevant to the State Water 8 Resources Control Board's consideration of a petition for a temporary urgency change filed on February 10, 9 2009 by the Department of Water Resources and the 10 11 United States Bureau of Reclamation for relaxation of 12 the February Delta Outflow and San Joaquin River Flow 13 Objectives contained in State Water Board Decision 14 1641. I'm Art Baggett, Member of the Board. With me 15 today is State Board Member and Co-Hearing Officer, 16 17 Charlie Hoppin; and we'll be assisted by our Senior Staff Counsel Erin Mahaney, Staff Scientist Diane 18 Riddle, and Staff Engineer Jean McCue. 19

20 Before we get started, I want to say a few 21 words. I think you all know the evacuation procedures, 22 something -- two exits back there, and follow the signs 23 out of the building, and take your valuables with you. 24 For the hearing today, the hearing is being 25 held in accordance with the Notice of the Hearing dated

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February 10, 2009, and the purpose of this hearing is to afford DWR, the US Bureau, and interested persons an opportunity to present relevant oral testimony and other evidence which addresses issues 1 through 9 as identified in the Hearing Notice.

6 Unless someone wants me to read the Hearing 7 Notice, I think you've all -- I assume everybody is 8 familiar with it. If there is anybody who would like 9 me to read it, raise your hand. If not, it's a long 10 notice; I will waive that portion and enter the Notice 11 into the record.

We are broadcasting this hearing on theInternet and recording by both audio and video.

A court reporter is present to prepare a transcript of the proceeding. Anyone who would like a copy of the transcript must make separate arrangements with the court reporter.

And to assist the court reporter, as usual --I think you've all been to many of these hearings -- if you could present a business card to the reporter and also speak into the microphone with your name and affiliation when you come up, that would be helpful.

Before we begin the evidentiary portion of the hearing, we'll hear from any speaker who wishes to make non-evidentiary policy statements. If you wish to make

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a policy statement, I think you all know if you could
 give us a blue card, that would be helpful.

We will also accept written policy statements
for the record. If you have written copies, if you
could give them to staff, that would be helpful.

6 It is subject to the limitations identified in 7 the Notice. Persons making a policy statement must not 8 attempt to use their statements to present factual 9 evidence, oral, or by introducing written exhibits, and 10 we've asked that you limit the policy statements to 11 three minutes or less.

Again, remember you can submit a writtenstatement and summarize it in three minutes.

After hearing any policy statements, we'll move to the evidentiary portion of the hearing for presentation of evidence and related cross-examination by the parties.

18 If you could indicate on the blue card if you 19 are presenting a case-in-chief, and I think we have 20 that or a couple cards of cross-examination purposes 21 only, which is fine.

At the beginning of each case-in-chief, the party may make an opening statement, briefly summarize the party's position, and what the party's evidence tends to establish.

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1 In the interests of time, the parties may 2 submit written opening statements instead of making 3 oral opening statements also. 4 After any opening statement, we'll hear the 5 testimony from the parties' witnesses. Before б testifying, the witnesses should identify the written 7 testimony as their own and affirm that it is true and 8 correct. 9 Witnesses should summarize the key points, and please do not read the entire testimony into the 10 11 record. Direct testimony will be followed by 12 13 cross-examinations by other parties, Mr. Hoppin, 14 myself, and staff. 15 Redirect testimony and recross-examination will be limited, as always, to the scope of the 16 17 redirect testimony. 18 Parties are encouraged to be efficient in presenting their cases and their cross-examination. 19 20 Except when I approve a variation, we'll follow the 21 procedures as set forth. 22 Parties' presentations are subject to the 23 following limits: Opening statements to be three 24 minutes. For oral presentation of direct testimony, we 25 would like to ask five minutes per witness or 30

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minutes per panel. Cross-examination will be initially 1 2 limited to 30 minutes per witness or panel of 3 witnesses; and if you've got cause, we can make 4 exceptions to that. 5 Oral closing statements will not be permitted. б Toward the close of the hearing, Mr. Hoppin and I will 7 decide whether to request submission of written closing 8 briefs or a briefing schedule, if necessary. 9 Are there any procedural questions from any of the parties before we begin? 10 11 (No response) CO-HEARING OFFICER BAGGETT: I will now ask 12 13 the hearing participants to come up to the podium and 14 identify themselves. I've collected blue cards, and 15 will those making appearances please state your name 16 and whom you represent so the court reporter can enter 17 this information into the record. 18 Please also state whether it's a policy statement or presenting a case-in-chief. If you are 19 20 presenting a case-in-chief, be sure to give us copies, 21 preferably ten copies, of your exhibit to the staff and 22 make copies available to other parties. 23 I think I'll deviate slightly. We've got ten 24 cards for policy statements. There's really no -- you

25

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can introduce yourself when you come up for those.

1 I'm mainly interested right now in 2 understanding who the parties of the proceeding are. 3 So I've got at least ten parties right here, so I'll 4 just start reading the ones I know and ask people to 5 come up on your own and identify who you're б representing. 7 So to begin with, the Bureau of Reclamation and then the Department of Water Resources. Who is 8 9 making appearances for those parties? 10 MS. AUFDEMBERGE: This is Amy Aufdemberge. 11 I'm with the Solicitor's office for Department of 12 Interior, representing Reclamation. 13 MS. ALLEN: Kaylee Allen, also with the US 14 Department of the Interior Solicitor's Office, 15 representing Reclamation. MS. CROTHERS: Cathy Crothers with the 16 17 Department of Water Resources. CO-HEARING OFFICER BAGGETT: Then we have 18 South Delta Water Agency, Central Delta Water Agency. 19 I'll just read the list of what I've got. CSPA, Bay 20 21 Institute. 22 MR. NOMELLINI: Dante John Nomellini, John 23 Herrick, and DeeAnne Watkins for San Joaquin County, 24 Central Delta Water Agency, and South Delta Water 25 Agency. We have a joint witness and one set of

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б

1 exhibits.

2 CO-HEARING OFFICER BAGGETT: Very good. Thank 3 you. Mr. Nomellini. CSPA, Bay Institute? Whichever? 4 MR. JACKSON: Michael Jackson representing 5 CSPA. We have one witness, and we have the exhibits. 6 CO-HEARING OFFICER BAGGETT: Very good. 7 MR. BOBKER: Gary Bobker representing the Bay Institute. We have one witness, and we have exhibits 8 that we've handed to staff. 9 CO-HEARING OFFICER BAGGETT: Butte 10 11 Environmental Council? MR. WAGNER: My name is Keith Wagner. I am 12 13 with Lippe Gaffney Wagner, LLP here representing Butte 14 Environmental Council today. I have submitted my 15 written testimony and exhibits on CD. CO-HEARING OFFICER BAGGETT: Thank you. We 16 have Jon Rubin, and then Cliff Schulz. 17 MR. RUBIN: Good afternoon. Jon Rubin, with 18 the law firm of Diepenbrock Harrison for San Luis & 19 Delta-Mendota Water Authority as well as Westlands 20 21 Water District. 22 MR. SCHULZ: Cliff Schulz, attorney for the 23 Kern County Water Agency and the State Water 24 Contractors. I expect to simply appear through 25 cross-examination.

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I do have one witness, if circumstances need 1 2 be I can call, which would be Terry Erlewine; but I 3 don't believe I'm going to need to do that. 4 CO-HEARING OFFICER BAGGETT: Thank you. 5 Environmental Defense Fund? б MR. ROSEKRANS: Good afternoon. I'm Spreck 7 Rosekrans for the Environmental Defense Fund and with 8 one very short piece of testimony. Thanks. 9 CO-HEARING OFFICER BAGGETT: Thank you. And the last card I've got as a direct testimony is Russ 10 11 Brown? 12 DR. BROWN: Good afternoon. I'm Russ Brown. 13 I work for ICF Jones & Stokes, but I'd like an 14 opportunity if I can to summarize my exhibit for myself 15 as a citizen. CO-HEARING OFFICER BAGGETT: Thank you. 16 17 With that, any other parties that intend to cross-examine or present a case-in-chief? Great. If 18 not, then we'll do the policy statements, and then 19 20 we'll administer the oath after that. 21 So policy statements, I'll just read the cards, and we'll go from there unless any questions. 22 23 Okay. With that, we have Lee Orloff followed by Steve 24 Ottemoeller. Leah, sorry. 25 MS. ORLOFF: Good afternoon, Board Members

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1 Baggett and Hoppin and members of the staff.

2	I'm Leah Orloff, Water Resources Manager for
3	the Contra Costa Water District. The Contra Costa
4	Water District appreciates this opportunity to make a
5	policy statement on the petition before you, and I
6	would like to summarize the three key points of that
7	policy statement.
8	The first is
9	CO-HEARING OFFICER HOPPIN: Could you talk
10	into the microphone just a bit more? Maybe let it
11	down.
12	MS. ORLOFF: Is that better?
13	The first of our points is that if this
14	petition is granted it will harm Contra Costa Water and
15	other Delta diverters. The already dry and salty
16	conditions that have obtained in the Delta this year
17	are only going to get saltier.
18	Since our operation is based on water quality,
19	particularly on Delta salinity, it will harm us. We
20	will be required to make additional releases from our
21	Los Vaqueros Reservoir in order to blend the saltier
22	water down to the quality that's palatable for our
23	customers.
24	And our reservoir is already, because of this
25	year's condition, we're in danger of reaching emergency

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storage, and the granting of this petition will only
 make that event more likely.

3 The second point we'd like to make is that
4 although this will harm us we do not oppose the
5 granting of this petition.

6 We recognize that these are extraordinary 7 times, that extraordinary times demand extraordinary 8 measures. And we further recognize that, as claimed in 9 the petition, the Department of Water Resources and 10 Reclamation are faced with a difficult task of 11 balancing many obligations, and we are not opposed to 12 this method of finding that balance.

13 The third and final point I'd like to make is 14 that Contra Costa Water District is taking action in 15 the face of this year's conditions and in the face of 16 the potential granting of this petition.

We have reduced our customer demand through our ongoing conservation program, through this year's request of our customers to engage in voluntary rationing, and we're prepared to go to mandatory rationing if circumstances demand it.

Further, we have this year, in response to ongoing conditions, flexed our water quality delivery goal so that, to conserve water in our reservoir and make smaller releases than otherwise would be required,

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we are serving or customers saltier water than they're
 used to receiving.

3 And finally, we will be working with the 4 fisheries agencies to modify our operational 5 requirements this spring in a way that will allow us to б preserve water in -- our storage and our water supply 7 and still provide a -- 30 more seconds -- the required 8 level of protection to Delta fisheries. 9 That concludes my policy statement. I'd be happy to answer questions if there any. 10 11 CO-HEARING OFFICER BAGGETT: Thank you. Friant Water Users followed by NOAA Fisheries. 12 13 MR. OTTEMOELLER: Good afternoon, Members of 14 the Board. My name is Steve Ottemoeller with the 15 Friant Water Authority and the Friant Water Users 16 Authority. 17 The purpose of our statement today is to

18 support the petition for the relaxation. The key point 19 that I want to make is that the potential impacts of 20 the reduced exports as a result of the current 21 conditions goes beyond what you might traditionally 22 think of as the export service areas.

23 The Friant Water Authority members exist along 24 with east side of the San Joaquin Valley from Madera 25 County down to Kern County. We rely on the Friant

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1 Division of the Central Valley Project.

2 That area encompasses almost a million acres of very productive farmland, 15,000 farmers, and all of 3 4 the communities that support those agricultural 5 economies in that area. б The key point here is that the Friant water 7 supply is dependent on an exchange that was established in 1939 when the dam was built. The United States 8 purchased and exchanged water rights on the San Joaquin 9 River with certain landowners on the west side. 10 11 One of the provisions of that exchange is that 12 if the conditions are such that the United States 13 cannot provide the substitute water supply to those 14 districts on the west side, the exchange contractors, 15 then they may call on water from the San Joaquin River. This is the first year in the 60 years of 16 operation of that dam that we are in that circumstance. 17 We have weathered droughts in the past, not faced this 18 circumstance. 19 20 We are now looking at a fairly strong 21 likelihood that if conditions don't change, including 22 the ability to have the standards relaxed in the Delta, 23 that the water supplies from Friant will be released to 24 the exchange contractors.

25 We don't have a problem with the agreement,

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1 but we just believe there are ways that we could limit 2 the amount of water that would have to be released and 3 inefficiently, notwithstanding some groundwater 4 recharge, inefficiently use water and also that would 5 impact the farmers on the east side. б So again, we support the petition and urge 7 that it be granted. Thank you. 8 CO-HEARING OFFICER BAGGETT: Thank you. Maria Rey from NOAA Fisheries and then US Fish and Wildlife 9 Services on deck. 10 11 MS. REY: Thank you. Good afternoon, Board 12 Member Baggett, Board Member Hoppin. I am Maria Rey 13 with NOAA Fisheries. I have a brief statement that 14 I'll read into the record for you today: 15 NOAA Fisheries, National Marine Fisheries Service is appearing today to 16 17 express support for the petition filed by US Bureau of Reclamation and 18 California Department of Water Resources 19 for temporary relaxation of X2 standards 20 21 for the month of February. NMFS has reviewed the petition as part 22 23 of Reclamation's continued 24 implementation of our Biological Opinion 25 for 2004 on the operations of the

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Central Valley Project and State Water 1 2 Project. NMFS is currently engaged in reviewing 3 4 the draft February forecast prior to its 5 initial announcement this Friday, б February 20th, and NMFS will continue to 7 utilize an adaptive process on a weekly 8 basis to meet the biological needs of listed anadromous fish species within 9 the constraints of the critically dry 10 11 water year conditions. Reclamation and NMFS are currently 12 13 engaged in a reinitiation of the 14 Endangered Species Act Section 7 15 Consultation. I'll summarize this part. This basically is 16 17 just a summary of where we are in our consultation. If you have questions, I can respond to them: 18 19 As part of our Section 7 Consultation 20 process, we've reviewed the existing 21 hydrologic and biological conditions. We have determined that providing 22 23 suitable water temperatures through the 24 summer and early fall for spawning and rearing salmon and steelhead will be 25

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1 very challenging.

2	At best, the river miles of stream
3	habitat with water temperature suitable
4	for salmonid reproduction will be
5	diminished.
б	At worst, cold water could run out
7	before the end of the summer resulting
8	in extensive temperature-related
9	mortality.
10	Given the low storage levels in Shasta,
11	Oroville, and Folsom reservoirs, the
12	proposed relaxation of the X2 standard
13	would likely retain more cold water
14	storage instead of releasing it to meet
15	Outflow Objectives in February and
16	improve the extent and duration of
17	salmonid and steelhead spawning and
18	rearing habitat this summer and early
19	fall.
20	If properly managed, this added
21	increment of available cold water should
22	help extend the period this summer
23	wherein water temperatures in the rivers
24	below these dams remain below harmful
25	levels.

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NMFS recognizes the difficulty that the 1 2 current hydrology creates for operations of the CVP and SWP this water year. 3 4 We're committed to assisting Reclamation 5 and DWR within our regulatory and legal б responsibilities. 7 We support Reclamation and DWR's petition to relax the X2 standard as 8 requested in the petition before you, 9 and we also support an ongoing 10 11 multi-species approach and believe it's important to look at the needs of both 12 13 anadromous fish that spawn and rear 14 below the cold water pools and the resident fish in the Delta and will 15 continue to work with Fish and Wildlife 16 Service and Fish and Game to ensure all 17 species are adequately protected. 18 Thank you. 19 20 CO-HEARING OFFICER BAGGETT: Thank you, Maria. 21 US Fish and Wildlife Service followed by Stockton East Water District. 22 23 MR. THOME: Good afternoon. My name is Darrin Thome. I'm with the Fish and Wildlife Service in the 24 regional office, and I will read you this brief 25

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1 statement:

2	The Service is appearing today to
3	express support for the petition filed
4	by Reclamation and DWR for temporary
5	relaxation of X2 standards for the month
б	of February.
7	The Service has reviewed the petition
8	and effects of the action on listed
9	Delta smelt as part of a reinitiation of
10	consultation required by the December
11	2008 Biological Opinion evaluating the
12	effects of the long-term operation of
13	the Central Valley Project and State
14	Water Project on Delta smelt.
15	The proposed relaxation of the X2
16	standard for the month of February
17	constitutes a change from the Project
18	description that was analyzed in that
19	opinion.
20	As a result of the reinitiation process,
21	the Service has reviewed the existing
22	hydrological and biological conditions
23	and has determined that the temporary
24	modification of the Project description
25	articulated in the temporary urgency

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petition is within the range of effects 1 2 analyzed in the Biological Opinion. 3 The Service recognizes the difficulty 4 that the continued critical hydrology 5 creates for operations of The Projects б in this water year. 7 The Service, as part of the Department of Interior is committed to assisting 8 the State within the context of its 9 regulatory responsibilities and 10 11 statutory authority during this difficult time. Thus, the Service 12 13 supports the petition for the month of 14 February. As described in the Biological Opinion, 15 we will continue to utilize the adaptive 16 17 process on a weekly basis to proactively meet the biological needs of the Delta 18 smelt within the constraints of the 19 critically dry water year conditions. 20 21 Thank you. CO-HEARING OFFICER BAGGETT: Mr. Jackson? 22 23 MR. JACKSON: Mr. Baggett, I would move to 24 strike the written testimony since it's my 25 understanding that this is a policy statement, and it

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1 cannot be cross-examined.

2 If Dr. Michael Chotkowski is not going to 3 testify and Ronald Milligan is not going to testify, I 4 would move to strike 2, 3, 4, 5, and 6. 5 MS. AUFDEMBERGE: This an Amy Aufdemberge for б the Department of Interior. 7 We've identified the policy statement as DOI 8 Exhibit 1. However, we are clear that this is not part of evidence. We will not move to put it into evidence. 9 It was just a demarcation of --10 11 CO-HEARING OFFICER BAGGETT: Okay. MS. AUFDEMBERGE: -- part of the papers we 12 13 submitted. 14 CO-HEARING OFFICER BAGGETT: Any other objection? If not, we'll strike as requested. 15 Stockton East followed by the San Joaquin 16 17 River Group. MS. HARRIGFELD: Good afternoon, Member 18 Baggett, Member Hoppin. Karna Harrigfeld on behalf of 19 Stockton East Water District. Stockton East has a few 20 21 comments on the petition for temporary urgency change. 22 Stockton East supports DWR and Reclamation's 23 request for relaxation of the February Delta Outflow 24 and San Joaquin River Flow Objectives and urges the 25 State Water Resources Control Board to grant this

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1 temporary urgency petition.

2 As everyone is well aware, the state is 3 experiencing a serious drought. On the San Joaquin 4 River Basin, we are experiencing our third either dry 5 or critical year.

New Melones water storage is at 1.1 million
acre feet of water. The CVP contractors from the New
Melones reservoir are projected to get zero allocation
this year.

10 The CVP contractors on the New Melones system 11 have 18,000 acres of permanent crops and/or vines for 12 which we don't know where we will be provided 13 irrigation water.

14 It is important to note that the San Joaquin 15 River Flow Objective was part of a negotiated solution 16 between parties that -- none of which were on the San 17 Joaquin River side. Essentially, this negotiated 18 solution came up with a percentage for the San Joaquin 19 River Flow. It was ten percent.

Additionally, the San Joaquin River Flow Objective is tied in part to Sacramento River hydrology. This year, once again, is a wet year -- is a critically dry year; and instead of the 7-10 cfs flow objective at Vernalis, the higher level is being triggered. Therefore, we believe it shouldn't be tied

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1 to Sacramento River hydrology.

2	Lastly, I think that the temporary urgency
3	permit request demonstrated that there is, A, an urgent
4	need, B, no legal injury to either water users or an
5	adverse impact to fish and wild life.
6	Finally, revisiting San Joaquin River flow
7	obviously is not a new issue. The State Water
8	Resources Control Board has scheduled a hearing for
9	later this year.
10	When we did the '05-06 review of the Bay Delta
11	Water Quality Control Plan, Stockton East participated
12	and doesn't believe that there is sufficient biological
13	support for the existing objective.
14	One final comment. Reclamation has chosen to
15	meet the San Joaquin River Flow Objective through New
16	Melones releases solely. The State Board has directed
17	them to look at other sources. So in the future and in
18	the upcoming hearings to come, we urge the State Water
19	Resources Control Board to ensure that Reclamation
20	makes other available sources of water to meet the San
21	Joaquin River Flow Objective when that time comes.
22	Thank you.

23 CO-HEARING OFFICER BAGGETT: Question? Thank
24 you. San Joaquin River Group followed by Cal Fish and
25 Game.

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MR. PARIS: Good afternoon. My name is Bill
 Paris, P-a-r-i-s. I'm an attorney with O'Laughlin &
 Paris. I'm here on behalf of the San Joaquin River
 Group Authority.

5 Like Stockton East, we support the petition. 6 We do so less for the merits of the petition than for 7 our continuing concern about the validity of the 8 objective and the San Joaquin River Flow aspect of 9 that.

We have participated, much like Stockton East just mentioned, in several of the proceedings, D-1641, the '05-06 review, and again last year in the Board's request for Bay/Delta Basin Plan issues.

We've continued to raise this point and submit what we believe to be quite a bit of evidence that the San Joaquin River Flow aspect of this just simply isn't workable. We're not going to repeat that all here; but just as a reminder, we have three things that we think make this unworkable and therefore make the urgency petition something that should be granted.

21 The first, as mentioned by Ms. Harrigfeld, is 22 the role that Sacramento River basin hydrology plays as 23 the driver in all of this.

24 The San Joaquin River Group continues to25 contend that if this type of element of the objective

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is going to continue that it has to be based -- the San
 Joaquin River flows are going to have to be based on
 San Joaquin River basin hydrology and not be simply
 some sort of percentage of Sacramento River basin
 hydrology, which often can be and is different.

6 Secondly, the Bureau is making these flows 7 available by the release of stored water; however, 8 there is no protective device currently to shepherd 9 that water to make sure it meets its intended purpose. 10 And as we know, unless and until it meets its intended 11 purpose, it cannot be diverted for other uses.

So what we have is a situation unfortunately 12 13 where -- and much of the evidence and studies that the 14 San Joaquin River Group has provided in other forums --15 San Joaquin River flows, in our view, can be shown to be not contributing to Delta outflow. They contribute 16 17 to Delta inflow, but not outflow because the water of the San Joaquin River is either exported or consumed by 18 in-Delta diverters. 19

20 So the lack of some sort of a control or 21 measurement to make sure that the water released from 22 New Melones achieves its purpose and that purpose only, 23 we believe is a significant failing.

24 So we look forward to participating later on 25 this year pursuant to the Notice of Preparation you

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1 guys just sent out on February 13th to address these

2 issues in more detail.

3 Thank you.

4 CO-HEARING OFFICER BAGGETT: Thank you.
5 California Department of Fish and Game followed by
6 California Avocado Commission.

7 DR. HERRGESELL: Good afternoon. My name is Perry Herrgesell. I'm the Bay/Delta Water Policy 8 9 Coordinator for the Department of Fish and Game. 10 As you know, we're the trustee agency for the 11 Department fish and wildlife resources in the state, 12 and the Department really has a material interest in 13 assuring that water flow in the Delta is maintained at 14 levels that are adequate for the long-term protection 15 and maintenance of the aquatic species that are there. In that light, we'll be mentioning our 16

17 comments today. And I've provided written comments as 18 well, so I'm really quickly highlighting. We're most 19 concerned about the Delta species, particularly the 20 longfin smelt and Central Valley salmon.

The Department, as a start, is very acutely aware that California may be facing the third year of a drought, and the water management system is really facing unprecedented circumstances in trying to meet all the needs for all the water users.

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But in a similar fashion, the Department 1 2 really finds itself in an interesting situation too 3 because we need to balance the conservation management 4 of both the estuarine species downstream where X2 will 5 be affected and also the salmon that are upstream. б In this case, I think our most legitimate 7 concern today is for the longfin smelt, the estuarine 8 species, but we recently looked at some of the very recent outflow projections that are proposed to happen 9 as a result of the storms, and some of our concerns 10 11 there have been mitigated somewhat by that observation. 12 With respect to this situation, this 13 relaxation, we also realize it will have beneficial 14 effects for upstream salmon as well. A couple of general comments. The Department 15 would first like to reiterate its support for X2 water 16 17 quality objectives and the importance of compliance 18 with this objective in maintaining essential elements in a healthy estuarine environment. 19 20 Some of the relationships between outflow and 21 several fish that were the basis of X2 still exist. Some folks have said they've changed, but they still 22 23 exist. They've only shifted somewhat, and there's a 24 lot of work going on to try to define the reasons for 25 those shifts.

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1 The petition points out on page 14 that the 2 impact of a modification on longfin smelt in February 3 is unquantifiable.

I think we would probably suggest that it's more accurate to call this -- or say that we cannot really estimate the impacts now because the future hydrology is still unknown.

8 But I think it's important to point out that 9 X2 and longfin smelt really has to be looked at in the 10 several month kind of a context. It's not really what 11 happens at one time that makes the abundance of the 12 fish later in the season.

Well, it sounds like we have concerns about this process, but in reality we're supportive of the salmon part of this, providing cold flows for the salmon.

17 And we feel that the estuarine species could 18 actually be impacted but protected through the WOMT 19 process that we have established. That's a five-agency 20 group that meets on a weekly basis to manage flows and 21 operations and fish.

And we feel that if we follow that process as it's been established we can certainly provide protection for the species that we're concerned about in this particular case.

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1 I won't talk any more about detail about the 2 salmon issues. Marie has made a comment that basically 3 we agree with, that it's pretty iffy this season, but 4 we feel if we hold some of the water back now it will 5 help us down the line later on in the summer for the б salmon species needing cold water to spawn. 7 I think that's all I'll say at this point, and I could answer questions if necessary now or later. 8

9 CO-HEARING OFFICER BAGGETT: Thank you.
10 California Avocado Commission followed by Restore the
11 Delta.

MS. GROTTVEIT: Good afternoon, Member Baggett, Member Hoppin. My name is Ann Grottveit. I'm an attorney with the law firm of Kahn, Soares & Conway; our firm is general counsel for the California Avocado Commission, and I appear today on their behalf.

17 I have a very brief statement in support of the petition that I will read into the record. 18 19 The Commission supports the Petition for 20 Temporary Urgency Change. The 21 Commission also supports the California Department of Water Resources' and 22 23 United States Bureau of Reclamation's 24 request to waive specific starting gate 25 provisions and flow requirements

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1 described in the supplement to the

2 petition.
3 This commission, formed in 1977 as an
4 entity of state government, engages in
5 advertising, promotion, production, and
6 marketing research and dissemination of
7 crop information for the estimated 6,000
8 growers in the state.

9 Avocados are grown along the California
10 central coast to San Diego County, and
11 the estimated farmgate value of the crop
12 is \$350 million.

13 The worsening water conditions across 14 the state coupled with the restrictions on Delta water export pumping have 15 caused California avocado growers to 16 stump more than 4,000 acres this year. 17 Stumping, as evidenced by the 18 photographs we have submitted, is the 19 act of cutting avocado trees at three to 20 21 four feet, then immediately whitewashing the stumps to protect them from sunburn. 22 23 This allows trees to regenerate, 24 initially using minimal water which 25 increases as trees regrow and return to

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1 production which takes approximately 2 three years. 3 Avocado growers have taken this action 4 with the hope of accessing adequate 5 water in the near future. Until then, 6 the lost acreage will result in a loss 7 of homegrown production. Mexico, Chile, and Peru will be happy to 8 fill this market void; and ultimately, 9 this does mean more lost jobs for the 10 11 state. If this problem is not addressed 12 13 immediately, additional acres will be 14 stumped this year. Because it will be at least three years until these stumped 15 trees can become productive, without 16 additional water, this cycle continues, 17 reducing local avocado production and 18 extending the economic impact to the 19 20 state. 21 We are hopeful that the relaxation of the Delta water export pumping 22 23 restrictions will provide supplies of 24 water vital to avocado growers in the 25 southern coastal portion of this state.

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Permitting the Delta outflow 1 2 modification gives the hope of relief to 3 California avocado growers already in 4 the midst of a deep recession and severe 5 drought. б The Commission thanks the Board for 7 their interest in this vital issue. 8 Thank you. CO-HEARING OFFICER BAGGETT: Thank you. 9 Restore the Delta followed by California Resources 10 11 Strategy, Craig Johns. MS. BARRIGAN-PARILLA: My name is Barbara 12 13 Barrigan-Parilla, and I'm the campaign director with 14 Restore the Delta. Thank you to Board member Baggett 15 and Hoppin for giving us time to speak today. Restore the Delta is a grassroots campaign, 16 17 and we're committed to making the Sacramento-San 18 Joaquin Delta swimmable, fishable, drinkable, and 19 farmable to benefit all of California. 20 We are a coalition of Delta residents, 21 business leaders, civic organizations, Delta farmers, 22 community groups, faith-based groups, fishermen and 23 environmentalists; and we all work together to 24 strengthen the health of the estuary and well-being of 25 Delta communities.

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1 We believe that the way to get to health for 2 the Delta is to improve water quality so that farming 3 and fisheries can thrive together again. 4 We seek the reduction of water exports 5 permanently to restore and sustain the Delta to protect б native and desirable species and to protect public 7 health. Consequently, our 2400 members are absolutely 8 opposed to the petition and suspension of Delta water quality protections. 9 We do not accept the notion that suspending 10 11 Delta water quality protections is part of a plan, a 12 plan to protect one species when other species are

13 imperiled after years of massive over-pumping from the 14 Delta, over-pumping to supply water for the Westlands 15 Water District in the Kern County water bank.

16 It seems that this proposal, to us, is more of 17 a cover. It's a cover of the State's unending 18 willingness to support corporate agribusiness at the 19 expense of Delta fisheries and Delta family farmers.

20 Suspending X2 and river flow requirements even 21 for a month after DWR and the Bureau have failed to 22 hold on to water for successive dry years is wrong.

23 Delta agriculture and fisheries are part of 24 the state economy, and people forget that that 25 contribution to the economy is nearly \$3 billion a

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1 year. Again, it is our economy and our ecosystem in 2 the Delta that are being sacrificed for corporate 3 agribusiness in the southern part of the state. 4 Pitting one species of fish against another 5 epitomizes the absolute failed water management б policies of the State. And we just maintain that 7 killing the Delta by a thousand small cuts is wrong, 8 and it needs to end. 9 Thank you. CO-HEARING OFFICER BAGGETT: Thank you. Craig 10 11 Johns followed by San Luis & Delta Mendota, Jon Rubin. 12 MR. JOHNS: Good afternoon, Mr. Chair and 13 Mr. Hoppin. My name is Craig Johns; I'm actually here 14 today for Sacramento Regional County Sanitation 15 District. I want to point out the District does not and 16 17 will not take a position on the specifics of the 18 application in terms of whether the application should 19 be approved or denied but simply want to point out 20 that, if the request is granted, suggesting that there 21 should be some monitoring and survey requirements relative to the potential expansion of the environment 22 23 in which the Corbula or the Asian overbite clam exists. 24 It's fairly well documented -- I think most 25 experts agree -- that the existence of the Corbula, or

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since it was discovered in 1986, has contributed to a lot of the problems with the pod species. And if the X2 line requirements are relaxed, bringing the X2 line further eastward into the Delta, it is very likely that the salinity levels will become more habitable for the Corbula to exist and therefore thrive and possibly have further impacts on the pod species.

8 So we would just suggest that if the 9 application is granted by the Board that there be 10 specific requirements of the applicants to do Corbula 11 surveys as well as other specific and appropriate 12 reports and studies.

13 Thank you very much.

14 CO-HEARING OFFICER BAGGETT: Thank you. After
15 San Luis is Kern County Water Agency and State Water
16 Contractors.

MR. RUBIN: Jon Rubin for San Luis & Delta
Mendota Water Authority. The Authority has no policy
statement to make.

20 Thank you.

21 CO-HEARING OFFICER BAGGETT: Thank you. Do
22 the Contractors have a policy statement?

23 MR. SCHULZ: Very briefly. We are here today
 24 to support the Department and the Bureau's request - 25 CO-HEARING OFFICER BAGGETT: Could you state

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1 your name for the --

2 MR. SCHULZ: Oh. Cliff Schulz for Kern County 3 Water Agency and the State Water Contractors. And our 4 policy statement will be very short. 5 We are here in support of the request. We are б in a situation where allocations of water to vast areas 7 of California are at best -- the last time I talked to Jerry Johns at the Department of Water Resources about 8 it, he said hanging on with our fingernails to 15 9 percent and probably going down. 10 11 And on the federal side, possibly even less 12 and possibly some zeros. 13 So we are in a situation where the balancing 14 of hardships is what is involved in this. We can 15 agree, I think, on exactly what has happened over the last weeks and months and what happened early in 16 17 February. The question is: What does the public 18 interest balance say about that under the conditions of 19 20 the native species in the Delta, the upstream 21 anadromous fish, and the needs of Californians both 22 agricultural and urban throughout the state for a 23 liveable water supply. 24 And so we hope that you will grant the 25 petition.

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CO-HEARING OFFICER BAGGETT: Thank you. Any 1 2 other policy statements? With that, let's move to the 3 evidentiary portion. Policy statement? 4 MR. JACKSON: Do you want a policy statement 5 for those of us who are -б CO-HEARING OFFICER BAGGETT: You're doing a 7 case-in-chief? 8 MR. JACKSON: Yes. 9 CO-HEARING OFFICER BAGGETT: Opening statement, you'll get your chance. 10 11 MR. JACKSON: All right. CO-HEARING OFFICER BAGGETT: We'll call it an 12 13 opening at that point, so you can summarize your 14 testimony and do a traditional opening statement. With that, I'll administer the oath. Will 15 those who plan to testify today please stand, raise 16 17 your hand, and repeat after me. 18 (Potential witnesses complying) 19 CO-HEARING OFFICER BAGGETT: Do you promise to tell the truth in these proceedings? 20 21 THE WITNESSES (collectively): Yes. CO-HEARING OFFICER BAGGETT: Thank you. With 22 23 that, let's go off the record for just a minute. 24 (Recess) CO-HEARING OFFICER BAGGETT: We'll go back on 25

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1 the record. Five-minute recess; we'll come right back 2 so you can set up and get your witnesses up. 3 (Recess) 4 CO-HEARING OFFICER BAGGETT: Let's go back on 5 the record, and we'll begin with the opening statement б from the Department of Water Resources. And this will 7 be a summary, correct? 8 MS. CROTHERS: Yes. 9 Good afternoon, Mr. Baggett, Mr. Hoppin. And thank you for providing this expedited public hearing 10 11 on DWR and the Bureau of Reclamation's Petition For a 12 Temporary Urgency Change in our delta outflow 13 requirements under D-1641. 14 My name is Cathy Crothers. I'm an Assistant 15 Chief Counsel at the Department of Water Resources, and today DWR will present evidence in support of our 16 17 petition. It is a joint petition. We submitted it last 18 week, last Tuesday. And we believe that today's 19 20 evidence will provide you sufficient facts to support 21 approval of our petition. 22 As you will hear in today's testimony, 23 California is in the third straight year of 24 below-average rainfall and snow melt runoff. In October 2008, the reservoir levels 25

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throughout the state were significantly below average.
 Dry conditions and low storage have resulted in

3 significant reductions in water supplies throughout the 4 state.

5 For example, as you heard just a bit ago from 6 Cliff Schulz, the DWR allocations to our State Water 7 Project contractors in December were only 15 percent of 8 their requested allocations this year.

9 And we're not sure what will happen given the
10 existing rainfall; but given the extremely dry January,
11 it may be that these allocations aren't going to
12 change.

13 We'll be updating the allocation later in the 14 week.

Today, DWR engineer John Leahigh will provide expert testimony on the drought conditions and on details of our requested change. I'd like to provide a little bit of background for the petition and then a brief roadmap of what his testimony will be.

20 We submitted the urgency change petition after 21 considerable study and deliberation on the options 22 available to The Projects given the dry conditions.

23 These obligations for The Projects, which are 24 one of the State's largest water supply projects, our 25 obligations include water supplies for cities,

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1 industries, agriculture, wildlife, and other water

quality requirements for fish and wildlife.

2

Also, we do operate The Projects for floodcontrol protection.

5 Many of the decisions we take -- make in terms 6 of the reservoir operations are based on forecasts and 7 predictions which, as you know, can be more and more 8 unreliable as you try to project into the future.

9 DWR submitted our petitions based on the 10 hydrologic conditions occurring at that time and on 11 predictions of the future water hydrologic conditions. 12 We can evaluate how well these -- oops, my three 13 minutes. I'm going to summarize here quickly then, 14 given this is just an opening statement.

15 It's -- DWR's witness, John Leahigh, he's going to present to you a summary of our petition 16 through a PowerPoint. His evidence will be the 17 18 PowerPoint presentation which you are going to see. 19 And we just wanted to note that we may be needing to come back to the Board. We're doing 20 21 these -- we're analyzing these conditions as we go through a staged approach. We're only asking for 22 23 changes in February.

With that then, I'm thinking we'll go forwardwith John Leahigh, if the Board's ready, unless you had

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1 any questions of me?

2 CO-HEARING OFFICER BAGGETT: No, proceed. MS. CROTHERS: Okay. We'll proceed now with 3 4 our expert witness, who is John Leahigh, an engineer 5 with the Department of Water Resources. б MR. JOHN LEAHIGH 7 Called by DEPARTMENT OF WATER RESOURCES DIRECT EXAMINATION BY MS. CROTHERS 8 9 MS. CROTHERS: Mr. Leahigh, is DWR 1, Exhibit 1, a true and correct copy of your statement of 10 11 qualifications? MR. LEAHIGH: Yes, it is. 12 13 MS. CROTHERS: We have introduced that as --14 offered that as evidence and have given that as copies 15 to the Board. Mr. Leahigh, is DWR 2 the true and correct 16 copy of the petition that DWR and the Bureau submitted 17 as our petition for the temporary urgency change? 18 19 MR. LEAHIGH: Yes. 20 MS. CROTHERS: We've also offered that as our 21 testimony which Mr. Leahigh will be summarizing in his written presentation. 22 23 DWR 3 is the written presentation that is 24 going to be shown as a PowerPoint, and we have given 25 copies of that to the Board and also provided copies to

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1 the audience.

2 Mr. Leahigh, can you please then summarize or 3 go through your presentation that summarizes the 4 petition? 5 MR. LEAHIGH: Okay. Good afternoon. Thank б you, Board Members Baggett and Hoppin, and Board staff 7 for the opportunity to present our case for your 8 consideration. 9 Next slide, please. Just the summary of what the Department and 10 Reclamation are petitioning for is modification to the 11 12 existing outflow X2 compliance standards. 13 We are asking for a shift in compliance at 14 Collinsville for 24 -- at Chipps Island to Collinsville for 24 days. 15 16 We are also asking for a waiver of the 17 so-called starting gate requirement. 18 And we are no longer in need of the change for the Vernalis Flow Objective which is in our petition. 19 20 And I'll go into more detail on each of these 21 items later. 22 Next slide, please. 23 We -- the Department and Reclamation did not 24 take this decision lightly. It was a challenge for us 25 to actually put forward this petition. We understand

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1 the concerns, although considering the critically dry 2 conditions that we are now faced with and potential 3 crisis this summer, we felt this was the best balance 4 for all of the competing needs for water supply. 5 And these include salmonid habitat, Delta б smelt and other Delta fisheries, critical needs for the 7 water users, and to maintain control of Delta salinity 8 this year and next. 9 Next, please. Setting the stage, we are experiencing a third 10 11 dry year as we've noted. Just some of the hydrologic 12 conditions as of early February for the Sacramento 13 Valley: Precipitation is at 66 percent of average to 14 date as of that point. Snow pack was 47 percent of 15 average to date. But most telling, runoff at 36 percent of 16 17 average to date this year. And the other key item 18 there is storage in the major upstream reservoir, Shasta, Folsom, and Oroville at 44 percent of average. 19 20 Next, please. 21 So in relation to the historical record, these storages for Oroville, for example -- end of December 22 23 storage represented the lowest since construction of 24 the dam, the Shasta, Folsom, Oroville combined storage 25 is lower than the extremely dry year of 1977, one of

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1 the driest in the century.

2	And this also is this year represents the
3	first back-to-back critically dry year combination
4	last year and this year since The Projects have been
5	operating to the X2 standard in 1995.
б	I can see it would be difficult to design a
7	standard that would meet the real world challenges
8	without modification. This is the first test of a
9	back-to-back critically dry year combination since
10	projects have been operating to the standard.
11	Next, please.
12	This graphic here is an illustration of the
13	current 2008-2009 back-to-back critically dry years in
14	red. This is Oroville's reservoir storage. Shows
15	that also shown on here are in comparison are
16	other drought periods in recent times. The '76-77
17	drought period in dark blue.
18	MR. NOMELLINI: This is Dante John Nomellini.
19	I request that the exhibit be identified so that the
20	transcript could have some meaning at a later date.
21	CO-HEARING OFFICER BAGGETT: That's fine.
22	Would you please identify the exhibit.
23	MR. LEAHIGH: Yes. We are on Slide 6 of the
24	PowerPoint presentation titled Oroville Storage I'm
25	sorry Oroville Reservoir.

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1

CO-HEARING OFFICER BAGGETT: Thank you.

2 MR. LEAHIGH: And it's on -- for those with 3 the handouts, it's page 3 but it is Slide 6 of the 4 PowerPoint. 5 SENIOR STAFF COUNSEL MAHANEY: And that is б Exhibit 3? 7 MR. LEAHIGH: DWR Exhibit 3, correct. 8 So continuing, the other dry periods denoted in the handout is the '90, '91, '92, three critically 9 dry years. 10 11 As you can see from the graph, at the end of 12 2008, as I noted below, a million acre feet was in 13 storage at Lake Oroville, which was actually lower than 14 the driest historically. We are now slightly greater than the storage 15 in 1991; however, as you can also tell, there is two 16 17 rather telling things to take away from this graphic. 18 In '91, if some of you may recall, we had what we referred to as the Miracle March. You can see where 19 storage recovered a bit in the March-April-May period 20 21 of 1991 with the wetter spring. But you can also take away the flip side of 22 23 the coin in 1977 where that spring was bone dry, and we 24 saw storage in Lake Oroville basically tank. 25 The one key differences between this year and

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1 1977 is we were -- we had approximately 600,000 acre 2 feet of more storage in Lake Oroville at this point in 3 time. 4 But there's no forecasting the future at this 5 point. We could see the trend go either way. If we б were to see a '77-type scenario, you can imagine what a 7 loss of additional storage as denoted in 1977 would 8 result. 9 Next -- Slide 7, please. Essentially, this is a similar-type graphic, 10 11 but shows the combined Shasta, Oroville, Folsom 12 storage. And just -- the only reason to put this in, 13 it shows that it's a very similar pattern as looking at 14 Oroville by itself. 15 Next, please. In addition, water supplies are at a critical 16 17 level. CO-HEARING OFFICER BAGGETT: Excuse me. Could 18 you identify --19 MR. LEAHIGH: Slide 8. 20 21 Water supplies are at a critical level. CO-HEARING OFFICER BAGGETT: Mr. Nomellini? 22 23 MR. NOMELLINI: Dante John Nomellini again. I 24 request the reference be made to the exhibit number. MS. CROTHERS: This is still DWR Exhibit 3, 25

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1 and it's page 8 of Exhibit 3.

2 MR. NOMELLINI: And the previous slide? 3 MS. CROTHERS: The previous slide of the 4 reservoir storage levels, that was page 7. I don't 5 think you see the page number on the slide, apparently. 6 MR. NOMELLINI: Thank you. 7 CO-HEARING OFFICER BAGGETT: Okay, continue. MR. LEAHIGH: Okay. I'm on Slide 8, talking 8 about water supplies at a critical level currently. 9 10 Both Reclamation and DWR have notified their 11 settlement contractors on the Sacramento and Feather 12 Rivers that, based on the February 1st snow survey, the 13 hydrologic criteria has triggered maximum shortage 14 provisions in both of those contracts. 15 Also, as has been noted, State Water Project M&I allocation of 15 percent represents the greatest 16 17 deficiency to these contractors ever. 18 Also noted -- noting there that the State Water Project has gradually been reducing our 19 20 allocation each successive year as we've stepped 21 through these three dry years. 60 percent allocation in 2007 meeting 35 percent of the requested demand in 22 23 2008 and currently at the 15 percent in 2009. 24 Next, please. Slide 9. Risk to south of Delta supply. We 25

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1 haven't talked yet about San Luis Reservoir storage

2 which is currently at 45 percent of average to date. 3 And based on the very dry conditions and the 4 projected export capability, if it continues to stay 5 dry, there's a significant risk that The Projects will б not be able to meet all of the needs south of the 7 Delta. And these include refuge supplies, supplies to 8 senior water rights holders, and critical health and safety needs. 9 Next, please. 10 11 Slide 10. So just to define the X2 standard, the standard contained in D-1641 for the benefit of 12 13 fish outlined in Tables 3 and 4 of that decision --14 although The Projects have been operating to the X2 15 standard since 1995 as part of the Water Quality Control Plan. 16 17 X2 represents the location of the 2 parts per thousand isohaline line for salinity. It's measured 18 for a number of days at particular locations near 19 Suisun Marsh, for example Chipps Island. 20 21 We need to meet the standard to be at 2.64 EC for salinity or an equivalent outflow of 11,400 cfs. 22 23 The number of days are based on the prior month's Eight 24 River Index which is the full natural flow for the 25 eight major rivers in the Sacramento and San Joaquin

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1 basins.

2	If the Chipps objective is not triggered, with
3	minor exceptions, there would be requirements to meet
4	X2 at Collinsville as either EC or outflow.
5	Next, please.
б	So the next this graphic, page 11, just
7	denotes geographically the locations of the various X2
8	stations from Collinsville. And this is in kilometers
9	measured from the Golden Gate. Collinsville is 81
10	kilometers. Chipps Island's at 74. Port Chicago at 64
11	kilometers.
12	Next, please.
13	This is just an excerpt from D-1641 Table 3.
14	Highlighted in red is the standard in which we are
15	asking for the modification.
16	Next, please.
17	The footnote to that Table 3 is talks about
18	the starting gate condition which essentially talks
19	about the need to meet Collinsville EC, both the X2
20	line to the Collinsville station, 81 kilometers, for at
21	least one day in the first 14 days of February.
22	And there are the footnote also describes
23	very low 8RI conditions in January that would cause the
24	standard to be waived. The upper limit of that range
25	for waiver is 900,000 acre feet. We actually ended up

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January slightly greater than that, 970-odd thousand
 acre feet.

3

Next, please.

4 This table is Table 4 which indicates the 5 number of days required at Chipps Island station for 6 X2. And I think it got cut off there on the left-hand 7 side a bit.

8 But what it denotes the third row down is a 9 million acre feet is the first row at which days are 10 required at Chipps Island, and that is actually all 28 11 days in February, and that is denoted in the red box. 12 The row just above that is 750,000 acre feet, 13 and it shows the need to meet zero days at Chipps

13 and it shows the need to meet zero days at Chipps 14 Island.

So the actual 8RI was slightly less than a million, was within that range between 750 and a million.

And the footnote on that page denotes that if the 8RI is between 800,000 and a million, the number of days required would be literally interpolated between 0 and 28.

To get another way to describe this data, the next graphic is Slide 15. And this is the table for in graphical form shows that basically we're at that threshold level on the table extremely sensitive to the

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1 8RI for January.

2 Next, please. 16 -- this is a blowup of that area that was 3 4 circled in red on Slide 15. This is now Slide 16. And 5 it shows that a variability in 8RI of just 4 percent б will dictate 100 percent of the days required. So it 7 could be anywhere from 0 to 28 within that small 4 percent window of actual 8RI. So an extremely 8 9 sensitive portion of the table. 10 Next, please. 11 So when The Projects were looking ahead into 12 February, at that point in time, we were showing the 13 potential hit to upstream storage of at least up to 14 200,000 acre feet for February in order to meet the 15 Chipps Island standard as opposed to Collinsville and also to move the -- for the purposes of the starting 16 17 gate. DWR and Reclamation coordinated with the 18 fishery agencies, US Fish and Wildlife Service, NMFS, 19 20 and Department of Fish and Game prior to submitting the 21 petition. And what we looked at was based on our 22 projected operations what would the Old and Middle 23 River flows be, what would the EI ratio end up being 24 during that proposed operations.

25

The -- and the -- Reclamation and the

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2 with coordination with all the fishery agencies. Next, please. 3 4 This graphic is page 18. I believe that's 18. 5 Depicts the actual X2 location from the end of January б through a couple days ago. 7 And it -- what it shows is right at the 8 beginning of February we were at a little bit further 9 east from 84 kilometers. The X2 line actually moved further east for a bit until it has come back west now, 10 11 and on February 14th was actually at 81.22 kilometers. So we are within a little over two-tenths of a 12 13 kilometer from that starting gate condition being met. 14 What's also depicted on this graphic is really 15 what was the big driver for that X2 location which is

Department continue to temper our modified operations

16 the tides. What's depicted on there is Antioch half 17 tide, which is what was driving that X2 position east 18 during the first few days of February during the spring 19 tide on the neap tide now came back down towards 20 west -- towards the west, towards Collinsville.

21 Next, please.

1

The other way to look at the X2 operation is the actual outflow. You can see denoted on this graph, Slide 19, Collinsville equivalent outflow of 7100 is the solid black line.

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The dashed black line is the outflow 1 2 equivalent for Chipps Island, 11,400 cfs. 3 The blue line is the actual NDOI. 4 So you can see that for the first four days, 5 the requirement would be at Collinsville. That was б met. 7 The Chipps Island was required for 24 days for the month, the remainder of the month, from the 5th on. 8 9 And you can see that outflow actually ended up closer to the Chipps Island level of flow than the 10 11 Collinsville. And in fact, in the last few days, we have seen the outflow go beyond the Chipps Island 12 13 requirement.

14 If you take an -- if you add one more day on there, to the 16th, what you would find is the average 15 outflow for the first 16 days of February is actually 16 17 equivalent to the amount of outflow that would be 18 required on an unmodified operation to the standard, the first four days at Collinsville at 7100, and the 19 20 next 12 days at the Chipps Island, 11-4.

Next, please. So the modified operations resulted in 22 23 relatively minor changes. We came within .22 24 kilometers of meeting the starting gate objective on 25 February 14th.

21

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Actual average Delta outflow, as I said, will kely match the unmodified standard requirements through February 16th, and The Projects' exports continue to be tempered by Old and Middle River flow as discussed with the fishery agencies.

6 Next, please.

7 So updated information. As I said, we are no 8 longer requesting a change in the Vernalis Flow 9 Standard. And the reason there is that since we have 10 submitted our petition, the classification for the San 11 Joaquin Valley came in as critically dry, remains 12 critically dry. Therefore, the flow objective will be 13 met for the month.

The Chipps Island NDOI is being met as of
February 15th. Exports continue to be tempered by the
Old and Middle River objectives.

Sacramento River flow is forecasted to reach what we had identified as an off-ramp level of greater than 20,000 cfs as measured at Freeport for three days. Looks like that is very likely to happen later this week.

However, that does not -- if March hydrology
is dry, and if things shut off after this last series
of storms, our concerns will remain.

25 Next, please.

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Slide 22. So again, in light of the current 1 2 conditions, we feel that our -- what we are asking for 3 in our petition is a balanced approach, and it is in 4 the public interest, and it does balance all the 5 competing interests: Salmonids, the Delta fish, public б water supply and Delta water quality. 7 Next, please. 8 So we do recommend to the Board approval of the urgency change petition. The Projects will 9 continue to comply with the listed species -- the 10 11 Agency requirements for listed species. The Projects 12 will provide updates to the Board on the water supply 13 conditions. 14 And it is possible we may need to submit 15 additional petitions this year if the conditions remain 16 relatively dry. 17 Thank you. That ends my -- ends what I had to 18 say. 19 MS. CROTHERS: Thank you, Mr. Leahigh. 20 That concludes our direct testimony. I did 21 have one comment. I did want to make a correction on 22 one of our exhibits. 23 Apparently the page number didn't show up on 24 the DWR Exhibit No. 3, page 7. So the Board might just 25 have to write in that page number. It didn't get

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1 copied onto the slide itself or the exhibit, I don't
2 think.

3 Other than that, then, I guess we're ready for4 cross-exam.

5 CO-HEARING OFFICER BAGGETT: I think we've got 6 a couple of clarifications. I have one clarification 7 question. So have you formally withdrawn the Vernalis 8 request, Ms. Crothers?

9 MS. CROTHERS: Yes, I believe that would be an 10 accurate statement. And I would just ask the Bureau of 11 Reclamation to confirm that. They're the ones that are 12 keeping track of that flow requirement.

But as I understand it, they -- Reclamation will be meeting that requirement, and there's no need to have anything waived on that objective.

16 CO-HEARING OFFICER BAGGETT: I'm just trying 17 to narrow the cross a little bit here. Every little 18 bit helps. If that's withdrawn, then we don't need 19 cross on it.

20

Do you want to clarify?

21 SENIOR STAFF COUNSEL MAHANEY: I have a 22 housekeeping question on the permits for which you 23 petitioned to change, on page -- and I realize that 24 D-1641 is not in the record at this point.

25 But it does identify the permits and license

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1 that are subject to the objectives in Table 3, and I 2 notice that the permit that -- the joint -- I'm sorry, 3 the joint petition does not identify all of those 4 permits. 5 Shall I run through the numbers with you, or б is there a reason for that? 7 For example, DWR permit 16483 on the North Bay 8 Aqueduct is not covered by the petition. 9 CO-HEARING OFFICER BAGGETT: Maybe we could just do this at the next break. 10 11 MS. CROTHERS: Yes, because actually I don't --12 13 CO-HEARING OFFICER BAGGETT: If you could --14 MS. CROTHERS: -- have a copy of the petition right here. And I would have to kind of compare what 15 was in D-1641, I believe. 16 17 So maybe we could do that --CO-HEARING OFFICER BAGGETT: Maybe we could do 18 that at the break. I don't think that's going to be 19 20 particularly relevant to cross-examination whether the 21 numbers all align. Unless, Mr. Jackson, unless you 22 want us to clarify this. 23 MR. JACKSON: It's a clarification question. 24 Could folks identify during the break exactly 25 what's left of the petition so that -- I mean, there

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1 were three or four pieces, and one is dropped.

2 But I'm --CO-HEARING OFFICER BAGGETT: We want to 3 4 confirm with the Bureau whether the Vernalis, only the 5 Vernalis flows. That was all I've heard. б MS. AUFDEMBERGE: Amy Aufdemberge for 7 Reclamation. We hereby withdraw the request for 8 Vernalis objective. 9 CO-HEARING OFFICER BAGGETT: Okay. And I want to get through this panel, then we'll take a break, and 10 11 then we'll come back with the Bureau; and maybe after 12 the two cases-in-chief, you can come back and we could 13 formally summarize what exactly has been dropped, what 14 paragraph, and we can correlate that so we have a good 15 record. Okay. Let's begin with cross-examination then. 16 17 Bureau, do you have any cross-examination of DWR. MS. AUFDEMBERGER: No. 18 CO-HEARING OFFICER BAGGETT: South Delta, et 19 al.? Any one of the three or four attorneys here want 20 21 to take a crack? MR. NOMELLINI: Dante John Nomellini. We're 22 23 going to spare you three attorneys. We're going to do 24 it with one. 25 CO-HEARING OFFICER BAGGETT: Thank you.

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1 MR. NOMELLINI: Do you want the cross to be 2 conducted from the podium here? SENIOR STAFF COUNSEL MAHANEY: If I may offer 3 4 a suggestion. If you would be more comfortable, you 5 would be able to see the witness if you sat over there б but it's your choice. 7 CO-HEARING OFFICER BAGGETT: I think that would be preferable. 8 9 CROSS-EXAMINATION BY MR. NOMELLINI FOR SAN JOAQUIN COUNTY, CENTRAL DELTA WATER AGENCY, 10 SOUTH DELTA WATER AGENCY 11 MR. NOMELLINI: I am Dante John Nomellini. 12 13 I'm attorney for the Central Delta Water Agency. 14 In your testimony, you referred to "we" in 15 making decisions as to operations. Could you list who constitutes the group or the person that makes the 16 17 decision as to how the Project should be operated? MR. LEAHIGH: I don't know about what specific 18 instance you're referring to; but in general, "we" 19 20 would be the Operations Office for the State Water 21 Project and for -- and the Central Valley Operations for the federal project. 22 23 MR. NOMELLINI: Could you tell me who 24 participates in that operation office in terms of 25 making day-to-day decisions as to whether or not you PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 would export water?

2 MR. LEAHIGH: We have various staff members 3 that have different areas of responsibility in making 4 those decisions.

5 MR. NOMELLINI: In making the decision as to б how you would balance the public interest against the 7 need for exports, Delta water or Delta water quality, 8 and public water supply, who would make that decision? 9 MS. CROTHERS: Mr. Baggett, I object to that question because I believe that question really is a 10 11 legal conclusion which -- our petition has been offered 12 to the Board to make that decision, and it's the 13 Board's role to decide if our petition meets the public 14 interest requirement.

We are offering facts to support that, but I don't think Mr. Leahigh as the engineer here should be asked to make that decision.

18 CO-HEARING OFFICER BAGGETT: A response?
19 MR. NOMELLINI: I thought they said -- I
20 thought the testimony was that the Department was
21 balancing the public interest with regard to these
22 determinations as they made decisions as to Project
23 operations.

MS. CROTHERS: In terms of what you're meaning as public interest, I wasn't quite sure if you meant

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that in the formal terms as, you know, with the Board's 1 2 decision-making or if you meant in general. DWR has, we believe, what -- in terms of 3 4 public interest, we felt we have met that requirement. 5 But if it's in the general sense, I guess б Mr. Leahigh could explain that. 7 CO-HEARING OFFICER BAGGETT: I think why don't you proceed and answer in a general sense. I don't 8 9 think he's asking for the legal conclusion on what you --10 MR. NOMELLINI: Oh, I'm not asking for a legal 11 conclusion. I'm asking for the process. 12 13 CO-HEARING OFFICER BAGGETT: If you could 14 answer the question. 15 MR. LEAHIGH: Well, yes. As part of the normal process for the 16 operations of both Projects, we are having to balance 17 18 many needs, whether they be for the water supply for our contractors, for senior water rights holders. 19 20 There are the needs for our -- of course, our water 21 rights, the Biological Opinions. 22 At some -- at this point, we came to a 23 situation where -- where our judgment is that there was 24 not enough supply to meet all of the required needs of 25 the Project.

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And so we -- as I said, we did not come 1 2 forward -- we did not take this decision lightly, but 3 we felt this was the best balanced approach to meeting 4 all of those needs of the Project. 5 CO-HEARING OFFICER BAGGETT: You're referring б to slide -- let me -- I'm going to interject some today 7 so we can keep this thing moving. It's not -- it's 8 sort of a hybrid hearing is the way I'm looking at 9 this. On Slide 22, page 22, I assume is what you're 10 11 referring where it says: Changes in the public 12 interest. And they're petitioning us to make that 13 change. 14 MR. NOMELLINI: Well, I was going to the direct testimony rather than the slide. 15 16 Do you agree that you've operated The Projects 17 in violation of the conditions of the permits issued by the State Water Resource Control Board for February of 18 19 2009? MS. CROTHERS: Mr. Baggett, I object to that 20 21 question as a legal conclusion. CO-HEARING OFFICER BAGGETT: Do you have a 22 23 response? Otherwise, I would sustain. 24 MR. NOMELLINI: Well, it's a factual question. 25 MS. CROTHERS: Mr. Baggett, we're offering a

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1 petition here related to that question.

2	CO-HEARING OFFICER BAGGETT: I would well?
3	MR. NOMELLINI: This petition has not yet been
4	granted, as far as I understand. If I'm wrong,
5	somebody ought to tell me.
б	MS. CROTHERS: Well, I would say that's the
7	point of the petition, however. I mean, that's what
8	we're here for.
9	If that petition is granted, then you'll have
10	your answer. So I don't think we're in a position now
11	to provide an answer on that, and Mr. Leahigh wouldn't
12	be making that call.
13	CO-HEARING OFFICER BAGGETT: I would sustain.
14	Mr. Jackson?
15	MR. JACKSON: Well, I was just going to say, I
16	mean, it is a factual question: Were they operating
17	to from February 1 until today in conformance with
18	the existing order?
19	And it's a simple question. It's he's the
20	only witness they're putting up. If he can't answer
21	the question, then I would move to strike the
22	testimony.
23	CO-HEARING OFFICER BAGGETT: Ms. Crothers?
24	MS. CROTHERS: Could you repeat your question,
25	Mr. Nomellini?

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1 MR. NOMELLINI: Do you agree that you have not 2 operated the Project in February of 2009 to conform to 3 the requirements of the State Water Resources Control 4 Board permit? 5 MR. RUBIN: I'm going to object this time on б relevance grounds. I think the question goes far 7 beyond the scope of this proceeding. 8 CO-HEARING OFFICER BAGGETT: I'd sustain that. 9 Could you rephrase the question, make it more specific, make it --10 MR. NOMELLINI: What X2 outflow did the 11 Project provide during the month of February 2009 to 12 13 the current date? 14 MR. LEAHIGH: I'd have to -- you'd have to 15 clarify what particular date you're talking about or 16 range of dates. 17 MR. NOMELLINI: Let's start with February 1st, and let's go through -- I think your exhibit showed the 18 19 14th? 20 MR. LEAHIGH: I can report on, yes, what that 21 Slide 19 shows as the Delta outflow. Would you like me 22 just to go through each day or? 23 MR. NOMELLINI: Were any of those below the 24 numeric requirements set forth in the State Water Resources Control Board Decision 1641? 25

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MR. LEAHIGH: Yes. There are approximately
 eight days.

MR. NOMELLINI: And what days were those? 3 MR. LEAHIGH: Although I will note that --4 5 well. February -- the eight days that I'm referring to б as far as outflow below the equivalent Chipps Island, 7 11,400, would be February 5th through February 13th, it looks like, according to the graph here. 8 9 MR. NOMELLINI: All right. During that period of time, February 5th 10 11 through February 13th, 2009, were any exports of water 12 from the Delta made by the State Water Project or the 13 Central Valley Project? 14 MR. LEAHIGH: Yes. 15 MR. NOMELLINI: And what amounts were those? MR. LEAHIGH: I don't have the exact figures, 16 but approximately -- it was a combined -- it varied. 17 But the combined export rate, if I recall correctly, 18 was varied between a combination of 2,000 cfs to 4,000 19 cfs during that period. 20 21 MR. NOMELLINI: Is there an exhibit or a slide that has that information that you presented? 22 23 MR. LEAHIGH: I don't believe so. 24 MR. NOMELLINI: All right. With regard to the 25 period February 5th through February 13th, was the

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1 Delta in balance?

2 MR. LEAHIGH: I don't know that The Projects 3 have made a formal call on that at this point. 4 MR. NOMELLINI: Do you know whether or not the 5 exports during the period of February 5th to б February 13th diminished the amount of cold water in 7 storage that would be needed to meet salmonid 8 objectives? 9 MR. LEAHIGH: I would say that the water that -- I'm sorry. Could you repeat the question? 10 11 MR. NOMELLINI: Do you know whether or not the export of water during the period of February 5th 12 13 through February 13th reduced the amount of cold water 14 in storage necessary to meet salmonid objectives? 15 MR. LEAHIGH: No, it did not deplete the storage in upstream reservoirs. 16 17 MR. NOMELLINI: Do you agree that if those 18 exports were not made during that period of time, that the water that was exported would have otherwise helped 19 20 meet the X2 numerical requirements during that period? 21 MR. LEAHIGH: Yes. MR. NOMELLINI: Do you recall what factors 22 23 were considered during the period of time of 24 February 5th versus February 13th that led in favor of 25 exporting that water rather than using that water to

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1 meet X2 requirements?

2 MR. LEAHIGH: Yes, as I --3 MR. RUBIN: I'm going to object to the 4 question. I believe it misstates the testimony. 5 I don't think that Mr. Leahigh testified that б a change in export would cause the X2 objective to be 7 met. I believe that's what Mr. Nomellini was 8 suggesting in his question. 9 MR. NOMELLINI: I believe he testified exactly to that: That, but for the exports, that water would 10 11 have been used to meet X2 requirements. MR. RUBIN: Maybe I misunderstood the question 12 13 and the answer, but I don't believe the question to 14 Mr. Leahigh was that it would cause the objective to be 15 met. I believe Mr. Nomellini asked would it help 16 meet the objective. It was a bit ambiguous. But there 17 is a difference in terms of what the question was and 18 19 what the answer was. 20 CO-HEARING OFFICER BAGGETT: Why don't we --21 let's rephrase the question and the answer to get it 22 clear. 23 MR. NOMELLINI: All right. Let's clarify that 24 if we can. 25 Do you agree that were the exports not made PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

during the period of February 15th versus February 13th 1 2 that the water that was exported would have helped meet 3 the X2 requirements during that period? 4 MR. LEAHIGH: Yes, it --5 MR. RUBIN: I'm going to object to the б question on the basis of ambiguity. Help meet? That 7 doesn't -- that's not clear to me. 8 Does that mean it will cause the objective to be met? Or where it would contribute to outflow? 9 10 Again, the question in my mind is unclear. 11 (Interruption) MR. RUBIN: I apologize. My name is Jon 12 13 Rubin, attorney for San Luis & Delta Mendota Water 14 Authority, Westlands Water District. 15 CO-HEARING OFFICER BAGGETT: That's sustained. Why don't you rephrase with even more specificity. I 16 17 think it's an important question. MR. NOMELLINI: Would the -- focusing again on 18 the period February 5th through February 13th, you 19 20 testified that exports from the Delta ranged between 21 2,000 to 4,000 cubic feet per second. If that water 22 was not exported, where would it have gone? 23 MR. LEAHIGH: If that water were not exported, 24 it would have helped contribute to the net Delta 25 outflow index.

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1

MR. NOMELLINI: Thank you.

2 Focusing again on the water that was exported 3 during the February 5th through February 13th period, 4 would on any of those days that water cause The 5 Projects not only to help meet the X2 objective but to б meet it, cause it to meet the requirement? 7 MR. LEAHIGH: On some of the days, it's 8 possible it would have helped meet the requirement. 9 MR. NOMELLINI: But not achieve it; just help meet it? Is that your testimony? 10 11 MR. LEAHIGH: Well, on some days, it would 12 have resulted in an outflow greater than 11,400. 13 MR. NOMELLINI: And you would agree, would you 14 not, that that would cause the requirement to be met? 15 MS. CROTHERS: Excuse me. I think there's some confusion. I think maybe a little clarity in the 16 17 questioning might help because I'm not sure what the 18 requirement is that Mr. Nomellini is referring to. 19 Is he referring to the 24 days of meeting an 20 X2 if the petition weren't granted rather than the --21 you know, it's -- throughout the month of February, we have that interpolated value for X2 based on the Table 22 23 4 which we determined would have been 24 days. 24 Is that what you're saying, is it would have 25 contributed? I want you to rephrase the question

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because I think it may help clarify what it is you're asking.

CO-HEARING OFFICER BAGGETT: I would sustain 3 4 that. Can you reclarify? 5 MR. NOMELLINI: All right. I'll give it a б shot. 7 During the period February 5th through 8 February 13th, was there ever a requirement for 11,400 cubic feet per second in that Delta outflow? 9 MR. LEAHIGH: Well, there was a -- according 10 11 to Table 4 in D-1641, and based on the 8RI for January, 24 -- it indicated -- Table 4 indicated that 24 days 12 13 would be required at Chipps Island in the month of 14 February. MR. NOMELLINI: At 11,400 cubic feet per 15 second, correct? 16 17 MR. LEAHIGH: Or met through salinity. But in this case, 11,400 outflow. 18 19 MR. NOMELLINI: All right. And how many days are there between February 5th and February 13th? 20 21 MR. LEAHIGH: Eight days. MR. NOMELLINI: So some of those days between 22 23 February 5th and February 13th had to have an 11,400 24 cubic feet per second net Delta outflow; is that 25 correct?

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MR. LEAHIGH: Well, again, there -- there's --1 2 there's other ways to meet the standard besides 3 outflow. But one interpretation is that that would be 4 a requirement. 5 MR. NOMELLINI: All right. In the б decision-making with regard to exporting water during 7 the period of February 5th to February 13th, who 8 participated in the decision to make exports during 9 that period? 10 MR. LEAHIGH: The Department of Water 11 Resources, the Bureau of Reclamation, the National Marine Fisheries Service, US Fish and Wildlife Service, 12 13 Department of Fish and Game. 14 MR. NOMELLINI: Were there specific people 15 whose names you recall? MR. LEAHIGH: Specific names? As I noted in 16 17 my testimony, The Projects presented the operation --18 modified operations plan to the fishery agencies as 19 part of the normal WOMT, so-called WOMT process, in 20 which we received feedback on appropriate levels of 21 export for the protection of listed species based on 22 such parameters as Old and Middle River flow, EI ratio. 23 MR. NOMELLINI: All right. So you don't 24 recall the names of the people that were involved; is 25 that what your testimony is?

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1 Let me back up.

2 Are there so many that it would be burdensome 3 to this hearing --4 MR. LEAHIGH: Well --5 MR. NOMELLINI: -- for you to name some б people? 7 MR. LEAHIGH: There are, you know, various managers from each of those agencies that participate 8 9 in WOMT meetings. You know, I don't know specifically who was from which agency at any particular meeting. 10 11 MR. NOMELLINI: Were any deputy directors of the Department of Water Resources involved in that 12 13 decision? 14 MR. LEAHIGH: Well, certainly our letter that 15 we sent to the Board -- forget the date exactly. But that was -- that letter was signed at the executive 16 17 level from Department of Water Resources which indicated a petition of this sort would be forthcoming 18 19 to the Board. 20 MR. NOMELLINI: So the decision-making -- was 21 the decision-making elevated to the Director level in 22 the Department of Water Resources, to your knowledge? 23 MS. CROTHERS: Mr. Baggett? 24 MR. NOMELLINI: Talking about February 5th 25 through February 13th.

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MS. CROTHERS: Mr. Baggett, I object to the
 relevancy of all this line of questioning.

3 I think the Department speaks for itself as
4 the Department through our employees and our Deputy
5 Directors and our Director.

And I thought Mr. Leahigh's answer was quite
adequate to explain the letter --

8 CO-HEARING OFFICER BAGGETT: I would sustain. 9 Can you answer why -- the relevance? 10 MR. NOMELLINI: Well, I would like to get to 11 how the balancing was actually done. If it wasn't done 12 at the level that this witness was acting at, well then 13 he can't really testify to the factors that were taken

14 into consideration to do that balancing to make the 15 decision to export water that would have otherwise 16 allowed them to comply with the conditions of the 17 permits.

MS. CROTHERS: Mr. Baggett, I beg to differ. I think Mr. Leahigh did respond in answer to that question. It was asked in the general sense of how the Department operates to meet all the requirements we have for our Project. And he listed those Project parameters, everything from environmental needs to water supply needs.

25 MR. NOMELLINI: There was no explanation as to PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

what factors were considered in doing that balancing
 within the Department.

3 It's clear that the petition is seeking the 4 Board itself to also do that. But they did it on a 5 daily basis during the period of February 5th through б February 13th, and I think I should be allowed to 7 cross-examine to find out what factors, and how they 8 weighed those factors, in making that decision 9 themselves. 10 CO-HEARING OFFICER BAGGETT: Then I would 11 suggest you rephrase the question and ask it that directly: What factors were considered? You can ask 12 13 the witness to his knowledge. 14 We don't have the Director here; you can 15 only -- we have a witness. MR. NOMELLINI: I understand that. I was 16 trying to find out whether -- I don't even know if the 17 Director was involved. 18 19 MR. HERRICK: Mr. Chairman, may I comment? John Herrick for South Delta Water Agency. 20 21 DWR is putting on one witness, and his 22 testimony deals with water operations. In order for 23 them to prevail on this petition, they have to show a 24 number of things, including diligence. And that 25 includes what they've done prior to this, what

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1 decisions were made.

2	This is our only opportunity to figure out how
3	they make decisions, either in the short-term or
4	long-term, to either release water, not release water.
5	So this is certainly relevant, and this is our
б	only chance.
7	CO-HEARING OFFICER BAGGETT: That question
8	would be relevant, but that wasn't the question that
9	was asked.
10	MR. RUBIN: And I would raise the relevance
11	objection as well. These questions may or may not be
12	relevant, but Mr. Nomellini has not established a
13	foundation for them.
14	How The Projects were operated during the
15	month of February prior to the petition being filed
16	could be relevant if they had the ability to change
17	operations in order to ensure the objective was
18	complied by the end of the month. And that foundation
19	has not been established.
20	CO-HEARING OFFICER BAGGETT: I sustain the
21	objection, but let me go back and maybe help clarify.
22	I think, as I understood the question you were
23	asking, and maybe you would just rephrase it this
24	simply: What factors were considered by this witness
25	in making that decision? Or recommendation. I guess

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1 the decision was probably --

2	MR. NOMELLINI: I was trying to determine
3	whether this witness actually made the decision by
4	asking who participated in it, and I was going to get
5	to who made the decision.
6	But I'll ask the questions
7	CO-HEARING OFFICER BAGGETT: Lay some
8	foundation.
9	MR. NOMELLINI: you'll allow me to ask.
10	CO-HEARING OFFICER BAGGETT: Lay some
11	foundation, please.
12	MR. NOMELLINI: All right.
13	Do you know what factors were considered in
14	making the decision to export water during the period
15	of February 5th through February 13th of 2009?
16	MR. LEAHIGH: Yes.
17	MR. NOMELLINI: All right. Could you state
18	those please?
19	MR. LEAHIGH: Well, a number of factors, as
20	noted in my presentation.
21	The needs to meet all of the south of Delta
22	requirements later in the year.
23	The current unstored flow that is occurring in
24	the Delta. There is a limited window for export of
25	this particular supply. The Projects have water supply

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1 forecasts looking forward into the year.

2	Based on estimations of pumping capabilities
3	and storages in San Luis, as I had noted, and the lack
4	of storage upstream, there it was qualitatively in
5	the judgment of the operators a significant risk that
6	The Projects would not be able to meet those very
7	minimal needs south of the Delta without additional
8	exports.
9	Now, the upper end capping of those exports,
10	as I noted, were taking into account the needs for
11	protection of listed species. And that's why, when you
12	look back at the data, you do not see The Projects
13	basically run amok and export every drop of water down
14	to 7100. You see a tempered response.
15	Where, in fact, looking at the historical
16	data, you'll see that we finished much closer to the
17	11,400 cfs target than the Collinsville 7100. But
18	these were the factors that went into play in making
19	that recommendation from the operations groups that
20	established those export levels in early February.
21	MR. NOMELLINI: Did you take into
22	consideration whether or not the pumping rate would
23	cause the take of Delta smelt? And this is during that
24	same period. I'm focusing on the February 5th through
25	February 13th period.

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MR. LEAHIGH: Indirectly, yes.

2 When we were looking at the -- those 3 hydrologic parameters which are generally an indicator 4 of likelihood of entrainment at the facilities, the Old 5 and Middle River flow is certainly one of those б parameters. 7 MR. NOMELLINI: Did the Project exports cause the take of smelt during that period of February 5th 8 9 through February 13th? 10 MR. LEAHIGH: My understanding is that there 11 was one Delta smelt salvaged, I believe, at the federal 12 facility during that period. 13 MR. NOMELLINI: Did you reduce the exports to 14 try and avoid further take of Delta smelt at that time? MR. LEAHIGH: The driver for that upper level 15 of export remained the same in terms of Old and Middle 16 17 River levels of concern. 18 MR. NOMELLINI: So regardless of the actual take of the smelt, the Old and Middle River flow was 19 the criteria that would guide the decision -- or that 20 21 guided the decision at that time; is that correct? 22 MR. LEAHIGH: I would say yes, it was. 23 MR. NOMELLINI: All right. Now with regard to 24 the minimal needs south of the Delta served by the 25 exports during February 5th through February 13th,

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1 could you tell me what those were?

2	MR. LEAHIGH: What I testified to was that the
3	exports were needed for minimal needs for the remainder
4	of the year. And what we are presented with here in
5	early February is a limited opportunity to capture
6	unstored flow because there is no real stored water
7	upstream in the reservoirs at this point in order to
8	meet even those minimum requirements for refuge
9	supplies, senior water rights holders, and to have
10	water in San Luis Reservoir through the summer.
11	There based on hydrologic runoff forecasts,
12	there is a significant risk that if additional exports
13	do not occur at this point in time, we would not be
14	able to meet all of those needs.
15	MR. NOMELLINI: Is it your testimony that the
16	water stored in San Luis at the present time will only
17	be used for refuge water supply and senior water right
18	requirements?
19	MR. LEAHIGH: The water in San Luis
20	reservoir well, you have to take a look at storage
21	that exists today plus any forecast of additional
22	export.
23	And that is correct. There is a good there
24	is a significant chance that all of the storage that is
25	in storage in San Luis storage currently would go to
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1 only those minimal needs at this point that I've

2 identified.

MR. RUBIN: All right. You testified that the 3 4 projected allocation for the State Water Project was 5 15 percent; is that correct? 6 MR. LEAHIGH: That's correct. 7 MR. NOMELLINI: Does that 15 percent include any uses other than refuge water supply or water supply 8 9 for health and safety? MR. LEAHIGH: That's -- that 15 percent -- I 10 11 can't define to you how much of that 15 percent would be for health and safety. 12 13 MR. NOMELLINI: Does that 15 percent 14 allocation apply across the board to all the contractors of the State Water Project? 15 MR. LEAHIGH: Yes, it does. 16 MR. NOMELLINI: And some of those contractors 17 are agricultural water users, are they not? 18 19 MR. LEAHIGH: Yes, they are. 20 MR. NOMELLINI: And some of those agricultural 21 water users could grow cotton with that water; could 22 they not? MR. LEAHIGH: I don't know. 23 MR. NOMELLINI: Is there a limitation on the 24 25 crops they can grow with water allocated to an

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1 agricultural contractor?

2 MR. LEAHIGH: If they only had 15 percent of 3 their supply, I don't know what they would be using 4 their water for that may cause them to change their 5 water use. б MR. LEAHIGH: So it is true, is it not, that 7 there is no assurance that the water that was exported 8 during February 5th through February 13th would be used 9 only for refuge or health and safety purposes? 10 MS. CROTHERS: Mr. Baggett, I object to that. 11 I think that question was asked and answered. Mr. Leahigh did respond to that question before. 12 13 He responded -- Mr. Leahigh responded to a 14 question about whether that water would be used for 15 health and safety and refuges, and Mr. Leahigh said he thought so. 16 I think he's speculating -- he's trying to get 17 Mr. Leahigh to speculate, and that wouldn't be 18 appropriate. 19 20 CO-HEARING OFFICER BAGGETT: No, I would 21 sustain. 22 Could you rephrase? 23 MR. NOMELLINI: Well, my last question 24 certainly wasn't speculation, but -- I was asking 25 whether he agreed that there was no assurance that the

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1 water that was exported during the period of

2 February 5th through February 13th would be limited in 3 use to refuge water supply and health and safety 4 purposes. That question should be answered. 5 CO-HEARING OFFICER BAGGETT: Just a yes or no. б MR. LEAHIGH: No. And I explained -- I think 7 I explained why. It --8 MR. NOMELLINI: No, you can't assure that it would be used only for those purposes, correct? 9 MR. LEAHIGH: No, I can't assure it. But 10 11 there's a reasonable risk that it wouldn't even be 12 enough to meet all those needs south of the Delta. 13 MR. NOMELLINI: Okay. Let's test that for 14 clarification. 15 Assuming there's no additional rainfall, your testimony is that the amount of water in San Luis would 16 not be sufficient to meet all the needs of refuges and 17 water rights -- health and safety needs; is that 18 19 correct? 20 MR. LEAHIGH: Health and safety, water rights, 21 and refuges, that's correct. There is a possibility it 22 may not be enough. 23 MR. NOMELLINI: Okay. And you also testified 24 there was a 15 percent allocation across the board; is 25 that correct? PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 MR. LEAHIGH: Currently, there is.

2	MR. NOMELLINI: As a part of your petition,
3	are you agreeing that this water that is in San Luis at
4	the present time will only be used for refuge, water
5	rights, and health and safety purposes?
б	MR. LEAHIGH: No. As I said, there is a it
7	all depends on what happens from this point on as far
8	as how much it rains.
9	But under the dry scenario, what exists in San
10	Luis currently would not be enough to meet all of those
11	needs.
12	MR. NOMELLINI: Is there a process in place as
13	to where or how that water will be allocated? At the
14	present time, do you know how that water is going to be
15	allocated?
16	MR. LEAHIGH: No, I don't.
17	MR. NOMELLINI: Is there any planning underway
18	for holding sufficient water in reservoir stores to
19	meet water quality standards in the future?
20	MR. LEAHIGH: That is part of the equation as
21	far as determining what exports would be available to
22	The Projects later in the year.
23	MR. NOMELLINI: Isn't it correct that given
24	the present situation there is no water available in
25	storage for export purposes?
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1 MR. LEAHIGH: No water in upstream storage?

2 MR. NOMELLINI: Yes. 3 MR. LEAHIGH: That -- currently, that's 4 correct on the State Water Project side. 5 MR. NOMELLINI: How about on the federal side? б MR. LEAHIGH: I don't know. I'd defer that to 7 the CVP. 8 MR. NOMELLINI: Is there -- in the planning process, does the Department of Water Resources project 9 the possibility of the recurrence of historical 10 11 hydrology such as during the period of '87 through '92 12 and what their ability would be to meet the water 13 quality standards under those circumstances? 14 MR. LEAHIGH: Well, yes. 15 Actually, we are currently in our process of evaluating our delivery capabilities and operational 16 17 needs based on the latest February 1st snow survey and the resulting runoff forecasts that came about as a 18 result of that snow survey. 19 20 MR. NOMELLINI: My question goes beyond that. 21 Beyond those forecasts, do you game the Project operation such that you would anticipate the 22 23 possibility of further -- a further sequence of 24 critical and dry years such as historically occur? 25 MR. LEAHIGH: Yes. In the drier exceedances

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of the forecast that we receive, that's -- that's 1 2 indeed what it -- it would be reflecting those types of 3 years, the very driest years. 4 MR. NOMELLINI: So that's your --5 MR. LEAHIGH: In -- we're currently, as I б said, we are going through that analysis right now 7 through our operations models. 8 MR. NOMELLINI: And right now it shows you don't have any water in storage available for export? 9 MR. LEAHIGH: Under those dry conditions, 10 11 that's correct, yes. In fact -- yes. We draw below 12 power pool storages in Lake Oroville for example. 13 CO-HEARING OFFICER BAGGETT: Could we do a 14 time check here Mr. Nomellini? How much longer do you 15 have? 16 MR. NOMELLINI: I'm going to move on now. CO-HEARING OFFICER BAGGETT: Okay. I'm just 17 trying to get an idea of timing here. We still have 18 eight more parties. 19 20 MR. NOMELLINI: I just have one other area I 21 really want to cover here. It should take about five, 22 ten minutes. 23 CO-HEARING OFFICER BAGGETT: I realize you're 24 representing three parties, so I am cutting you --25 MR. NOMELLINI: We tried to spare you a little

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1 bit, even though this might be painful.

2	CO-HEARING OFFICER BAGGETT: Hopefully, Mr.
3	Jackson's taking notes too.
4	MR. NOMELLINI: He's not part of our group.
5	(Laughter)
б	CO-HEARING OFFICER BAGGETT: I understand.
7	But he is next. Continue.
8	MR. JACKSON: I am taking notes.
9	MR. NOMELLINI: May I proceed?
10	CO-HEARING OFFICER BAGGETT: Yes.
11	MR. NOMELLINI: With regard to the water
12	stored in San Luis at the present time, is it not true
13	that that water could be released to the San Joaquin
14	River to help meet X2 requirements or let's change
15	that net Delta outflow requirements?
16	MR. LEAHIGH: I don't know that that would be
17	possible.
18	Even if it was possible, I can't see us doing
19	that in light of what I just responded to in the
20	previous question regarding lack of supply necessary
21	for even the minimum requirements south of Delta.
22	MR. NOMELLINI: All right. Let's for the sake
23	of this line of questioning assume that you don't want
24	to do it. But is it physically possible to recirculate
25	or reintroduce San Luis water into the San Joaquin

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1 River?

2 MR. LEAHIGH: That type -- well, there has 3 been a recirculation-type operation that has occurred 4 in the past on an experimental basis so that has --5 physically has occurred. б MR. NOMELLINI: So you agree it's physically 7 possible --8 MR. LEAHIGH: Well, it --9 MR. NOMELLINI: -- to reintroduce San Luis unit water or San Luis Reservoir water back into the 10 11 San Joaquin River? MS. CROTHERS: I object on the relevancy of 12 13 that question. 14 MR. NOMELLINI: Well, let me explain the 15 relevance. CO-HEARING OFFICER BAGGETT: I'll overrule. 16 17 Just answer the question. It's a simple yes 18 or no: Is it possible or not possible? 19 MR. LEAHIGH: Well, I don't know. 20 If you're talking about water from San Luis 21 Reservoir, I don't know if that's physically possible. We have done recirculation where water had 22 23 been pumped from the Delta, released down the San Joaquin back into the Delta. Whether it is physically 24 25 possible to come from San Luis, I'm not certain at this

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1 point in time sitting here.

2 MR. NOMELLINI: You're not familiar with the Mendota Pool, I gather? 3 4 MR. LEAHIGH: Not as much as a Reclamation 5 operator would be. 6 MR. NOMELLINI: Okay. Do you know how much is 7 in San Luis today? 8 MR. LEAHIGH: I forget the exact number, but I have a general idea. 9 MR. NOMELLINI: It's over 700,000 acre feet, 10 isn't it? 11 MR. LEAHIGH: That sounds about right. 12 13 MR. NOMELLINI: And if the water was 14 introduced into the San Joaquin River, could it -- is it your understanding that it could result in net Delta 15 outflow? 16 MR. LEAHIGH: I don't know. Depending on the 17 timing, there are -- I don't know. 18 19 MR. NOMELLINI: Okay. 20 MR. LEAHIGH: I'll say it's possible. 21 MR. NOMELLINI: It is physically --MR. LEAHIGH: I suppose it would be possible. 22 23 MR. NOMELLINI: Okay. You agree that it's 24 physically possible for water to flow downhill through the San Joaquin River and on out of the Delta? 25

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MR. LEAHIGH: Yes.

2 MR. NOMELLINI: Okay. MR. LEAHIGH: Well, yes. Without being 3 4 diverted. 5 MR. NOMELLINI: I mean, I assume that the б physical possibility assumes that there is no 7 intervening act. 8 MR. LEAHIGH: Right. 9 MR. NOMELLINI: Okay. MR. LEAHIGH: Water flows downhill. I agree. 10 11 MR. NOMELLINI: All right. Well, with that concession, I'm going to end my cross-examination. 12 13 Thank you. CO-HEARING OFFICER BAGGETT: Thank you. 14 15 (Laughter) CO-HEARING OFFICER BAGGETT: With that, 16 Mr. Jackson, you're up. Or should we take a break? I 17 guess I should ask you before you start. 18 19 MR. JACKSON: I don't really care. I'm down 20 here for the rest of the night. 21 CO-HEARING OFFICER BAGGETT: Well, is it lengthy, your cross? 22 MR. JACKSON: It is lengthy. I mean, I get 30 23 minutes, and I'm sure I will be cut off at 30 minutes. 24 25 CO-HEARING OFFICER BAGGETT: Okay, let's take

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1 five minutes then, and we'll come back. Five minutes,

2 not ten, not 15. Five minutes recess.

3 (Recess)

4 CO-HEARING OFFICER BAGGETT: With that, we are 5 back on the record with Mr. Jackson. CSPA

6 cross-examining the Department of Water Resources.

7 MR. SCHULZ: Chairman Baggett?

8 CO-HEARING OFFICER BAGGETT: Mr. Schulz.

9 MR. SCHULZ: Just a little indulgence. I
10 wanted to become involved in the relevancy discussions
11 with the last cross-examiner but wasn't able to.

I would just ask that the Chair in considering the relevancy objections distinguish between what is in the public interest and what the Department thought was in the public interest.

I think we all -- it's very clear from the 16 17 evidentiary record that is in that the Department 18 operated in a certain fashion from February 1 through now; that at some time in early February, late January 19 and early February, realized it was going to have a 20 21 heck of a lot of problems doing everything that it needed to do; and that it made a decision to file a 22 23 petition with this Board and to move forward with a 24 certain kind of operation which did not include at all 25 times 11,400 cfs Delta outflow during the month of

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1 February.

2 The ultimate question before this Board was: 3 Was that operation in the public interest, and will it 4 into the future be in the public interest? 5 If so, you would grant the petition, and they б will be on their way. 7 If not, and you decide it wasn't in the public 8 interest, they will be in violation of their permits. Whether they thought -- whatever they thought, they 9 will still be in violation of their permits. 10 11 So to me, the issue in this proceeding is not 12 what the Department thought in early February but 13 whether or not the operations that were undertaken and 14 are planning on being undertaken the rest of this month 15 are in the public interest. And that will ultimately be your decision, and 16 that's what the testimony and cross-examination ought 17 to be directed to. 18 19 I find this discussion of -- taking way too long and, you know, trying to -- and not really 20 21 relevant to the question of --22 CO-HEARING OFFICER BAGGETT: So I guess that's 23 a pre-relevancy objection? 24 MR. SCHULZ: It's a pre-relevancy objection. CO-HEARING OFFICER BAGGETT: It's noted, 25

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1 but -- Mr. Nomellini?

2 MR. NOMELLINI: Dante John Nomellini. 3 If Mr. Schulz wants to testify, I request I be 4 allowed to cross-examine. You don't get after-the-fact 5 forgiveness. б If you violate your standards, you violate 7 your standards. 8 If you want to get a temporary urgency change to change your conduct, you get it in advance. 9 10 So his position I disagree with, and I would 11 like to cross-examine him because he testified as to 12 what the process was, which I couldn't even get out of 13 the witness. 14 CO-HEARING OFFICER BAGGETT: Thank you. 15 Noted. Let's continue, Mr. Jackson. MR. JACKSON: And I'd just like to say a 16 little about that. 17 18 Would you note for the record, or not, Mr. Hearing Officer, that the statements made by Mr. Schulz 19 20 in regard to the facts was not testimony? 21 CO-HEARING OFFICER BAGGETT: So noted. 22 It was a general relevancy objection filed 23 late. It was noted, but I did not rule or strike any 24 testimony based on the objection. MR. JACKSON: Okay. 25

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CROSS-EXAMINATION BY MR. JACKSON 1 2 FOR CALIFORNIA SPORTFISHING PROTECTION ALLIANCE MR. JACKSON: For the purposes of the 3 4 cross-examination, Mr. Leahigh, my name is Mike 5 Jackson, and I'm the lawyer for the California б Sportfishing Protection Alliance in this action. 7 And I'm going to just go straight through your slides. So could we have Slide No. 2 up, since you've 8 identified yourself in Slide No. 1? 9 10 CO-HEARING OFFICER BAGGETT: Mr. Jackson, do 11 you have a copy of the written handout? Maybe we 12 can --13 MR. JACKSON: I was given a disc, and I --14 CO-HEARING OFFICER BAGGETT: Okay. MR. JACKSON: -- don't really have one to 15 play. I mean the nature of the urgency is that we 16 17 didn't have people's testimony --18 CO-HEARING OFFICER BAGGETT: Right. MR. JACKSON: -- so we're trying to prepare on 19 the fly here as we go. 20 21 CO-HEARING OFFICER BAGGETT: I appreciate that. We all are. 22 23 MR. JACKSON: Right. 24 Now, Mr. Leahigh, bullet point number one says 25 that the DWR is requesting modification of compliance

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1 from Chipps Island for 24 days in February. Could you 2 meet the standard now? Could you actually comply with 3 the law as it was laid out today? 4 MR. LEAHIGH: Well, I don't know if it's a 5 matter of the project's complying. The outflow is well б above the 11,400 cfs as we sit here today because of 7 runoff from the recent storms. 8 MR. JACKSON: Okay. And you have projections at DWR that you operate on. How long do you project 9 this sudden obeying of the law to be capable of being 10 11 continued here in February? MR. LEAHIGH: Well, I'll respond to the fact 12 13 of the natural flows from the recent storms, as I 14 indicated. 15 Projections are that we will continue to see Delta inflow increase over the next -- for the 16 remainder of this week, basically. And as I testified, 17 it's likely that inflow on the Sacramento River at 18 Freeport will exceed 20,000 cfs. 19 20 MR. JACKSON: All right. So then actually 21 your projections indicate that you can comply with the Chipps Island standard for the rest of the month, 22 23 correct? 24 MR. LEAHIGH: Delta outflow is likely to be 25 above 11,400 cfs for the remainder of the month.

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1 MR. JACKSON: So why do you need the urgency? 2 What's the urgency now that the Lord gave us the rain? 3 MR. LEAHIGH: The urgency was there end of 4 January, beginning of February before we knew that 5 these storms were going to occur. 6 MR. JACKSON: So the first bullet point will 7 be met no matter what happens in regard to this order; 8 is that correct? Whether they grant it or deny it, it will be the same result, will meet the underlying 9 standard for the rest of February? 10 11 MR. LEAHIGH: You're referring to bullet 1 on Slide 2? 12 13 MR. JACKSON: I am. 14 MR. LEAHIGH: Bullet 1 on Slide 2 was the -was our petition for modification of the X2 standard to 15 move the compliance at Chipps Island for 24 days --16 17 move that to Collinsville. 18 So the new requirement would be for 28 days at Collinsville for the month of February. That was 19 our -- that was our petition. 20 21 MR. JACKSON: All right. And because of 22 intervening rain events, you now project that without 23 modifying the compliance from Chipps to Collinsville 24 you can meet for the rest of the month the Chipps Island standard in D-1641? 25

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1 CO-HEARING OFFICER HOPPIN: Mr. Jackson, would 2 you clarify for me: Are you concerned about whether 3 they will meet the standard from this point until the 4 end of the month, or whether they in fact would be able 5 to meet the 24 days in February? I think there is a 6 significant difference there.

7 MR. JACKSON: I am asking whether or not there 8 will be any difference, no matter what the State Board 9 does, in the fact that there will be 11,400 cfs at 10 Chipps for the rest of the month.

11 MR. LEAHIGH: Yeah. From this point forward, the outflow, we can say with -- we're fairly certain 12 13 that it will be met for the remainder of this month, 14 that the outflow will be well above 11,400 cfs for the 15 remainder of the month from this day forward. MR. JACKSON: And as I understand the 16 17 petition, and please correct me if I'm wrong, the 18 petition that you have asked for, the urgency petition, expires at the end of February, correct? 19 20 MR. LEAHIGH: Correct. 21 MR. JACKSON: So in terms of bullet one, you actually don't need the petition. 22 23 MR. LEAHIGH: Well, 24 days will not be met at

24 Chipps Island for the month of February.

25 MR. JACKSON: Okay. Now, we'll get to that

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1 part. I guess that that's in bullet two, right, that 2 you've already violated for a number of days and you 3 don't have time to make it up? 4 MR. LEAHIGH: No, that's not correct. 5 At the time that we sent our letter and our б petition -- well, from the time we sent our letter, 7 that this is what we were asking for was modification 8 in the Chipps Island standard -- which, by the way, we didn't have the -- we didn't know how many days we 9 would need to meet at Chipps Island until we got a day 10 11 or so into February. MR. JACKSON: We'll get back to that one on a 12 13 different slide. But -- okay. I'll move on to the 14 second one. 15 What the second bullet point says is that the Board should retroactively waive the requirement for 16 17 the days that have already passed. Is that what you 18 are asking? 19 MR. LEAHIGH: No, this was -- this was a different component of the X2 standard that is very 20 21 specific to the first 14 days of February where rather 22 than the two different ways to meet compliance, whether 23 it be through salinity or outflow, this particular 24 component of the standard says you have to meet it 25 through salinity, actually move the X2 position to

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1 Collinsville for at least one day for the first -- in 2 the first 14 days of February. It's --3 MR. JACKSON: In order to get more salt in the 4 river? 5 MR. LEAHIGH: In order to move that X2 б position physically to Collinsville. 7 MR. JACKSON: For variability purposes? MR. LEAHIGH: Excuse me? 8 MR. JACKSON: For variability purposes? 9 MR. LEAHIGH: For whatever the --10 MR. JACKSON: Whatever --11 MR. LEAHIGH: -- X2 standard is designed for, 12 13 yes. 14 MR. JACKSON: Okay. 15 Now, you came pretty close right? I mean you dropped it -- well, let's take a look -- well, I'll go 16 17 in order because it'll be easier and probably go quicker. We'll come back to that one. 18 19 Now, on Slide No. 3, you have identified that the reasons for this petition are to -- you have an 20 21 urgent need to build reservoir storage for later use? 22 MR. LEAHIGH: Yes, it reads conserve slash 23 build reservoir storage for later use. MR. JACKSON: And the first bullet is cold 24 water for salmonid habit. 25

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MR. LEAHIGH: That's correct.

2 MR. JACKSON: So is this water, if you get 3 this petition, going to be dedicated to cold water 4 habitat for salmon later in the year? 5 MR. LEAHIGH: Well, again, at the time we submitted the petition, there was a very real б 7 possibility, rather than Mother Nature providing the 8 flows, we, The Projects, would be releasing large sums of storage from upstream. 9 MR. JACKSON: But Mother Nature took that duty 10 11 on itself, right? MR. LEAHIGH: You could put it that way. 12 13 MR. JACKSON: Or herself? 14 MR. LEAHIGH: Yes. MR. JACKSON: Yeah. 15 So for this period of time -- I live above 16 17 Lake Oroville. I pass the lake, the river is roaring. 18 You're now over a million, right? Acre feet? 19 MR. LEAHIGH: Yes, slightly over a million acre feet. 20 21 MR. JACKSON: So you never did get into that 800 -- one million -- you went over a million by the 22 23 date that matters, right? 24 MR. LEAHIGH: No, I think you're confusing the 25 full natural flow calculation. I'm not sure where --

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1 what number you're referring to.

2 MR. JACKSON: You talked about a number of 800,000 to a million put you in one category? 3 MR. LEAHIGH: Yes. That was based on the 4 5 Eight River Index, not storage in Oroville. 6 MR. JACKSON: All right. But the storage on 7 the Eight River Index is substantially up now from the 8 time that you wrote this petition, correct? 9 MR. LEAHIGH: The Eight River Index is the January Eight River Index which will now not change, 10 which as I testified was slightly over 970,000 acre 11 12 feet for January. 13 MR. JACKSON: And do you know what it is 14 today? MR. LEAHIGH: It's still 970,000 acre feet for 15 the month of January. It does not change at this 16 17 point. 18 MR. JACKSON: Right. 19 And of course, the -- you have the bullet point for the critical needs of water users. Could you 20 21 explain the word critical to me? What do you -- is that the health and safety, the stuff you went through 22 23 with Mr. Nomellini? Those are what you call critical? 24 Refuges, health and safety? 25 MR. LEAHIGH: Yes.

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MR. JACKSON: Okay. And that doesn't include 1 2 your regular agricultural contracts? MR. LEAHIGH: It -- critical in this sense is 3 4 in a qualitative sense. 5 Critical would also include the ability to б even provide water to any of the users south of the 7 Delta, if, for example, San Luis storage would get too 8 low to even provide water to any users at some point in 9 time. 10 MR. JACKSON: Now you've -- I think you said 11 you had somewhere around 750,000 acre feet in San Luis 12 now? 13 MR. LEAHIGH: That's correct. 14 MR. JACKSON: And so if you don't release any for a while you'll have that -- you can keep that 15 16 storage, right? MR. LEAHIGH: Well, that -- that storage is --17 that's correct. We keep that storage. 18 19 MR. JACKSON: Okay. Now, on Slide 4, the Sac Valley hydrological 20 21 conditions, there's probably been a precipitation 22 change somewhat, maybe not large, because of the storms 23 in February? Is that correct? MR. LEAHIGH: That's correct. I believe as of 24 25 yesterday or today it's -- I think it's over 70 percent

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1 of average to date.

2	MR. JACKSON: Okay. And in terms of snow
3	pack, just judging from Quincy, you've got a lot more
4	snow pack now than you had in January?
5	MR. LEAHIGH: There have been some increases
б	in snow pack, yes.
7	MR. JACKSON: I've been shovelling them, so
8	I'm pretty sure.
9	And the runoff seems to be down below the
10	precipitation, and that's basically just the forest
11	kind of sopping up the water?
12	MR. LEAHIGH: Well, to a large extent that's a
13	result of the fact that we're in a third dry year. The
14	same amount of precipitation is not resulting in an
15	equivalent a proportional result in runoff.
16	MR. JACKSON: Probably because the ground was
17	parched.
18	MR. LEAHIGH: Yes.
19	MR. JACKSON: Okay. And at some point, the
20	ground saturates and then the precipitation comes. The
21	number's completely different because there's less
22	going into the ground, right?
23	MR. LEAHIGH: Correct.
24	MR. JACKSON: Okay. Now, the last bullet is
25	the storage at Shasta, Folsom, and Oroville is 44
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1 percent of average. And I'm going to do this question 2 in coordination with your Exhibit 5 which talks about 3 the lowest December 2008 Oroville Reservoir storage in 4 history. And you compare it just with Oroville alone 5 to 1977.

6 Now there is some substantial differences in 7 where the storage is between 1977 and today, correct? 8 I mean, in 1977 there was no Diamond Valley Reservoir. 9 There was no Tulare Lake Water Bank. There was no 10 semi-tropic water bank. And that water would have had 11 to be, if you wanted to keep it, stored in Oroville, 12 correct?

MR. LEAHIGH: I'm not sure I understand the premise to that question.

MR. JACKSON: Well, the premise is: You've got more storage than you had in 1977. You just have already moved it south of the Delta, correct?

18 MR. LEAHIGH: No. There's a lot of -- you 19 can't single out one particular issue as explaining the 20 difference in storage between today and 1977. There 21 are a number of reasons why storages might be 22 different.

MR. JACKSON: Have you calculated the south of
Delta storage into your storage numbers and seen
whether or not your actual total storage is below 1977

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1 or not?

2 MR. LEAHIGH: Well, I did report on the fact 3 that San Luis storage is 45 percent of average. I 4 don't have the figures for 1977, but I don't imagine 5 they would be -- if you factored those in, it would 6 make that big of a difference.

7 MR. JACKSON: Well, isn't there still 400,000
8 acre feet in Diamond Valley? It sure wasn't there in
9 1977.

MR. LEAHIGH: I don't know the exact storage 10 11 in Diamond Valley; it's not one of our facilities. But 12 yeah. I don't know the relevance of the question. 13 MR. JACKSON: Well, I'm trying to determine 14 whether or not your Slide No. 5 that the Shasta, Folsom -- the Oroville portion of that storage is lower 15 than 1977, and it's the lowest in Oroville's history. 16 17 The difference is -- one of the differences is that you moved the water in 2007, 2006 to storage south of the 18 Delta. Isn't that true? 19 MR. LEAHIGH: Well, one of the differences 20 21 between this year and 1977 is this is the third consecutive dry year. 1977 was the second dry year in 22

23 its sequence.

24 CO-HEARING OFFICER BAGGETT: Just to give you25 a time check, Mr. Jackson, you have about 14 minutes.

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1 MR. JACKSON: Okay. Thank you.

2	So now, calling your attention to Slide No. 6,
3	and Slide No. 7. These slides indicate that there are
4	years in which the winter precipitation is
5	substantially different than a model would show.
6	Miracle March, what's looking like a pretty
7	good February here this year. There's no way to tell
8	where you're going to be at the time the irrigation
9	season begins, is there?
10	MR. LEAHIGH: There's no way to know exactly,
11	that's correct. There is a range of values that we're
12	fairly confident we would fall within, but it's a
13	pretty broad range still at this point.
14	MR. JACKSON: Calling your attention to No. 8,
15	Slide 8, water supplies at a critical level.
16	The Feather River settlement contractors have
17	been notified of a maximum shortage let me step
18	back.
19	You don't have any settlement contractors on
20	the Sacramento system, do you?
21	MR. LEAHIGH: No, just the Feather River.
22	MR. JACKSON: Okay. So calling your attention
23	to the Feather River system, what is the maximum
24	shortage provision that you've notified them that
25	you're going to exercise?

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MR. JACKSON: Yes, our settlement contract 1 2 allows the Department to short those senior water 3 rights holders by 50 percent of the contracted amount 4 if certain hydrologic parameters are met. 5 MR. JACKSON: Are all those parameters met as б of today? 7 MR. LEAHIGH: They are met as of the 8 February 1st snow survey. 9 MR. JACKSON: And is that the key date? MR. LEAHIGH: That is one of the dates. That 10 11 is one of the key dates. MR. JACKSON: So is there a March date and 12 13 April date as well? 14 MR. LEAHIGH: There are subsequent updates to 15 that, yes. MR. JACKSON: Okay. Now, calling your 16 attention to Slide 10, the X2 standard defined. D-1641 17 Tables 3 and 4: It's clear to the Department that 18 those are the fish protections in D-1641? 19 MR. LEAHIGH: D-1641 identifies the X2 20 21 standard as for fishery benefit. 22 MR. JACKSON: All right. 23 So why would it be amenable to all to grant 24 this petition given the fact that the outflow 25 requirement is going to be pretty much the same and

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that nature's providing more cold water for the pool?
 Why would you want to suspend fish the protection?

3 MR. LEAHIGH: Well, I mean there's two parts4 to that.

5 One is, again, we didn't -- we were asking for 6 the modification earlier this month, not knowing that 7 this last week of storms was going to occur. Okay. So 8 the reason that we submitted the petition was that at 9 the time it looked as if large amounts of upstream 10 storage would need to be released in order to meet the 11 objective as it's written in 1641.

12 The part of the reason we felt it was a 13 reasonable petition to put forward is partially the 14 fact that, as you look at the tables, these -- this 15 Chipps Island standard, for example, was just barely 16 triggered.

17 If it were just slightly dryer in January, the 18 standard would have said meet Collinsville for the 19 entire month, and that's no problem. That's 20 sufficient.

21 So as I noted in my testimony, we're in a very 22 sensitive part of that curve. I understand that 23 designing a standard of this complexity would be a 24 challenge. But it would not be surprising -- it's not 25 surprising to me that as the standard is tested in

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actual conditions that there may be some modification
 needed.

This is the first -- as I noted, this is the first back-to-back critically dry condition that has occurred in the basin since the standard has been adopted or since The Projects have been operating to this standard.

8 MR. JACKSON: All right. And that came up in the conversations you were having with the other 9 agencies, with the Bureau and NOAH -- or NMFS, I guess 10 11 now, and US Fish and Wildlife Service, and Department of Fish and Game, and all of those other agencies that 12 13 are supposed to be taking care of our fish? 14 MR. LEAHIGH: That was part of the discussion that -- yes. That --15 16 MR. JACKSON: Okay. 17 MR. LEAHIGH: -- the Projects were making. 18 MR. JACKSON: Now, since you got this -- since it's going to -- since the flow is projected to be for 19 the rest of February, over 11,400 cfs at Chipps, don't 20 21 you think it would be a good idea to rethink that with 22 what -- you know, in terms of you can keep your storage

23 and nature will provide the outflow, so I guess I keep 24 coming back to: What's the problem here?

25

We got lucky. You guys were preparing. And

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1 we got lucky.

2 MR. LEAHIGH: Well, if there is no problem,3 that would be great.

4 But we did -- we did put an off ramp provision 5 in our petition that if it did turn wet, and there were б sufficient flows into the Delta at a certain rate, and 7 we identified that as at least three days of 20,000 8 cfs, then, you know, we could basically guarantee that 9 the Chipps Island standard would be met for the remainder of the month. And that's pretty much where 10 11 we sit today.

12 MR. JACKSON: Okay. So we can basically 13 guarantee and you -- so again, going back to that: But 14 for the problem that might exist with violations from 15 February 1 to 14 that Mr. Nomellini was talking about, 16 you're just not going to violate for the rest of the 17 month?

18 MS. CROTHERS: I need to object to that 19 question. I don't think it's stating an accurate 20 portrayal of what we're petitioning or what's actually 21 in front of the Board.

22 MR. JACKSON: I'm sorry, counsel, but I'm 23 actually relying on your testimony in No. 2 which asks 24 for these two modifications, and then you've dropped 25 the change in Vernalis flow, and I'm wondering whether

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1 or not, you know, it would be practical just to drop 2 the other two as well and we can all go home? MS. CROTHERS: Well, the reason I'm objecting 3 4 is I don't really think that's characterizing what the 5 petition and what the point of the hearing -б CO-HEARING OFFICER BAGGETT: That's sustained. 7 Can you -- what you just stated was different 8 than the question you asked. Maybe we should just strike and rephrase the series of questions. 9 Mr. Jackson, what you just said was not what 10 you asked the witness and not --11 MR. JACKSON: No, I was actually arguing with 12 13 the lawyer at that point. 14 CO-HEARING OFFICER BAGGETT: Okay. MR. JACKSON: Which I think I'm entitled to 15 do. All us lawyers get to argue with each other. 16 17 CO-HEARING OFFICER BAGGETT: Outside the room. 18 Continue. 19 MR. JACKSON: Okay. 20 X2, which is your second bullet point on No. 21 10, is -- you say is the location of the two part per thousand isohaline. Is it fair to say that in these 22 23 conversations you were having it also is the area of 24 habitat for the Delta smelt? 25 MR. JACKSON: Yeah, I believe that is what is

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behind the X2 standard, although the biological aspects 1 2 of the standard is not my area of expertise. MR. JACKSON: Yes, sir. I know that, but 3 4 you're the only person I've got. So if you don't 5 feel -- just don't answer. б The -- did in this conversation -- or do you 7 know what the biological benefits of Chipps Island are in comparison to Collinsville? 8 9 MR. RUBIN: I'm going to object to the question. The question asked the witness about 10 11 biological benefits of the objective. The witness has 12 explained he's not qualified to talk about biological 13 benefits. 14 I understand that the Department of Water 15 Resources has not called a biologist. If Mr. Jackson or his client wants to call a biologist to get this 16 testimony into the record, he's had that opportunity. 17 CO-HEARING OFFICER BAGGETT: Okay. Sustained. 18 You've got a couple -- about three minutes or so. 19 20 MR. JACKSON: Yes, sir. 21 On your Slide No. 17, you call this a Petition for Modified Compliance, and you say in the first 22 23 bullet that early February projections showed a 24 potential hit to upstream storage of up to 200,000 acre 25 feet.

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What is the hit to Oroville as we sit here 1 2 today for the month of February? 3 MR. LEAHIGH: As we sit here today, we did not 4 make any additional releases from Lake Oroville in 5 order to meet any of the X2 requirements, so there was б no hit as we sit here today. 7 But the projections were, as stated in that bullet --8 9 MR. JACKSON: Sure. MR. LEAHIGH: -- that there would have been a 10 need to release water from upstream in order to meet --11 12 MR. JACKSON: Okay. But the testimony is 13 being given today and will be admitted today: Is it 14 fair to say that the first bullet is just flat wrong at this point? 15 MS. CROTHERS: I object to that question as 16 17 not relevant to the requested petition. The petition 18 is on an urgent request to make modifications at the time we knew of these concerns which is what this 19 petition -- what this Slide 17 is showing. 20 21 And we submitted to the Board early in 22 February -- I believe it was February 5th -- and then 23 followed up on February 12th, as soon as we could, a 24 petition making this request based on this information. 25 It's not based on the information as of today.

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So I object to that question as not relevant to this
 hearing.

3 CO-HEARING OFFICER BAGGETT: Mr. Jackson, you
4 can answer.

5 MR. JACKSON: Mr. Baggett, it seems to me that 6 the statement that projections are what is relevant to 7 evidence rather than actual evidence is not correct. 8 There is no hit. This would be misleading, and I'm 9 sure it would be seen as an abuse of discretion. And I 10 just want to clarify that this is wrong.

MS. CROTHERS: The facts that we are submitting are accurate.

CO-HEARING OFFICER BAGGETT: Let me -MS. CROTHERS: I don't think this is wrong.
CO-HEARING OFFICER BAGGETT: I would sustain
the objection. The statement on the slide, the
evidence before this Board was: Early February
projections showed this. That is what the evidence
they submitted was.

20 The evidence of what is actually happening on 21 time today was not submitted. What is submitted is the 22 early projections.

23 MR. JACKSON: It's my understanding that he 24 just testified that there has been no hit to upstream 25 storage, and that's under oath in this hearing, so I

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1 mean --

2 CO-HEARING OFFICER BAGGETT: So what is your 3 question? 4 MR. JACKSON: My question is: I guess they 5 don't want to withdraw the projection. I was thinking б they might. But if they don't, that's fine. The 7 evidence is: There has been no hit. 8 CO-HEARING OFFICER BAGGETT: Okay. 9 MS. CROTHERS: We do not want to withdraw our projections and our petition. 10 CO-HEARING OFFICER BAGGETT: That is a legal 11 discussion that the Department can have and their 12 13 attorney can file with this Board. That is not this 14 witness's -- so it's not relevant to this witness. 15 You've got the information. Proceed. MR. JACKSON: To your knowledge in bullet 16 No. 2, has DWR notified the United States Fish and 17 Wildlife Service and NMFS and DFG prior to the hearing 18 that there would be no hit to upstream storage for 19 20 salmonids in February? 21 MR. RUBIN: I'm going to object to the question. I believe it misstates the testimony of the 22 23 witness. CO-HEARING OFFICER BAGGETT: I'd overrule. 24 MR. RUBIN: I think if I could explain? 25

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CO-HEARING OFFICER BAGGETT: I don't think he 1 2 asked that. He just asked a simple question. Have you 3 notified the Department of this information? 4 MR. RUBIN: But his question said that there 5 would be, I think, no hit on upstream storage during б the month of February. And I don't believe that's what 7 Mr. Leahigh testified to. 8 MR. JACKSON: I believe it was. So I guess we could have it read back. 9 10 MR. RUBIN: If I recall the testimony that 11 Mr. Leahigh provided to this Board, he said that there 12 has yet to be a hit to upstream storage. 13 He has not said that there will or will not be 14 in the future. I imagine that depends on what this 15 Board does and how the Department of Reclamation reacts to what this Board does. 16 CO-HEARING OFFICER BAGGETT: As I understood 17 18 the question -- maybe I should have you rephrase the question. It was: Up to this point, has there been a 19 hit? Not into the future. And I think that was a 20 21 relevant question. Why don't you rephrase the question, 22 23 Mr. Jackson? MR. JACKSON: I'll break it into two. 24 25 Up until today, as we sit here today, has

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1 there been a hit to upstream storage in February?

2 MR. LEAHIGH: As we sit here today, looking 3 back, there has not been a hit to upstream storage. 4 MR. JACKSON: As we sit here today, looking 5 forward in the projections, sort of the same б projections, I guess as there are in the first bullet, 7 is there any hit projected for the rest of February? 8 MR. LEAHIGH: No. In relation to this standard, no. 9 MR. JACKSON: Now, back to my original 10 11 question: Has DWR notified the fish agencies that to the best of their knowledge there will now not be a hit 12 13 to storage in February? 14 MR. LEAHIGH: I believe the fishery agencies 15 are aware of that fact, yes. MR. JACKSON: And that was because DWR made 16 17 them aware? MR. LEAHIGH: Yes. As I note -- as I noted 18 earlier, we meet on a regular basis, and we go over 19 20 current conditions. 21 At some point -- and they also receive operations data via e-mail from the Department. Yes, 22 23 they're aware. They're aware of that as we sit now. 24 But that was not the case early February. 25 MR. JACKSON: I agree. Now the last slide and

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the last set of questions is Slide No. 22 where you lay 1 2 out your balanced approach. And I'd like to ask you a couple questions about that, and then I will be 3 4 through, Mr. Baggett. 5 CO-HEARING OFFICER BAGGETT: Thank you. б MR. JACKSON: You indicate that the Department 7 believes the change is in the public interest by 8 balancing competing interests through this year and 9 into next on salmonids. 10 Now, it doesn't make any difference in terms 11 of storage for salmonids in February one way or the other now because of the rain, correct? 12 13 MR. LEAHIGH: Now it doesn't. 14 MR. JACKSON: And the same might be true. 15 Maybe there is no hit to Delta fish because of the rain. Correct? 16 MR. LEAHIGH: That's for others to decide. 17 18 MR. JACKSON: Okay. That's not an area that you would balance. What difference does it make, given 19 the situation of the rain, to public water supply in 20 21 February? 22 MR. LEAHIGH: The point of this slide is not 23 where we sit today. It's the reasons behind submitting 24 our petition back in early February where all of these 25 competing interests were at stake.

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1 MR. JACKSON: Is another way to say that that 2 it is no longer as urgent as it was? 3 MR. LEAHIGH: Well, we would like to get a 4 ruling from the Board on our petition based on the 5 actual operations that occurred early February. But б this point forward, as we discussed, it's not likely to 7 be an issue. 8 MR. JACKSON: All right. Now, the last bullet point is that DWR and USBR may need to submit 9 additional petitions during the year. 10 11 Have you had conversations among yourselves 12 about a group of serial petitions for March, April, 13 May, June, July, August, September? 14 MR. LEAHIGH: Yes. There have been 15 discussions about whether or not the -- all of the standards in D-1641 will be met for the remainder --16 17 certainly the remainder of the year, yes. 18 MR. JACKSON: Were you part of the group that did CEQA on this? 19 20 MR. LEAHIGH: I don't think CEQA is -- well, 21 we have not submitted petitions at this -- these 22 additional petitions. 23 MR. JACKSON: But you already have knowledge 24 that you may have to do additional petitions? 25 MR. LEAHIGH: It's possible, yes.

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1 MR. JACKSON: And you've talked about that 2 among yourselves? 3 MR. LEAHIGH: As part of the planning process 4 for operations, yes. 5 MR. JACKSON: Thank you, sir. б No further questions. 7 CO-HEARING OFFICER BAGGETT: Thank you. Bay Institute. Does Gary, have any --8 9 MR. HERRICK: Mr. Chairman, John Herrick, South Delta Water Agency. I don't mean to delay this. 10 11 I apologize. But without overstating, I just want to be as 12 13 accurate as I can. I think we can go home. 14 The conditions have changed. DWR anticipates 15 that the flow henceforth, or actually starting a few days ago, is above the minimum 11-4 and that it will be 16 such a level that it will probably average out for the 17 24 days. 18 19 They don't want the San Joaquin River standard changed because they are in compliance. 20 21 So all that leaves is that -- what do they call it, starting gate? And I don't -- I think by 22 23 definition you can't have an urgency change to excuse a 24 potential -- I won't even say -- but a potential prior 25 violation. That would be an enforcement action.

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And I'm not being -- I'm not trying to delay 1 2 this. There isn't a basis to proceed now that I see. CO-HEARING OFFICER BAGGETT: Then it should be 3 4 a fairly short cross-examination from now on. I think 5 we need to -- we haven't even heard from the Bureau. б So I think we at least owe them that opportunity. 7 MR. HERRICK: I agree. But if they dispute 8 any of these inflow/outflow things, they should say so 9 right now. Because -- again, I'm not being facetious. We 10 11 should go home now. This should be withdrawn. Because we shouldn't be here to make rulings on what might be 12 13 petitioned next month. 14 CO-HEARING OFFICER BAGGETT: I appreciate the 15 point you make. MR. HERRICK: Thank you. 16 17 CO-HEARING OFFICER BAGGETT: Tom, did you have 18 a question? 19 DR. ROSENFIELD: Hi. I'm Jon Rosenfield for the Bay Institute. And Gary has left the room, and the 20 21 Bay Institute waives its need to cross-examine this witness. Thanks. 22 23 CO-HEARING OFFICER BAGGETT: Thank you. Tom, 24 did you have a comment? CO-HEARING OFFICER HOPPIN: Mr. Howard, I have 25 PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 a question for you. Would you agree with the 2 statements that have been made that, given the 3 hydrologic conditions from this point and what's 4 anticipated for the end of the month, they will in fact 5 be in compliance with their requirements? 6 CHIEF DEPUTY DIRECTOR HOWARD: I could be 7 mistaken, but my understanding is that they were

8 required to achieve 24 days at Chipps Island which has 9 an equivalent -- or an equivalent outflow of 11,400 cfs 10 for 24 days.

It's not an averaged number over -- so that it equals, you know, some sort of weighted average over 24 days. It's a daily compliance requirement.

Since they haven't -- there's no way they can physically meet 24 days at this juncture. So at this point, the question is does the Water Board want to provide a -- want to adopt an order that would say that the Project acted in a prudent way at the time that they filed this petition or instead just leave it as a discretionary enforcement issue.

21 CO-HEARING OFFICER BAGGETT: Your point is
22 they didn't file the petition today; they filed it over
23 a week ago.

And we have decided to hold a hearing rather than do another emergency ruling without a hearing. So

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1 this Board, to allow people an opportunity to comment, 2 didn't have one Board Member issue an emergency order. 3 I mean that's why we're here. 4 CO-HEARING OFFICER HOPPIN: And as has been 5 stated, they are not in fact allowed -- they don't have б the ability to average. They have to achieve it on 24 7 individual days. 8 CHIEF DEPUTY DIRECTOR HOWARD: That's my 9 understanding, yes. CO-HEARING OFFICER BAGGETT: Let's continue 10 11 down this list and allow the Bureau to come up, and 12 then the Project and Bureau can caucus, and we'll take 13 a break and decide what -- if they want to withdraw or 14 not. Butte Environmental Council, do you have any 15 cross? Environmental Defense Fund? 16 17 MR. ROSEKRANS: Thank you. Spreck Rosekrans for Environmental Defense Fund. I think this will be 18 brief; but this is my first attempt at this side of the 19 microphone, so we'll see. 20 21 CROSS-EXAMINATION BY MR. ROSEKRANS FOR ENVIRONMENTAL DEFENSE FUND 22 23 MR. ROSEKRANS: Mr. Leahigh, your Slide 5 24 mentions that this is the first time since the adoption

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of the X2 standard that we have had two critically dry

25

1 years in a row; is that correct?

2 MR. LEAHIGH: That's correct. MR. ROSEKRANS: And so this is the first time 3 4 the Project has had to operate to meet the D-1641 requirements that are of this nature; Is that correct? 5 б MR. LEAHIGH: That's correct. Under these 7 current conditions. 8 MR. ROSEKRANS: In your operation of the Project, do you rely on planning models that might have 9 foreseen these conditions? 10 11 MR. LEAHIGH: To a certain extent, yes. This standard -- we can model this standard, 12 13 although -- this standard is a very difficult one to 14 model based mostly on some of the triggering mechanisms 15 and the way in which compliance occurs, as the discussion that took place just earlier between Board 16 17 Member Baggett and Board staff. The requirement for the outflow is based on a 18 three-day average for various days through the month, 19 20 whereas many of the other standards are based on 21 monthly averages. 22 The forecast models that we have are based on 23 a monthly time step, so it is very difficult to -- in 24 order for those models to pick up on a standard that is 25 based on a day-to-day compliance operation.

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1 So to a large extent, we are -- we are not 2 able to model this particular standard very well. MR. ROSEKRANS: And your Slide 5, again, 3 4 suppose that this may well be the second critically dry 5 year in a row. We of course don't know what this year б will be, but it's in fact the third dry year in a row. MR. LEAHIGH: That's correct. It's the third 7 8 either dry or critically dry year in a row. 9 MR. ROSEKRANS: And have there been periods in the hydrologic record that have been this dry over a 10 11 period of -- I guess it's been somewhere between two 12 and three years at this point? 13 MR. LEAHIGH: There have been, you know, back 14 in the late '80s, early '90s period. In fact, one of 15 the slides showed three years in the early '90s that were all critically dry. 16 17 However, all of these years were prior to any 18 operation of the current X2 standard. 19 MR. ROSEKRANS: And when you use past 20 hydrology to predict how The Projects might respond, 21 don't you also go back to pre-project hydrologic conditions? 22 23 MR. LEAHIGH: Yes, we do. We essentially take 24 in a record of approximately 80 years of historical 25 hydrology that can be run through the models. Again, PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 they're based on a monthly -- monthly time steps.

2	MR. ROSEKRANS: And in that approximately 80
3	years of hydrologic record, can you say how many
4	periods there have been approximately as dry or dryer
5	than what we're experiencing today?
6	MR. LEAHIGH: I'm sorry? A particular year or
7	sequence of years?
8	MR. ROSEKRANS: I think the question applies
9	to 2007, 2008, and 2009 to date, since that's the
10	drought to which we're responding.
11	MR. LEAHIGH: Right. I think that 80-year
12	period, there's probably well, I indicated the
13	'76-77 was very dry, although it was only a two-year
14	sequence.
15	The early '90s, the dry stretch.
16	There's maybe one or two other dryer sequences
17	of similar, maybe similar range as what we're
18	experiencing.
19	MR. ROSEKRANS: So The Projects in planning
20	for dry periods, have had other hydrologic records to
21	look at to predict how they would respond to dry
22	conditions and meet the various project objectives of
23	salmonids, Delta fish, water quality and public water
24	supply?
25	MR. LEAHIGH: Our historic record, again, is

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good on a monthly basis. But I think what we're seeing 1 2 is this particular standard, because it is based on 3 daily compliance, we don't have a real good model for 4 this particular standard. 5 MR. ROSEKRANS: Has the Department considered б how it might improve forecasting so that this 7 situation, which I think we all agree is unfortunate, 8 would not arise again? 9 MR. LEAHIGH: I think there -- I think the modeling community is always looking for ways of 10 11 improving those models that are out there. 12 And this -- in modeling this particular 13 standard, as I said, presents kind of a unique 14 challenge; but it certainly is something that I think 15 they would probably like to focus their attention. I think they probably have done about as well 16 17 as they can based on the way the standard is structured and what kind of historical data is available. 18 19 MR. ROSEKRANS: And would you agree that under 20 these dry conditions that fisheries, both salmonids and 21 Delta fish, as well as water quality and public water 22 supply, are all suffering? 23 MR. LEAHIGH: Yes. I think -- well, I'd say 24 that it's becoming evident that we -- that we are not 25 able -- there is not enough water to meet all of the PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 desired needs for all of those purposes.

2	MR. ROSEKRANS: And yet the petition in
3	question is one that would relax the standard that
4	benefits estuarine fish, and I guess Contra Costa also
5	testified that it will impact water quality in the
6	Delta but would otherwise benefit public water supply
7	and salmonids?
8	MR. LEAHIGH: That's what this particular
9	petition is addressing, yes.
10	The reductions in the public water supplies
11	are already taking place without there's no need for
12	a petition for that particular action, but so this
13	particular petition addresses what you mentioned, the
14	standard that is for the benefit of Delta fishery.
15	MR. ROSEKRANS: Will the Department be able to
16	learn from this experience to prevent the situation
17	where you sit here before the State Board asking for a
18	relaxation of the X2 standard in the future?
19	MR. LEAHIGH: I think we always look to
20	improve on the operations. I don't know sitting
21	here, I don't know what could have been done
22	differently in this particular case.
23	But again, this is the first time that this
24	particular standard and the way it's structured has
25	been tested in a real-time, day-to-day-type operation.

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And I think we are learning guite a bit about that 1 2 standard this year. 3 MR. ROSEKRANS: Thank you. That's all the 4 questions. 5 CO-HEARING OFFICER BAGGETT: Thank you. б Mr. Brown said he had no cross. So we are up 7 to Mr. Rubin, do you have any? And Mr. Schulz. 8 CO-HEARING OFFICER HOPPIN: Mr. Rosekrans, before you get too far away, not to slight your expert 9 questioning there: I'm certainly sorry that you're not 10 11 in your office and Tom Graff wasn't here asking those questions. And that's no slight to you, believe me. 12 13 CROSS-EXAMINATION BY MR. RUBIN 14 FOR SAN LUIS & DELTA MENDOTA WATER AUTHORITY and WESTLANDS WATER DISTRICT 15 MR. RUBIN: Good afternoon, Mr. Leahigh. Jon 16 Rubin for San Luis & Delta Mendota Water Authority and 17 Westlands Water District. I just have hopefully two or 18 three short questions for you. 19 20 As part of the testimony today, you explained 21 that the Department of Water Resources meets regularly with the Department of Fish and Game; is that correct? 22 23 MR. LEAHIGH: That's correct. 24 MR. RUBIN: And does the Department of Water 25 Resources also meet regularly with the United States

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1 Fish and Wildlife Service?

2 MR. LEAHIGH: Yes. MR. RUBIN: Does the Department of Water 3 4 Resources meet regularly with the National Marine 5 Fisheries Service? 6 MR. LEAHIGH: Yes. 7 MR. RUBIN: And by regularly, what do you mean; how often? 8 9 MR. LEAHIGH: Well, there is a -- actually a number of different operations teams that meet on 10 11 various days throughout the week. So at some level, there is probably some type of interaction almost on a 12 13 daily basis with the fishery agencies. 14 MR. RUBIN: Mr. Leahigh, the Department of 15 Water Resources and Bureau of Reclamation has been exporting water from the Delta since February 1, 2009; 16 17 is that correct? 18 MR. LEAHIGH: Yes. 19 MR. RUBIN: Do you know if the United States 20 Fish and Wildlife Service was aware that the United 21 States Bureau of Reclamation and the Department of 22 Water Resources was exporting water since February 1, 2009? 23 MR. LEAHIGH: Yes, they were aware of that. 24 25 MR. RUBIN: Do you know if the United States

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1 Fish and Wildlife Service was aware?

2 MR. LEAHIGH: Yes, they were aware. MR. RUBIN: And what about the Department of 3 4 Fish and Game? 5 MR. LEAHIGH: Yes, they were aware of that. б MR. RUBIN: I apologize; I might have asked 7 this question but: Was National Marine Fisheries 8 Service aware? 9 MR. LEAHIGH: Yes, they were. MR. RUBIN: Would the -- do you know if the 10 11 United States Fish and Wildlife Service would have raised concerns with operations that have been 12 13 occurring since February 1, 2009? 14 MR. LEAHIGH: They did not express any 15 concern. MR. RUBIN: Did the Department of Fish and 16 17 Game raise any concerns about operations since February 1, 2009? 18 19 MR. LEAHIGH: I think they -- they were not concerned with the exports that occurred. 20 21 MR. RUBIN: And what about NOAA fisheries? MR. LEAHIGH: There was no concern expressed. 22 23 MR. RUBIN: Okay. Just -- I'm sorry. There's 24 just a few more questions than I anticipated. 25 But there was some questions about reservoir

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1 storage in 1977 versus 2009. Do you recall those

2 questions?

3 MR. LEAHIGH: Yes. 4 MR. RUBIN: Are the operation criteria at the 5 Department of Water Resources and the Bureau of б Reclamation the same today as existed in 1977? 7 MR. LEAHIGH: No. They are very different. 8 MR. RUBIN: Does the Department of Water Resources and the Bureau of Reclamation release water 9 from reservoirs like Oroville, Shasta, and Folsom for 10 the benefit of fish and wildlife today that did not 11 exist in 1977? 12 13 MR. LEAHIGH: Yes. 14 MR. RUBIN: Thank you. 15 I have no further questions. CO-HEARING OFFICER BAGGETT: Mr. Schulz? 16 CROSS-EXAMINATION BY MR. SCHULZ 17 18 FOR KERN COUNTY WATER AGENCY and STATE WATER 19 CONTRACTORS MR. SCHULZ: I'm Cliff Schulz for the Kern 20 21 County Water Agency and State Water Contractors. 22 Mr. Leahigh, a couple of areas. You've been 23 asked questions by a number of parties about critical 24 needs, and I'd like to ask you a little bit about that. 25 When you described critical needs, were you

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1 considering keeping trees and other permanent crops 2 alive as a critical need? I don't think you ever 3 specifically mentioned that. 4 MR. LEAHIGH: No, not necessarily. 5 MR. SCHULZ: So you don't consider that a б critical need? 7 MR. LEAHIGH: Well, critical needs is, in the way that I used it, was more in a qualitative sense. I 8 didn't really define critical needs. 9 Although to the extent that if no water was 10 11 accessible from San Luis Reservoir, that would be -obviously would present a level below critical need for 12 13 any of the urban contractors that withdraw water from 14 San Luis, for example. 15 MR. SCHULZ: Mm-hmm. So you do not consider keeping trees and other permanent crops alive as being 16 17 something that should be considered in the balancing? MR. LEAHIGH: I think it should be considered. 18 I -- again, when I use the term critical 19 needs, I didn't drill down to that level of defining 20 21 exactly what the critical needs were. But in a general 22 sense, that certainly is important. 23 MR. SCHULZ: Okay. From a policy standpoint, 24 I'll make my own statement to the Board that we 25 consider that to be a very important factor that needs

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1 to be considered when you're looking at San Luis.

2	Mr. Herrick raised a point which I tend to
3	believe has some merit in his statement about being
4	able to go home. So I'm going to ask these questions;
5	and Cathy, you can object if you want.
6	But would the Department be satisfied with an
7	order from the Board that simply said that your
8	obligation to meet the requirement at Chipps Island was
9	modified from 24 days to 14 days?
10	In other words, why worry about the trigger
11	anymore and the 20,000 for three days at Freeport? I
12	mean, as I understand, the testimony is that you can
13	meet it from now until the end of the month.
14	So would that simple type of modification
15	satisfy the Department as to that aspect? I'll go to
16	the second bullet in a moment.
17	MR. LEAHIGH: I believe that would. I
18	think I believe that would satisfy us.
19	I'd have to I'd want to double-check on
20	that 14 days, but I believe that would cover us.
21	MR. SCHULZ: Okay. Second, there has been a
22	lot of, I think, misunderstanding by folks as to what
23	that second bullet was about.
24	And it is my understanding and you can tell
25	me if this is correct, please that what the

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1 requirement is, it's at some time within the first 14 2 days of February that you have to provide a 2.64 EC at Collinsville -- not at Chipps, but at Collinsville. Is 3 4 that correct? 5 MR. LEAHIGH: That's correct. б MR. SCHULZ: What day of the month did you 7 meet that? 8 MR. LEAHIGH: I don't believe that that salinity level has been met as of yet this month. 9 MR. SCHULZ: At Collinsville? 10 11 MR. LEAHIGH: At Collinsville. MR. SCHULZ: Okay. 12 13 MR. LEAHIGH: Unless it was yesterday or 14 today. MR. SCHULZ: Okay. 15 MR. LEAHIGH: It's likely to be met here 16 within the next -- if it hasn't been met as of 17 yesterday, it's likely to be met within the next couple 18 19 days with the increased outflow. MR. SCHULZ: Okay. I thought you'd indicated 20 21 to me that it had been -- in earlier testimony that you thought it possibly had now been met. 22 23 MR. LEAHIGH: We had actually -- it had 24 actually gotten within .22 kilometers. But as the tides shifted back, it was starting to drift back 25

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1 eastward again.

2	So right now, it's the struggle between the
3	tides moving it in and the additional runoff pushing it
4	back out. But at some point, that with the runoff
5	projections, the flows will win out over the tides, and
6	it will push the X2 line west of Collinsville.
7	MR. SCHULZ: Isn't it a fact that you're
8	expecting probably 40,000 cfs of Delta outflow within
9	the next few days?
10	MR. LEAHIGH: I'm not sure that the Delta
11	outflow will get up to that level.
12	There are forecasts that river flows farther
13	up on the Sacramento will reach that stage. Those
14	flows are generally attenuated a bit as you move
15	downstream.
16	But it's clear that we will see fairly high
17	outflows in a few days.
18	MR. SCHULZ: So you would need to have in
19	addition to the change from 24 to 14, you would need to
20	have a suspension of the trigger obligation this year;
21	is that correct?
22	MR. LEAHIGH: For the starting gate condition?
23	MR. SCHULZ: For the starting gate.
24	MR. LEAHIGH: Yes, that's correct.
25	MR. SCHULZ: Okay. Thank you.

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1 There were some questions asked about your 2 ability to model and project that this would occur in a 3 series of dry years. And quite frankly, I'm not sure 4 I'm going to be able to ask these questions in a way --5 and if I'm unable to, maybe I will have to call my 6 witness.

7 But in the prior three years, three dry years, 8 three dry critical patterns, which I guess would be something in '28 through '34 and another one in '86 9 through '92, have you seen a pattern in a December --10 11 or, excuse me -- in a January, like occurred in January 12 '09, where the San Joaquin River was a much larger 13 percentage of that Eight River Index than the 14 Sacramento?

15 MR. JACKSON: I'm going to object to the 16 question on the grounds that the San Joaquin was taken 17 out of the hearing. This question is irrelevant for 18 what's left.

MR. SCHULZ: It's not for the Eight River
Index. The Eight River Index establishes the
requirement for X2, and that includes three flows
incoming to three San Joaquin River reservoirs.

I'm asking questions about the Eight River
Index that triggered the obligation to meet the X2 at
Chipps, not about San Joaquin River flows.

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CO-HEARING OFFICER BAGGETT: Overruled.

2 MR. LEAHIGH: Well, in a general sense, every 3 year is unique hydrologically as far as the percentage 4 of contributions from various basins. 5 So to that extent, even though we have a б historical record back 80 years, it doesn't come close 7 to covering the possible permutations of the relative contributions from various watersheds. 8 9 MR. SCHULZ: What happens when you get a higher contribution from the San Joaquin River off of 10 11 the Eight River Index? Does that water show up in the 12 Delta, or does it show up in the San Joaquin 13 reservoirs? 14 MR. LEAHIGH: Well, actually, much of the 15 water on both watersheds ends up in the reservoirs. But as far as San -- yeah. The full natural 16 17 flows described in the Eight River Index to a large 18 extent would be impaired by the reservoirs on the San Joaquin system. 19 20 MR. SCHULZ: To a greater amount than would be 21 true on the Sacramento. 22 MR. LEAHIGH: I'm not sure I can answer 23 that --24 MR. SCHULZ: Okay. 25 MR. LEAHIGH: -- definitively.

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MR. SCHULZ: Okay. Do you know what the 1 2 generally accepted -- or generally used. Not accepted; 3 that would be the wrong word -- but the generally used 4 percentage of Sacramento contribution to the Delta 5 versus San Joaquin is? 6 MR. LEAHIGH: Gosh. Just typically, I mean, 7 it's on the order of say 10 to 1. 8 MR. SCHULZ: Okay. Was it in January of '09? 9 MR. LEAHIGH: No. MR. SCHULZ: It was much higher than that in 10 11 terms of San Joaquin? MR. LEAHIGH: San Joaquin proportion was a lot 12 13 higher than that typical value, correct. 14 MR. SCHULZ: Okay. Thank you. 15 And that wouldn't necessarily be reflected in models, that type of shift? 16 MR. LEAHIGH: No. No. Only to the extent 17 that there was one of the years in the 80-year record 18 resembled what we're seeing today, and I can't say 19 20 definitively whether it did or not. 21 MR. SCHULZ: Okay. That's fine. Thank you. I think that's all I've got. 22 23 CO-HEARING OFFICER BAGGETT: Thank you. Any 24 questions Diane, Jane? Questions from staff. Erin? SENIOR STAFF COUNSEL MAHANEY: I'd just like 25

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1 to ask one clarifying question.

2	QUESTIONS BY SENIOR STAFF COUNSEL MAHANEY
3	FOR STATE WATER RESOURCES CONTROL BOARD STAFF
4	SENIOR STAFF COUNSEL MAHANEY: With respect to
5	the Chipps Island requirement, did I hear correctly
6	that you had said you thought you would meet it from
7	here on out, from today on out, through the end of the
8	month?
9	MR. LEAHIGH: Yes, I think it we could say
10	with great confidence that it would be met from today
11	through the end of the month.
12	SENIOR STAFF COUNSEL MAHANEY: Okay. Thank
13	you.
14	CO-HEARING OFFICER BAGGETT: Any questions? I
15	only have one, and it's probably semi-relevant.
16	On 8, where you have the water supplies at
17	critical levels and you're talking about 2007,
18	60 percent; 2008, 35; 2009, 15. Were those all based
19	on the same total acre feet per year?
20	What was the total flow for 2007 that's in the
21	Project that you
22	MR. LEAHIGH: Yeah, that's based on the total
23	requests which would be approximately the same for each
24	of those years.
25	CO-HEARING OFFICER BAGGETT: Okay.

Any other questions? Any redirect? 1 MS. CROTHERS: Yes, I have two or three 2 3 questions. Would that be all right? 4 CO-HEARING OFFICER BAGGETT: Yeah. 5 REDIRECT EXAMINATION BY MS. CROTHERS б FOR DEPARTMENT OF WATER RESOURCES 7 MS. CROTHERS: Mr. Leahigh, when you were discussing the determination of when we would have this 8 9 Chipps Island requirement identified, can you recall when it was that the Department and the Bureau first 10 11 identified approximately when the Chipps Island number 12 of days requirement was going to be triggered? 13 MR. LEAHIGH: I don't remember exactly, but it 14 was probably right towards -- it was right towards the 15 end of January when it looked as if the 8RI was going to be in the range in which Chipps Island's days would 16 17 be required. 18 MS. CROTHERS: And do you recall 19 approximately, for the record, when the letter was that 20 the Department and Reclamation wrote to the Board to 21 notify them of our concern and that we would be 22 submitting this urgent request? MR. LEAHIGH: Yes. Well, I believe it was 23 either February 4th or 5th, I believe, is when the 24 25 letter went out.

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MS. CROTHERS: And do you believe there was an 1 2 expectation that perhaps the Board would act upon our 3 request as soon as possible? 4 MR. LEAHIGH: Yeah. It was my understanding 5 that the Board could act on our request immediately. 6 MS. CROTHERS: Thank you. 7 That's all the questions I have. 8 CO-HEARING OFFICER BAGGETT: Any parties have any recross based on those three questions? 9 10 MR. NOMELLINI: I'll go to a mike. 11 CO-HEARING OFFICER BAGGETT: Please. Any other parties? Just trying to -- okay. 12 13 RECROSS-EXAMINATION BY MR. NOMELLINI 14 FOR SAN JOAQUIN COUNTY, CENTRAL DELTA WATER AGENCY, SOUTH DELTA WATER AGENCY 15 MR. NOMELLINI: Dante John Nomellini. Just 16 for the record, do you know the date the petition was 17 filed, this particular petition? 18 19 MR. LEAHIGH: I believe the date on the petition is the 10th. February 10th. 20 21 MR. NOMELLINI: Thank you. CO-HEARING OFFICER BAGGETT: Any other? 22 23 Mr. Jackson? 24 25

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RECROSS-EXAMINATION BY MR. JACKSON 1 2 FOR CALIFORNIA SPORTFISHING PROTECTION ALLIANCE MR. JACKSON: Mr. Leahigh, had there been any 3 4 discussion of this particular aspect of D-1641 prior to 5 this year, to your knowledge, in DWR? 6 MR. LEAHIGH: Any discussion of -- I guess I 7 need more clarification. 8 MR. JACKSON: Any discussion of the fact that you were going -- you said that this was a kind of a 9 problematic part of D-1641. 10 11 MR. RUBIN: I'm going to object to the 12 question. I don't believe this is within the scope of 13 the redirect that the attorney for the Department of 14 Water Resources --MR. JACKSON: She talked about when they begin 15 to consider this issue, when they began to realize this 16 was going to be a problem, identified a date in January 17 18 of 2009. What I want to know, based upon that, is: Is 19 this the first year they ever thought this would be a 20 21 problem? 22 CO-HEARING OFFICER BAGGETT: Just answer the 23 question, if you can. MR. LEAHIGH: Well, I think what I testified 24 25 to is that in general the X2 standard, not just in this PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

aspect but in every aspect, is difficult to forecast 1 2 the needs for that particular standard because of the 3 complex triggering mechanism and the day-to-day 4 compliance. 5 MR. JACKSON: So this particular part of б D-1641, Table 3 and 4, is really no harder to comply 7 with than the rest of it; and so you think it all should be thrown out? Or suspended? 8 9 MS. CROTHERS: I object. I don't think that's what Mr. Leahigh testified. 10 11 CO-HEARING OFFICER BAGGETT: That's beyond -that's well beyond the redirect. Overruled. Nice try. 12 13 (Laughter) 14 CO-HEARING OFFICER BAGGETT: Anybody else? Any other parties? Recross? Staff? 15 If not, exhibits? 16 MS. CROTHERS: Yes. Would this be the time we 17 should be offering our exhibits into evidence? All 18 19 right. DWR would like to offer into evidence our 20 21 exhibit DWR-1, which is a statement of qualifications for Mr. Leahigh. 22 23 DWR Exhibit 2, which is the petition that was 24 submitted. And then DWR Exhibit 3, which is the testimony 25

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1 that Mr. Leahigh made.

2 CO-HEARING OFFICER BAGGETT: Any objection? 3 MR. RUBIN: I don't have any objection. I do 4 have a question for clarification. 5 I believe the Department of Water Resources б has marked for exhibit the petition that was filed. 7 And I just want to make sure that -- or question 8 whether they're moving that into -- seeking to have it 9 entered into evidence along with the exhibits to the petition. 10 MS. CROTHERS: Yes, we are. We submitted to 11 the Board electronic and hard copies of our petition, 12 13 and they have attached to them the exhibits to the 14 petition. CO-HEARING OFFICER BAGGETT: Okay. Lining up 15 16 for objections? MR. HERRICK: I believe the petition has 17 attached to it -- I'm sorry. John Herrick, South Delta 18 Water Agency. 19 20 I believe the petition has attached to it a 21 study, a report by Mr. -- is it Kimmerer? I don't want to mispronounce his name. 22 23 Nobody has offered any testimony to support 24 that or verification or any mention of it, so it 25 certainly can't be accepted into evidence at this PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 point; therefore, I would object to it being accepted.

2 MS. CROTHERS: It's attached to our petition 3 as a reference document. In our petition, we reference 4 it. So I would assume it's incorporated into our 5 petition as a reference. б CO-HEARING OFFICER BAGGETT: And is the 7 petition evidence? 8 MR. JACKSON: I had the same argument in regard to Mr. Kimmerer which I will leave. I just want 9 to join Mr. Herrick in that regard. 10 11 But the petition itself is flawed under your 12 rules, and I was planning on doing that with the 13 Bureau, so I don't want it to go into evidence. It's a 14 joint petition. But there's 30 minutes of what's wrong 15 with the petition under your rules that we haven't done 16 yet. So I would object to it going in until both 17 18 petitioners have testified. 19 CO-HEARING OFFICER BAGGETT: Okay, that's fair. 20 21 So the petition will be held. We'll accept DWR 1, 2 and 3 into evidence at this point. We'll 22 23 allow the Bureau to enter the petition then. 24 MS. CROTHERS: Wait a minute. The petition is 25 DWR 2 that we have -- we wanted to submit that as an

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1 exhibit, and it's what the basis of Mr. Leahigh's

2 testimony is made from.

3 CO-HEARING OFFICER BAGGETT: Okay. So the 4 objection is to an attachment, but it sounds like you 5 have other procedural objections. We'll deal with 6 those -- those are legal issues. We can still accept 7 the petition into evidence. 8 And the exhibit attached to it, since we do

9 not have a witness, will be subject to the hearsay 10 rules of the Board, I would assume. I mean they will 11 be. Since it's not -- since there is no witness to 12 verify the study referred to. Okay.

13 That's the ruling.

14 (Whereupon Exhibits DWR 1, 2, and 3 were15 accepted in evidence.)

16 CO-HEARING OFFICER BAGGETT: With that, thank
17 you, DWR. Let's go off the record for a minute and try
18 to get a time check here.

19 (Recess)

20 CO-HEARING OFFICER BAGGETT: Let's go back on 21 the record. Let's do the Bureau, and then we'll take a 22 break before we begin the cross. But let's get your 23 case-in-chief in anyway.

MS. AUFDEMBERGE: Can we go off the recordagain for a second?

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(Recess)

2 MS. HARRIGFELD: I have one point of 3 clarification. CO-HEARING OFFICER BAGGETT: Do you want to 4 5 identify yourself for the record. 6 MS. HARRIGFELD: Sorry. Karna Harrigfeld, 7 Stockton East Water District. 8 The Bureau of Reclamation originally petitioned to have the San Joaquin River flow 9 relaxation. I was not made aware of their request to 10 11 withdraw that until we appeared at the hearing today. Obviously, my policy statement would be different. 12 13 It is my understanding that his written 14 testimony includes an explanation of why they are 15 requesting the withdrawal; and I would respectfully request you had allow me to -- I have just a few 16 17 cross-examination questions to clarify Mr. Milligan's 18 testimony. 19 CO-HEARING OFFICER BAGGETT: For DWR? MS. HARRIGFELD: No. For Ron Milligan. 2.0 21 CO-HEARING OFFICER BAGGETT: Oh. Okay. MS. HARRIGFELD: The Bureau. Who he --22 23 CO-HEARING OFFICER BAGGETT: We will allow 24 that. MS. HARRIGFELD: -- will be testifying. I was 25

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1 a policy statement only, and so --

2 CO-HEARING OFFICER BAGGETT: Very good. MS. HARRIGFELD: Okay. Thank you. 3 4 CO-HEARING OFFICER BAGGETT: Any other 5 procedural motions? Objections? б MR. NOMELLINI: Dante John Nomellini. I 7 thought we left with the issue on the table of whether 8 or not the Vernalis relaxation was withdrawn or not. 9 CO-HEARING OFFICER BAGGETT: We --MR. NOMELLINI: Because if it's not withdrawn, 10 then our cross-examination of DWR witnesses was 11 incomplete and didn't deal with the Vernalis. 12 13 CO-HEARING OFFICER BAGGETT: Well DWR has 14 stated on the record they withdrew. 15 MR. NOMELLINI: At the same time, the Bureau was asked, if I recall -- I wasn't paying perfect 16 attention -- but as I understood it, there was a pause 17 18 and they --19 CO-HEARING OFFICER BAGGETT: So did I. MR. NOMELLINI: Checked with the Bureau, and 20 21 the Bureau said they did. Anyway, whatever it is. 22 CO-HEARING OFFICER BAGGETT: I guess we have 23 the lemon rule here too, right? Like when you buy a 24 car you have 15 days to -- no? Anyway. 25 MR. NOMELLINI: Well, anyway, if you want to

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1 get into that, we would like to go back and cross.

CO-HEARING OFFICER BAGGETT: I agree. Bureau,
 you're up.

MS. AUFDEMBERGE: Okay, I think for the record
we are withdrawing the San Joaquin Vernalis Objective
Relaxation Request.

7 CO-HEARING OFFICER BAGGETT: Okay. It is 8 hereby withdrawn unless a court overrules us. 9 MS. AUFDEMBERGE: Board Member Baggett and Board staff, we are pleased to be here for this 10 11 opportunity to present you with testimony in support of 12 the Emergency Temporary Urgency Change Petition for X2 13 during February 2009 filed by DWR and Reclamation. 14 My name is Amy Aufdemberge. I'm with the 15 Department of the Interior Solicitor's Office. And with me today is Kaylee Allen, also of the Solicitor's 16

17 Office.

We will present two witnesses today, Mr. Ron
Milligan, Operations Manager for the Central Valley
Project, and Mr. Mike Chotkowski, Acting Regional
Environmental Officer for Reclamation.

And I think the way we would like to set it up is to present these two witnesses in a panel.

Regarding the petition, Reclamation concurswith the testimony provided by DWR and believes that

1 the petition shows cause for the Board to issue an 2 order as requested.

An important point for Reclamation regards the Eight River Index. In normal years, the Eight River Index incorporates a certain expected level of local runoff or accretions into the Delta. The local runoff was very low during January '09 and through mid-February '09.

9 Therefore, while D-1641 determines that if the Eight River Index is above 9,000 -- excuse me, 900,000 10 11 acre feet, as it was during January '09 at 973,000 acre 12 feet, the X2 location should be set at Chipps Island. 13 Due to the lack in local runoff in January and 14 February '09, the 973,000 acre feet is not sufficient 15 to meet the Chipps Island location without the release of large amounts of stored water in upstream 16 17 reservoirs, threatening cold water reserves and further 18 limiting exports and storage for public health and 19 safety deliveries.

20 Under these extraordinary and urgent 21 circumstances, which were not represented by the Eight 22 River Index in D-1641, the appropriate location for X2 23 is at Collinsville.

In addition to Mr. Milligan, Interior willpresent Mr. Mike Chotkowski who will testify regarding

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the anticipated effects that our relaxation of X2 in 1 2 February would have on federally listed threatened and 3 endangered aquatic species. 4 Specifically, Mike will testify that based on 5 the current status and location of Delta smelt far б upstream of Collinsville, he does not anticipate any 7 meaningful effects to Delta smelt populations. 8 Further, he will testify that while there are tradeoffs for anadromous species and green sturgeon, 9 that the benefit of preserving cold water resources to 10 11 provide necessary temperatures for winter run Chinook 12 salmon spawning later in the summer may help protect 13 this year class of winter run. 14 That concludes my opening statement. MR. RON MILLIGAN DR. MICHAEL CHOTKOWSKI 15 Called by US BUREAU OF RECLAMATION 16 DIRECT EXAMINATION MR. MILLIGAN BY MS. AUFDEMBERGE 17 MS. AUFDEMBERGE: We call Ron Milligan. 18 19 MR. MILLIGAN: For the purposes of saving time, I will not go blow-by-blow and --20 MS. AUFDEMBERGE: Okay. Wait a minute Ron. I 21 just have a few questions. 22 23 MR. MILLIGAN: Oh, sorry. 24 MS. AUFDEMBERGE: Do you have before you what is marked DOI Exhibit 2? 25

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MR. MILLIGAN: Yes, I do.

2 MS. AUFDEMBERGE: Is this a true and correct 3 copy of your testimony? 4 MR. MILLIGAN: Yes, it is. 5 MS. AUFDEMBERGE: Can you briefly describe б your qualifications to testify at this hearing and then 7 summarize your testimony, please. 8 MR. MILLIGAN: I am currently the CVP Operations Manager for the Bureau of Reclamation 9 10 Mid-Pacific region. 11 I have a bachelor's degree with honors in civil engineering from Sacramento State University. I 12 13 have worked with Reclamation since November of '99 with 14 a number of positions there including regional --15 Deputy Regional Planning Officer and several other supervisory positions. 16 17 Before that, I worked with the US Army Corps of Engineers in the Sacramento district since 1984 on 18 19 numerous hydrologic modeling, planning investigations, 20 and reservoir operations in the Central Valley. 21 MS. AUFDEMBERGE: Can you please summarize the rest of your written testimony? 22 23 MR. MILLIGAN: I will say that I agree with 24 the technical aspects of Mr. Leahigh's testimony by DWR. 25 PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

My written testimony includes information 1 2 about current reservoir storages, and also those values 3 in relationship to the 15-year running average. That 4 includes both San Luis Reservoir and the federal share. 5 It includes some information about current б allocations to CVP contractors as well as our 7 understanding of State Water Contractors' allocations to date. 8

9 Last Friday on the 13th, Reclamation provided 10 notice to Sacramento River Settlement Contractors and 11 the San Joaquin River Exchange Contractors that the 12 shortage provisions of their contracts as they relate 13 to Shasta year critical flows have been triggered which 14 triggers a 25 percent reduction in their contracts.

My written testimony has some information about Eight River Index. This particular year, Eight River Index has been fairly unusual for two reasons -or at least the value of the index as it relates to the end of January -- which is the mechanism which calls for both the starting gate and the number of days of Chipps Island requirement.

The two unusual pieces of this is that the contribution from Bend Bridge which would be representative of the unregulated stream flows within the Sac Valley were extremely low.

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I would credit this to the fact that since
 March of last year we've had extremely dry conditions
 in the Central Valley and particularly depletions have
 been unusually high.

5 For a number of stations in the Sac Valley in 6 January, we were running at historic lows, and 7 depletions were running at levels that would equate to 8 a 99 percent exceedance level.

9 The other unusual aspect of it is that the --10 which is typically not the case -- is that San Joaquin 11 River basin reservoir or let's say river basins above 12 the reservoirs was also driving the index more than you 13 would usually see.

14 Typically, Sac River -- rivers will tend to 15 take the index in whatever direction it's going to go. 16 In this particular January, that was not quite the 17 case.

For several reasons, the precipitation that we saw in the Valley at the end of January took us from a position where we felt that we probably would be clearly operating at the Collinsville objective for the month of February or we'd be in the area where the Table 3 would indicate discretion by the Executive Director.

25 It wasn't until very early February that

1 2

3

tabulation of values showed that we would be in the requirement for Collinsville -- or, excuse me -- at Chipps Island for 24 days.

4 John did indicate that on the 14th -- in terms 5 of starting gates, one thing I wanted to make notice of б is that The Projects did make an attempt in early 7 January, where there were still some -- excuse me --8 early February where there was still some inflows from the preceding week's storms to coordinate reduced 9 exports in an attempt to meet the starting gate 10 11 requirement of 2.64 at Collinsville.

12 That was not a successful enterprise as 13 that -- the outflow had dropped off considerably, and 14 we were unable to meet the salinity objective at 15 Collinsville there at the beginning of February.

16 On February 14th was probably our best day17 this month. That was at 2.74.

The other item I wanted to add -- highlight in 18 my testimony is that we've had very close coordination 19 20 with both Department of Water Resources and the fishery 21 agencies, meaning Fish and Wildlife Service, NOAA Fisheries, and Department of Fish and Game, throughout 22 23 this month about what were protective actions as they 24 relate to both Delta smelt, longfin smelt and concerns 25 about cold water pool for the upcoming summer.

We've met at several levels with those agencies' representatives, you know, upwards to three to four times a week in different forums to discuss how we might be putting together a package of protective action should weather conditions and lack of rainfall drive us to some very unusual operations. And we continue to have those discussions.

8 Several items that I also make reference to in 9 my written testimony relate to a great deal of concern 10 about if we did not get some rainfall runoff this 11 month, as we discussed putting together a petition, 12 that it -- a very difficult position of increasing 13 reservoir releases.

John Leahigh outlined a number of potentially, up to 200,000 acre feet. If that were -- if we had a very dry February along the lines of we'd seen in January, that is not an unrealistic number in terms of a need to augment reservoir releases to be able to meet the particular Chipps Island days.

20 We are thankful that we did get a great deal 21 of rainfall here later in the month, and we believe 22 that that will carry us through for the rest -- the 23 remainder of the month.

24 But I did want to make clear that that was not 25 an exaggeration at the time that we put the document

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1 together.

I also wanted to note that as we were putting the petition together we were very concerned about the potential for the San Joaquin River basin year class designation at the 75 percent exceedance level.

6 Along the same lines that we had seen the San 7 Joaquin River basin raise the Eight River Index, there 8 was a potential that that designation for the San 9 Joaquin River could come in at a dry condition as 10 opposed to critically dry.

11 The requirements for Chipps Island days and a 12 dry condition would have likely required Reclamation to 13 make additional releases from New Melones Reservoir to 14 meet a Vernalis flow objective. That is something that 15 we would be greatly concerned with, given the amount of 16 storage, water that's been taken out of storage, over 17 the last two and a half years from Melones.

18 We believe at the critically dry level there 19 should not be a concern with having to make reservoir 20 releases as they relate to the Vernalis flow objective 21 or its contribution to X2 days.

22 We do anticipate if we were to see a radical 23 change in base flows on the San Joaquin River to 24 reexamine that issue and, if need be, maybe approach 25 the Board on it as a separate issue.

But that's the basis for our withdrawing that 1 2 aspect of this particular petition. And with that, I will just let my written 3 4 testimony stand as it is. 5 MS. AUFDEMBERGE: Do you have before you DOI б Exhibit 5? 7 MR. MILLIGAN: Yes, I do. MS. AUFDEMBERGE: What is this exhibit? 8 9 MR. MILLIGAN: This exhibit is a memorandum from myself to the Fish and Wildlife Service last week. 10 11 It is requesting -- identifying that Reclamation/DWR have made this petition, and that these particular 12 13 conditions lay outside of the Project description as 14 outlined in the recently completed Biological Opinion 15 for Delta smelt. MS. AUFDEMBERGE: Is DOI Exhibit 5 a true and 16 17 correct copy of that memorandum? 18 MR. MILLIGAN: Yes, it is. MS. AUFDEMBERGE: Do you have before you DOI 19 20 Exhibit 6? 21 MR. MILLIGAN: Yes, I do. MS. AUFDEMBERGE: Can you explain what this 22 23 exhibit is? MR. MILLIGAN: This is a memorandum from the 24 25 US Fish and Wildlife Service. It is in response to my PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 memorandum to them of last week.

2	MS. AUFDEMBERGE: Is this a true and correct
3	copy of the memorandum you received?
4	MR. MILLIGAN: Yes, it is.
5	MS. AUFDEMBERGE: Can you explain anything in
6	the is there anything you to want summarize from
7	this exhibit?
8	MR. MILLIGAN: I think there are two things,
9	one of which was some clarification as it relates to
10	components of the reasonable and prudent alternative
11	that were included in the Biological Opinion that we
12	received from Fish and Wildlife Service last month, one
13	of those of which clarified a triggering mechanism as
14	it related to detection of Delta smelt larval in the
15	system and a clarification that those turned out to be
16	actually longfin larval that they had found.
17	Secondly, that they felt that they
18	concurred that this modification, or departure from
19	D-1641, was not part of the Project description; but
20	they also felt that it was included or considered
21	within the range of effects that they analyzed when
22	conducting the Opinion and proposed that we continue to
23	work through the adaptive management process that was
24	outlined in the opinion.
25	MS. AUFDEMBERGE: This concludes your direct

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1 testimony?

2 MR. MILLIGAN: Yes, it does. 3 DIRECT EXAMINATION OF DR. CHOTKOWSKI BY MS. ALLEN 4 FOR US BUREAU OF RECLAMATION 5 MS. ALLEN: Good evening, almost. My name is б Kaylee Allen. I'm with the US Department of the 7 Interior. We would now like to call Dr. Michael Chotkowski. 8 9 What is your position with the Bureau of Reclamation? 10 DR. CHOTKOWSKI: I am the Acting Regional 11 Environmental Officer. 12 13 MS. ALLEN: And prior to your temporary duty 14 as Acting Regional Environmental Officer, what was your 15 position? DR. CHOTKOWSKI: I was the Chief of the 16 17 Applied Science Branch. 18 MS. ALLEN: Could you please take a look at the exhibit marked DOI 4. Is this a true and correct 19 20 copy of your c.v.? 21 DR. CHOTKOWSKI: Yes. 22 MS. ALLEN: Could you also please take a look at the exhibit marked DOI 3. Is this a true and 23 24 correct copy of your written testimony? 25 DR. CHOTKOWSKI: Yes.

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1 MS. ALLEN: Could you please summarize your 2 written testimony?

3 DR. CHOTKOWSKI: I -- just to provide some
4 background, since I'm the only biologist from either
5 DWR or Reclamation who is testifying.

6 I have a PhD in biology from UCLA and nine 7 years' experience with Reclamation managing 8 Reclamation's participation in the interagency 9 ecological program, the Pelagic Organism Decline 10 investigation, and other scientific support and 11 environmental compliance activities involving fishes.

My staff and I participated in the drafting of the last two biological assessments for the Section 7 Consultations regarding the long-term operations of the Central Valley Project and the State Water Project. That would be in 2004 and 2008.

I have personally been a member of the Fish and Wildlife Service's smelt workgroup, which provides weekly advice to the Service on the ongoing effects of Water Project operations on Delta smelt for several years.

And I'm a member of the -- actually, the chair
of the Fish and Wildlife Service's Delta Native Fishes
Recovery Team.

25 In my present testimony, I'm speaking from

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1 some personal expertise with Delta smelt, and I'm 2 relying on the advice of my staff in weighing the 3 potential effects of the proposed action on the 4 anadromous species. 5 MR. JACKSON: Mr. Baggett, I don't know б whether his microphone is on, but there's just kind of 7 a -- I'm sitting pretty close, and we can't hear him. DR. CHOTKOWSKI: Is this better? 8 9 MR. JACKSON: Yes. CO-HEARING OFFICER BAGGETT: Yeah. If you 10 11 could speak up, that would help. 12 DR. CHOTKOWSKI: My testimony addresses only 13 one issue that -- in the State Board's notice, and that is No. 5: Will the proposed modifications unreasonably 14 15 affect fish, wildlife, or other in-stream beneficial 16 uses. 17 And I really deal primarily with the potential 18 for the proposed modification to affect federally listed Delta smelt and secondarily, based on my 19 expertise, with federally listed salmonids and green 20 21 sturgeon. Of the three changes that were requested in 22 23 the petition, I dealt with only one because the 24 third -- the second, that's the starting gate 25 provision, occurred in the past, and there's nothing to

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1 analyze.

2 And the San Joaquin River Flow requirement at 3 Vernalis was withdrawn, so. The remaining element, No. 1, calls for 4 5 maintenance of 7100 cfs of outflow at Collinsville as a б three-day prior moving average for the remainder of the 7 month of February. 8 This outflow, as I understand it, is equivalent to a steady-state X2 at Collinsville. 9 10 I have interpreted the petition to convey that 11 there aren't any alternative ways to achieve compliance 12 during the remainder of February if the petition is 13 granted. 14 Regarding effects on Delta smelt, Delta smelt 15 are usually an annual species. Most of them rear to adulthood in the general area of X2 during the summer 16 and fall which is somewhat saltier than the areas that 17 18 they spend during the remainder of the year. 19 Adults migrate into the interior Delta during the winter where they spawn, and the early larval 20 21 development occurs in fresh water with the juveniles migrating outward and back down toward X2 in the early 22 23 summer. 24 In February, therefore -- and in fact, based

24 In February, therefore -- and in fact, based 25 on evidence that we have available to us now, the Delta

smelts are present in the Delta only as pre-spawning adults, most of which have apparently migrated away from the current location of X2 and into freshwater areas of the north and central Delta, probably mostly the north Delta.

6 We do have some very recent monitoring data 7 that was just released by Fish and Game and isn't 8 mentioned in my testimony here today that suggests that 9 there are a substantial number in Suisun Marsh this 10 year.

11 Because most of the fish are upstream and some 12 of them are quite far upstream, away from X2, it seems 13 to me to be fairly unlikely that shifting X2 or the 14 equivalent Delta outflow standard from Chipps to 15 Collinsville will alter the salinity or other qualities of Delta smelt habitat in the areas where the large 16 17 majority of the fish will be spawning or are currently 18 residing.

Consequently, it seems to me that this change
 is unlikely to meaningfully affect the Delta smelt
 population by itself.

I did include a rather extensive caveat to this conclusion which states that I am assuming that the reasonable and prudent alternative to the Fish and Wildlife Biological Opinion that was issued in December

1 remains in force.

2 Delta smelt are at very low numbers. We're 3 somewhat lucky this year because Delta smelt have been 4 very favorably distributed during the winter and 5 turbidity and water temperatures have remained 6 relatively low.

7 In particular, the lower turbidity and the 8 distribution of the fish favor a reduction in the risk 9 of entrainment at present. However, the risk of 10 entrainment might change over time; and if that 11 happens, then the Service may consider imposing a 12 limitation on negative Old and Middle River flow.

I might mention, by the way, that at present none of the actions in the RPA are in force. It looked as of last week as though there might be some Delta smelt larvae out there; however, reconsideration of the IDs on those has concluded that they were longfin smelt larvae.

Because the February 1st 50 percent exceedance forecast indicates that 2009 will be a critically dry year, Reclamation has requested reinitiation of consultation with the Service under the consecutive critically dry year trigger that's described on page 24 296 of the Biological Opinion.

25 Reinitiation of consultation will give Fish

and Wildlife and Reclamation an opportunity to evaluate
 in detail the consequences of the current prolonged
 drought conditions and what they might have on Delta
 smelt, including the effects of a potential spring
 outflow relaxation if one's requested.

6 The Service has provisionally concluded on the 7 basis of the petition that maintenance of 7100 cfs 8 outflow for the remainder of February is unlikely to 9 substantially affect Delta smelt provided the adaptive 10 review process described on page 280 of the Biological 11 Opinion continues in force.

12 With respect to anadromous fishes, there is 13 some concern that reduced Delta outflow may affect the 14 anadromous species by reducing the amplitude of the 15 cues that trigger their migration.

16 At present in late February, that would 17 include upstream-migrating adult winter run Chinook, 18 spring run Chinook, and green sturgeon that may be 19 passing through the Delta.

It may also affect out-migrating juvenile winter run and steelhead that are also now entering the Delta but from the opposite side. It's possible that the reduction of -- it's reasonably plausible that the reduction in outflow from 11,400 cfs to 7,100 cfs might delay their migrations.

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However, it isn't clear what the amount of the 1 2 delay will be, and there is some debate over whether 3 the delay will meaningfully change the proportion of 4 fish that reach their destination. 5 Against this concern, there is the potential б benefit of the proposed action to all Sacramento River 7 anadromous species and ESUs that must be weighed 8 against the concern I just described. 9 According to Ron Milligan's testimony, the relaxed February outflow standard could allow a large 10 11 quantity of water, as much as nearly 200,000 acre feet, 12 to be retained in storage for later release. 13 In the present very dry conditions, having a 14 larger cold water pool in the reservoirs, especially Shasta, improves the probability that the CVP will be 15 able to maintain some degree of cold water control 16 17 during July and August. 18 This is of great concern because if there is not enough cold water to maintain a region of cold 19 20 water below the dams, then this entire year's 21 production of winter-run Chinook could be lost. 22 So my overall conclusion is that, by itself, 23 the relaxation of Delta outflow to 7100 cfs in February 24 won't meaningfully affect Delta smelt. It seems likely 25 also that any slowing of the upstream migration of

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adult green sturgeon, spring run and winter run Chinook 1 2 salmon will be offset by the increase in the likelihood 3 that there will be enough extra water -- extra cold 4 water in Shasta to maintain some degree of temperature 5 control through July and August. 6 For those reasons, I think overall the 7 proposed outflow relaxation doesn't appear to represent 8 a threat to the federally listed species. 9 MS. ALLEN: At this time, we'll open the panel up for questions from the Board or for 10 11 cross-examination. CO-HEARING OFFICER BAGGETT: Does DWR have any 12 13 cross? 14 MS. CROTHERS: No, we have none. 15 CO-HEARING OFFICER BAGGETT: None? No cross from Department of Water Resources. South Delta, et 16 17 al.? Central Delta? San Joaquin? CROSS-EXAMINATION BY MR. NOMELLINI 18 19 FOR CENTRAL DELTA WATER AGENCY, SOUTH DELTA WATER 20 AGENCY, and SAN JOAQUIN COUNTY 21 MR. NOMELLINI: I am Dante John Nomellini. I'm counsel for the Central Delta Water Agency, and I'm 22 23 appearing for the purposes of this cross-examination on 24 behalf of Central Delta Water Agency, South Delta Water 25 Agency, and San Joaquin County.

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My first question is to -- is it Chotkowski? 1 2 I'll call you Michael, how about that? 3 In your testimony, you stated that you have 4 interpreted the petition to convey that there are no 5 alternative ways to achieve compliance during the б remainder of February if the petition is granted. Is 7 that a correct statement? 8 DR. CHOTKOWSKI: Yes. 9 MR. NOMELLINI: All right. Did somebody tell you there were no other ways than to relax the 10 11 standards? DR. CHOTKOWSKI: No. That's just what I 12 13 gathered from reading the documents. 14 MR. NOMELLINI: If you knew that a reduction 15 in exports of water from the Delta could help achieve the standards, would you still feel that the standards 16 should be violated? 17 MS. AUFDEMBERGE: I'm going to object based on 18 Mike Chotkowski's never said he felt there is a 19 violation. We're not clear that there has been a 20 21 violation. That calls for a conclusion by Mr. Chotkowski. 22 23 CO-HEARING OFFICER BAGGETT: I understand your 24 question. Could you rephrase it? MR. NOMELLINI: I'll leave the word violation 25

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1 out.

CO-HEARING OFFICER BAGGETT: It's a legitimate
 guestion.

4 MR. NOMELLINI: If you knew that a reduction 5 in exports would allow greater water to be used for net 6 Delta outflow, would that surprise you in view of your 7 interpretation of the petition?

8 DR. CHOTKOWSKI: I'm sorry. I might be just a 9 little slow, but I'm not sure I understand what you're 10 asking.

11 MR. NOMELLINI: Okay. If you knew that 12 reducing the exports during the period of February 1st 13 through February 15th would have allowed greater flow 14 of water to go out of the Delta, would you have changed 15 your view towards the necessity of granting this 16 petition?

DR. CHOTKOWSKI: Well, if I understand what you're asking, when you were first raising the question, you asked me whether I'd be surprised if a reduction in export pumping would allow more water to be released as Delta outflow, and that would not surprise me. That's just arithmetic.

23 MR. NOMELLINI: Okay. Did you realize that 24 the exports that were being made in February were of 25 water that would have gone to net Delta outflow to help

1 meet the Outflow Objectives?

2	DR. CHOTKOWSKI: I understand that, yes.
3	MR. NOMELLINI: Did you understand it at the
4	time of your testimony?
5	DR. CHOTKOWSKI: Yes.
6	MR. NOMELLINI: And is it your testimony that
7	you view the requirements to meet those standards for
8	protection of fish should be subservient to the
9	exports?
10	DR. CHOTKOWSKI: Well, I can only answer from
11	the biological point of view. I can't give you a
12	policy answer or a moral answer.
13	From a biological point of view, I think it's
14	generally the restrictions on X2 location are
15	generally considered to be a good thing.
16	So the only question I was considering is
17	whether an export I'm sorry, an outflow restriction
18	would I'm sorry, my entire answer applies to
19	outflow.
20	But for but what I was saying is that for
21	purposes of my analysis I only considered the likely
22	biological effects of an outflow restriction for the
23	limited period of the second half of February.
24	MR. NOMELLINI: And you concluded what with
25	regard to that outflow?

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DR. CHOTKOWSKI: Well, as I said in my 1 2 testimony, I think the movement of X2 by itself in the 3 second half of February is not likely to be a problem 4 for Delta smelt. 5 And if there are problems for anadromous б fishes, they're likely to be compensated for -- more 7 than compensated for by improved storage. 8 MR. NOMELLINI: With regard to Delta smelt, how would a reduction in net Delta outflow during the 9 period of February 1st through February 14th adversely 10 effect smelt? 11 12 MS. AUFDEMBERGE: Could you clarify that 13 question? 14 MR. NOMELLINI: I think it was a simple 15 question. DR. CHOTKOWSKI: You're asking how --16 17 MR. NOMELLINI: Does outflow in the period of February through February 15th affect Delta smelt? 18 Start with that one. 19 DR. CHOTKOWSKI: Well, if you're talking about 20 21 a relaxation from Chipps to Collinsville, I think it's 22 probably the same story throughout February: It's not 23 that big an issue for Delta smelt. 24 MR. NOMELLINI: Not that big of an issue. 25 What is the degree of the impact -- is there

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any impact, adverse impact, to smelt by that reduction? 1 2 DR. CHOTKOWSKI: That's unclear. The -- well, 3 I'd like to finish my answer. 4 If X2 were to move very far upstream, then I 5 think it's -- I think most people would agree and the б modeling would show that there would be an increased 7 risk of entrainment of Delta smelt as a result of that. 8 But I think this amount of movement from Chipps to Collinsville is small enough that it's -- it 9 seems to me to be pretty close to inconsequential for 10 11 the limited period of February. 12 MR. NOMELLINI: Does that in any way depend on 13 exports of water? 14 DR. CHOTKOWSKI: Sure. It depends a lot on 15 exports of water because the actual mechanism that operates to transport the fish to the facilities is 16 17 driven by the currents in the Old and Middle River 18 system. 19 MR. NOMELLINI: And in your testimony, do you make any references to how exports of water should be 20 21 limited in the remainder of February to assure that Delta smelt would not be adversely impacted? 22 23 DR. CHOTKOWSKI: Yes, I did. 24 I have a big caveat at the end that says that 25 the Biological Opinion particulars, especially the RPA,

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once one element of it gets activated, needs to be
 observed.

MR. NOMELLINI: And that was --3 4 DR. CHOTKOWSKI: It provides for control of 5 the Old and Middle River flow. б (Interruption by the reporter) 7 DR. CHOTKOWSKI: I was just saying that the 8 Biological Opinion's reasonable and prudent alternative 9 has controls on OMR that occur in February if the provisions of the RPA are activated and that those need 10 11 to remain in force because I think that that is 12 probably a more serious issue, a more important issue 13 to Delta smelt in February. 14 MR. NOMELLINI: Are you aware that the export 15 pumping during the period of February 1 through February 12 resulted in the take of some Delta smelt? 16 DR. CHOTKOWSKI: Yes. 17 MR. NOMELLINI: And what was the take that you 18 recall during that period of Delta smelt? 19 DR. CHOTKOWSKI: Well, I'm -- my memory is 20 21 probably not reliable on the date, but I believe during that range there was one Delta smelt or an expanded 22 23 number of four taken at the Jones facility on one day. MR. NOMELLINI: If I said there were four on 24 25 February 11, 2009, would you believe that to be

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1 correct --

2	DR. CHOTKOWSKI: Yes.
3	MR. NOMELLINI: or incorrect?
4	DR. CHOTKOWSKI: I would be unsurprised.
5	MR. NOMELLINI: What is Delta smelt density?
6	DR. CHOTKOWSKI: I'm sorry?
7	MR. NOMELLINI: Do you know what Delta smelt
8	density is?
9	DR. CHOTKOWSKI: Are you referring to the
10	population density?
11	MR. NOMELLINI: I'm just referring to a report
12	of the take of smelt at the pumps, and there is a
13	reference to Delta smelt density.
14	Do you have any awareness of what that is?
15	DR. CHOTKOWSKI: No, I'm sorry. That doesn't
16	ring a bell.
17	MR. NOMELLINI: All right.
18	With regard to the impact of reduction in
19	outflow from 11,400 to 7100, you indicated that there
20	could be impacts on other fish species; is that
21	correct?
22	DR. CHOTKOWSKI: Yes.
23	MR. NOMELLINI: And what are those impacts?
24	DR. CHOTKOWSKI: They there could be a
25	reduction in the migratory cues that the current

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1 creates for anadromous fishes.

2 MR. NOMELLINI: And would that adversely 3 affect salmon, for example, in their up-migration? 4 DR. CHOTKOWSKI: Potentially, yes. 5 MR. NOMELLINI: Is that effect related to the б fertility of the upstream migrant salmon females or --7 well, let's start with that one. 8 Is it a temperature problem? A timing problem? 9 DR. CHOTKOWSKI: It's more of a -- as I 10 11 understand it, more of a timing problem than it is 12 either a fertility problem or a temperature problem. 13 MR. NOMELLINI: And what is the timing 14 problem? DR. CHOTKOWSKI: The fish that are -- remain 15 in the Delta might be subjected to higher levels of 16 17 predation, higher levels of disease or whatever. I'm 18 talking about out-migrating fish. 19 Fish that are migrating inward, if they don't get up to the spawning areas, might actually be trapped 20 21 on the wrong side of the Red Bluff diversion dam. 22 MR. NOMELLINI: And with regard to 23 out-migrants, now, you say it's disease and 24 temperature? 25 DR. CHOTKOWSKI: Once again, I'm not an expert

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on this. I'm trying to recall the explanations that I 1 2 received from my staff. MR. NOMELLINI: All right. 3 4 With regard to longfin smelt, what would the 5 impact be of reduction of the outflow from 11,004 to б 7,100 cubic feet per second? 7 DR. CHOTKOWSKI: The longfin smelts are 8 probably a similar case to Delta smelt. 9 One difference is that longfin smelt have a stronger outflow-to-population-numbers relationship 10 11 than Delta smelt do. Once again, if X2 were to move sufficiently 12 13 far upstream, then it would certainly increase the risk 14 of entrainment of all life stages that are present of 15 longfin smelt. However, this seems like a relatively small movement even for longfin. 16 17 MR. NOMELLINI: Are you aware of any consent by the US Fish and Wildlife Service to the Bureau of 18 Reclamation operating to violate the standards in 19 20 anticipation or in advance of an urgency petition filed 21 with the State Board? MS. ALLEN: I'd like to object to the question 22 23 as, again, Dr. Chotkowski isn't -- hasn't stated that 24 Reclamation is operating in violation of a standard. CO-HEARING OFFICER BAGGETT: That's sustained. 25

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1 MR. NOMELLINI: Did you consent -- are you 2 aware of the US Fish and Wildlife Service granting its 3 consent to the Bureau's change in operation that would 4 not provide the water to achieve an 11,400 cubic feet 5 per second net Delta outflow during February, any time б in February, of 2009? 7 DR. CHOTKOWSKI: I'm not aware of any such 8 consent, no. 9 MR. NOMELLINI: All right. Ron Milligan. Does the Bureau of Reclamation 10 11 have a share of the water that's presently in San Luis 12 Reservoir? 13 MR. MILLIGAN: Yes. 14 MR. NOMELLINI: And what is that share? MR. MILLIGAN: I believe in my written 15 testimony I had a number, which I do think is accurate 16 17 as of yesterday, of approximately 314,000 acre feet. 18 MR. NOMELLINI: And do you know how that water is going to be used by the Bureau of Reclamation? 19 20 MR. MILLIGAN: Some quantities of the water 21 currently ends -- the federal share at San Luis Reservoir is there under Warren Act contract. 22 23 MR. NOMELLINI: Excuse me; I just didn't hear 24 that quite well enough. 25 MR. MILLIGAN: Some portion of that federal

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1 share of water in San Luis Reservoir is stored there

2 currently under Warren Act contracts.

3 MR. NOMELLINI: Oh. Warren Act contract.
4 MR. MILLIGAN: Warren Act contract.
5 MR. NOMELLINI: So it belongs to somebody.
6 MR. MILLIGAN: That is correct.

7 There is also a quantity of water that will
8 likely be needed for dead pool storage as we go through
9 the summer.

10 And there's a quantity of water that is the 11 product of actions taken by CVP contractors in the 2008 12 water year for the purposes of rescheduling into the 13 current water year.

14 MR. NOMELLINI: So you would agree, would you 15 not, that the Bureau cannot assure that the water that constitutes its share in San Luis would be used only 16 17 for public health and safety and senior water rights? MR. MILLIGAN: The current share of water that 18 is there, although Reclamation may use that storage 19 20 over the year or the summer to -- in conjunction with 21 its Delta operations to meet water rights to the exchange contractors, to potentially use water to 22 23 refuges, and to meet the M&I supplies to -- which will 24 probably likely be at health and safety levels for a 25 number of south of Delta contractors.

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1 MR. NOMELLINI: Could it also be used to grow
2 cotton?

3 MR. MILLIGAN: I believe that some quantity of 4 the rescheduled water will probably be used for various 5 uses within the water districts that we serve. б My assumption would be that it would probably 7 go to a pretty high use given the number of permit 8 crops currently on the ground. 9 MR. NOMELLINI: But there's no assurance that it has to be used in that manner, is there? 10 MR. MILLIGAN: There would be no assurance 11 other than the laws of economics. 12 13 MR. NOMELLINI: The -- do you agree that water 14 stored in San Luis could physically be injected into 15 the San Joaquin River? MR. MILLIGAN: We have taken --16 17 MR. RUBIN: Can I -- sorry Mr. Milligan. I 18 raise an objection to the line of questioning. 19 I understand that the Board has latitude in terms of questions that are asked on cross-examination, 20 21 and the threshold is relevance. 22 But at this time, and given the facts that 23 have been -- or the testimony that's been given, I 24 question the relevance of the question that's been 25 presented.

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The testimony of Mr. Leahigh has been that 1 2 from this point forward he's confident, or as confident 3 as you can be, that the number of days or -- each day 4 moving forward will meet the flow requirement for X2. 5 And so I question the relevance of the б question that's been presented. Release of water into 7 the San Joaquin River, given the testimony, doesn't seem to be relevant to me. 8 9 CO-HEARING OFFICER BAGGETT: Mr. Nomellini, do 10 you have a response? MR. NOMELLINI: It's very relevant -- sure. 11 12 The testimony of this witness says he was 13 joining in in supporting the testimony of the previous 14 witness by Department of Water Resources in this 15 regard. The previous witness also said that this was a 16 17 Bureau type of a facility that would have to be 18 utilized to get water from San Luis into the river. 19 So he's the right person to answer, and it's with regard to their petition. Their petition says the 20 21 purpose. 22 CO-HEARING OFFICER BAGGETT: I understand. 23 I'll overrule. Can you, I guess, get on with the 24 questioning and --25 MR. NOMELLINI: It doesn't have to take a long

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1 time. It seems like a simple answer.

2 CO-HEARING OFFICER BAGGETT: Okay. If you 3 could make it a simple yes or no, and let's move on. 4 MR. NOMELLINI: Do you agree that physically 5 water from San Luis Reservoir can be -- I said б injected, caused to flow into the San Joaquin River? 7 MR. MILLIGAN: Under certain operational 8 scenarios, water can find its away from San Luis Reservoir back into the San Joaquin River via a couple 9 10 paths. 11 MR. NOMELLINI: All right. And you would agree that if -- once in the San Joaquin River, absent 12 13 other diversions, it could result in net Delta outflow? 14 MR. MILLIGAN: Depending on the size of the release, it could -- and the lack of being picked up or 15 absorbed into the ground -- could find its way to the 16 Delta outflow. 17 18 MR. NOMELLINI: Thank you. What is the present urgency for this 19 particular petition? 20 21 MR. MILLIGAN: As it sits today? MR. NOMELLINI: As it sits today. 22 23 MS. AUFDEMBERGE: I want to object to that 24 question. We're here to lay out the facts of what is 25 happening in February of '09. Whether or not there

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exists an urgency for the petition I think is a call
 for the Board to make.

CO-HEARING OFFICER BAGGETT: Certainly agree 3 4 it's a legal question. Can you rephrase the question? 5 MR. NOMELLINI: In your opinion as an б engineer, what is the urgency of the petition as it 7 stands today? Not a legal conclusion. An engineering 8 understanding of what the urgency is for the petition. 9 MR. MILLIGAN: As an engineer, and one who studies hydrology, it is my estimation that there would 10 11 be adequate inflows into the Delta that would not 12 require additional upstream releases to meet an Outflow 13 Objective for the 11,400 cfs surrogate for Chipps 14 Island. 15 In terms of the urgency components, I do think that's a legal -- that has a legal connotation, which 16 I --17 MR. NOMELLINI: I don't want you to get into 18 the legal because the Chairman doesn't want us to go 19 there. But engineers like to give legal opinions, and 20 21 lawyers like to give engineering. 22 MR. MILLIGAN: I noticed that. Yeah. 23 (Laughter) 24 MR. NOMELLINI: I believe you testified that 25 in early February there was an effort to coordinate

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reduction in exports and, as I understood it -- you can 1 2 correct me if I'm wrong -- to help meet Delta outflow; 3 is that correct? 4 MR. MILLIGAN: That is correct. 5 MR. NOMELLINI: Do you recall when in б February --7 MR. MILLIGAN: This would --8 MR. NOMELLINI: -- that might have occurred? 9 MR. MILLIGAN: This was on one of the first day or two of February. There was actually some --10 11 what I would say some -- there were some flows that were on the receiving end of the hydrograph from the 12 13 previous week's storm that, given the early part of the 14 month, may have allowed -- because it was -- the Chipps 15 Island requirements would not have been for the entire 16 month. 17 There were probably some inflows that could 18 have been exported by The Projects and be in compliance with Collinsville. The Projects consciously did not 19 20 increase exports to pick up that flow in attempt to 21 meet the starting gate. 22 MR. NOMELLINI: Okay. So then it was not a 23 reduction in exports but not an increase that occurred; 24 is that what your testimony --25 MR. MILLIGAN: That is correct.

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MR. NOMELLINI: All right. Did the Bureau 1 2 increase exports around February the 10th of 2009? 3 MR. MILLIGAN: Somewhere around the 10th or 4 the 11th. 5 MR. NOMELLINI: And is it correct that the б Tracy exports went up from 1,002 cubic feet per second 7 to 1,719 on the 11th and 2,018 on the 12th? 8 MR. MILLIGAN: I believe the 11th value was probably -- because I believe those numbers sound like 9 they are averages for the day, and probably -- the 10 11 first number for the 11th sounds like a partial day 12 with the second unit running at the Jones pumping 13 plant. 14 The second number sounds like two units 15 running for the entire day. 16 MR. NOMELLINI: Was that increase in pumping 17 made with recognition that that water was being taken 18 away from net Delta outflow? If you know. 19 MR. MILLIGAN: I probably would not have used the word recognized. I think we recognize that there 20 21 would be a reduction in Delta outflow by that increment 22 of pumping. 23 But in consultation -- and I mean that in 24 lower case C, not as a Section 7 ESA Consultation --25 but in consultation with the various fishery agencies

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1 about protection of the in-Delta species and

2

3 specifically about the effects on Old and Middle River
4 flows, it appeared that that would be an appropriate
5 and a protective action for the fishery.

consultation with the Fish and Wildlife Service

6 MR. NOMELLINI: In that regard, is it your 7 contention that the US Fish and Wildlife Service 8 consented to the reduction in net Delta outflow for the 9 purpose of making those exports in February between the 10 lst and the 12th?

11 MR. MILLIGAN: Those were -- I will say that 12 the staff that I discussed this particular matter with, 13 with Fish and Wildlife Service, were aware of the 14 exports and were providing their professional expertise 15 in terms of whether that would be protective action or 16 not or what the pros and cons, but the decision was 17 with Reclamation.

18 MR. NOMELLINI: Okay. With regard to the 19 National Marine Fisheries Service, is your testimony 20 the same?

21 MR. MILLIGAN: Yes.

22 MR. NOMELLINI: As to whether they consented 23 to your doing --

24 MR. MILLIGAN: My testimony is that they were 25 consulted. Again, not in a Section 7 ESA context, but

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we discussed what the effects were, what they might be, 1 2 and they did not have a concern about that incremental 3 change in exports versus outflow. 4 MR. NOMELLINI: But they didn't say it was 5 okay, did they? б MR. MILLIGAN: They did not think that it 7 would have an adverse effect. 8 MR. NOMELLINI: That's kind of nonresponsive. But they didn't say it was okay? 9 MR. MILLIGAN: Well, I didn't ask them if it 10 11 was okay. MR. NOMELLINI: All right. Okay. Don't 12 13 ask/don't tell, that kind of --14 MR. MILLIGAN: It was discussed. And I was certainly interested in their perspective on this, that 15 increment of pumping versus the increment of outflow. 16 MR. NOMELLINI: Got it. That's fair enough. 17 18 Now how about with regard to Department of Fish and Game. Did they consent? 19 20 MR. MILLIGAN: We had discussions -- I've had 21 these discussions individually with the agencies and then also within group discussions. 22 23 Their concern was more along the lines of 24 longfin. And clearly, as the Dr. Chotkowski indicated, 25 clearly all the agencies were concerned with what would

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the effects -- probably more so on the effects of Old 1 2 and Middle River flows as more so than the outflow 3 component. 4 MR. NOMELLINI: Did they say it was okay? 5 MR. MILLIGAN: Again, I didn't ask them if it б was okay. And I don't remember them saying that, gee, 7 that's okay. 8 MR. NOMELLINI: All right. With regard to the US Fish and Wildlife Service letter attached to I guess 9 both your testimony. It's exhibit DOI-6. 10 11 MR. MILLIGAN: Yes, I have it here. 12 MR. NOMELLINI: Do you agree that that letter 13 was -- do you know when it was received? 14 MR. MILLIGAN: I received it -- actually, it 15 was this morning. MR. NOMELLINI: Okay. And you agree that this 16 17 morning is long after February 1 through February 12, 18 right? 19 MR. MILLIGAN: I would concede that, yes. 20 MR. NOMELLINI: All right. I appreciate that. 21 CO-HEARING OFFICER BAGGETT: You've got a few, 22 couple minutes here, Mr. Nomellini. 23 MR. NOMELLINI: I'm almost through. 24 CO-HEARING OFFICER BAGGETT: Okay. Thank you. 25 Just giving you a heads-up.

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MR. NOMELLINI: Strange as it may seem. 1 2 That's all I have. Thank you very much. CO-HEARING OFFICER BAGGETT: Thank you. 3 4 Mr. Jackson, you're up. 5 CROSS-EXAMINATION BY MR. JACKSON 6 FOR CALIFORNIA SPORTFISHING PROTECTION ALLIANCE 7 MR. JACKSON: Mr. Milligan, I have some questions for you. Starting with your conclusion on 8 9 page 4, the first sentence: Reclamation does not believe the total 10 11 exports could have been reduced enough to help meet the necessary number of 12 13 days for the Chipps Island X2 14 requirement for the month of February. 15 Your testimony is that if you shut off pumping during that period of time that wouldn't have met the 16 X2 standard? 17 18 MR. MILLIGAN: Specifically, if exports would have been taken to zero, we would not have met the 24 19 20 days. 21 MR. JACKSON: You would not have met the 24 days? 22 23 MR. MILLIGAN: Correct. 24 MR. JACKSON: Why? 25 MR. MILLIGAN: My estimation and review of the

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data is that exports, particularly for some of the days 1 2 around the 4th to the 7th specifically, maybe to the 3 8th, would not have been enough to take us into -- into 4 the 11,400 and given us a total number of days for --5 as related to the requirements within the footnote. б MR. JACKSON: All right. 7 MR. MILLIGAN: Table 3. MR. JACKSON: Now it's clear that in Table 3 8 they understood that February was a month with 28 days. 9 And so requiring by 24, is it fair to say that they 10 11 probably meant you could only violate four? MR. MILLIGAN: The word violate is --12 13 MR. JACKSON: I'll change the word. That you 14 could only fail to meet the standard four times? 15 MR. RUBIN: I'm going to object to the question. I don't think there is any foundation that 16 17 there is a fail to meet the objective. If --CO-HEARING OFFICER BAGGETT: Okay. I would 18 sustain. You want to rephrase? 19 20 MR. JACKSON: Looking at the first sentence in 21 your conclusion, how many days could you have met the 22 X2 standard by ceasing exports, you and SWP, or the 23 State Water Project, together? 24 MR. MILLIGAN: I have not done that analysis. 25 But I do know that it would not have met 24 days at the

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1 Chipps Island.

2 MR. JACKSON: Now, you indicate in your 3 conclusion that -- you say that the marginal increase 4 in Delta pumping was not an attempt to manage to the 5 Collinsville object, but was an attempt to balance б critical needs in light of very dire hydrologic 7 conditions. 8 So you do in that sentence acknowledge that you increased pumping, knowing that you were not 9 meeting the standard? 10 11 MR. MILLIGAN: What they say in that 12 particular sentence is that exports were not increased 13 to a level that would have equated to an outflow of 14 7,100. In fact, in most of this time period that's 15 been in question, Delta outflows have been -- were in 16 17 the neighborhood of about 10,000. 18 What I am saying there is that some increment of additional pumping beyond where we had been earlier 19 20 in the month was undertaken after consultation with the 21 fishery agencies about what was protective for the various resident fish. 22 23 MR. JACKSON: So you sort of just nibbled away at it, the standard? 24 25 MR. MILLIGAN: Again, I do not believe in a PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 number of those months that we were going to make, A, 2 the starting gate and, B, the 24 months -- excuse me, 3 the 24 days within the month. 4 MR. JACKSON: And did that have anything to do 5 with the fact that you'd been pumping in January and б February? 7 I mean you -- in other words, if you had 8 started earlier, could you have avoided putting yourself in a position where you couldn't meet the 9 standard? 10 MR. MILLIGAN: I fail to see the connection to 11 12 exports in January at the minimal rates that we were at 13 as affecting February. 14 MR. JACKSON: Calling your attention to your page 3, the -- where you say without the modifications 15 requested the following impacts could occur. 16 17 Now this is your testimony at this hearing, 18 correct? 19 MR. MILLIGAN: Yes. MR. JACKSON: Okay. And you list some impacts 20 21 that could occur. So now what I'm going to do is ask you to read No. 1 and tell me if it did occur. 22 23 MR. MILLIGAN: No. 1, if all the X2 24 requirements remained in effect --25 MS. AUFDEMBERGE: I'm going to -- yeah.

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1 MR. RUBIN: Can I object to the question?

-	
2	MS. AUFDEMBERGE: I'm going to object as well.
3	MR. RUBIN: Go ahead, Ms. Aufdemberge.
4	MR. MILLIGAN: What
5	MR. RUBIN: I think the document speaks for
б	itself. If Mr. Jackson wants to ask Mr. Milligan
7	whether the events that are contemplated in paragraph
8	one occurred, that's fine.
9	But for Mr. Milligan to have to go through and
10	read three paragraphs of testimony at this point seems
11	to be an undue burden, at least on the witness.
12	MR. JACKSON: Mr. Baggett, I understand that
13	the rules here are different than in a courtroom
14	somewhat, but they are based upon the laws of
15	California.
16	And putting in evidence that you know is wrong
17	has a name in the law under oath.
18	CO-HEARING OFFICER BAGGETT: What I'll
19	sustain the objection. Just start all over. Repeat
20	your question. He doesn't have to read the testimony
21	into the record.
22	MR. JACKSON: Right.
23	CO-HEARING OFFICER BAGGETT: It's late. It's
24	not necessary.
25	MR. JACKSON: As you sit here today, Mr.

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Milligan, did these outflow targets jeopardize the
 Project's ability to maintain cold water reserves in
 upstream reservoirs for the protection of these fish?
 MS. AUFDEMBERGE: I'm going to object on
 relevance. I don't -- I --

6 CO-HEARING OFFICER BAGGETT: I overrule on
7 relevance. But can you just answer the question, if
8 you can.

9 MR. MILLIGAN: The purpose of these three bullets was to indicate that if The Projects were to 10 11 have -- given the hydrologic conditions we had, were to 12 meet the full 24 days of outflow, we would have had to 13 make additional releases from upstream reservoirs that 14 could -- would have had a depletion of cold water pool 15 which then could translate into an effect on these 16 species.

MR. JACKSON: Mr. Hearing Officer, would you ask him to answer the question that was asked: Did it? I don't understand why there's so much trouble from the Bureau of Reclamation saying that they thought this was going to happen, and it didn't.

But I mean, we're getting close to they'rebasically stonewalling the truth.

24 CO-HEARING OFFICER BAGGETT: He answered your25 question. But you can answer it again to the best of

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1 your ability. Rephrase the question.

2 MR. JACKSON: Did what you were speculating in 3 No. 1 happen? 4 MR. MILLIGAN: Given a combination of the 5 actions that the two projects took and the hydrology in б the latter half of the month, the answer is no, it did 7 not occur. 8 MR. JACKSON: Thank you. 9 Did the items in No. 2 that you list in your testimony in the section that begins: 10 11 Without the modifications requested the following impacts could occur. 12 13 Did those impacts occur? 14 MR. MILLIGAN: Those did not occur given the 15 hydrology that -- and the rainfall events we had this 16 month. 17 MR. JACKSON: Thank you. 18 And No. 3, since there has been no change in upstream storage in February caused by the standards, 19 20 did February increase the potential to result in a loss 21 of control over salinity? 22 MR. MILLIGAN: Same answer as the -- for 23 bullet number 1. MR. JACKSON: And that answer is no. 24 25 MR. MILLIGAN: That answer was the combination

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1 of the actions that the Project took and the later

2 hydrology, no, it did not.

3 MR. JACKSON: All right. 4 And so the last sentence in No. 3: There was 5 no change in February that will change your ability to б maintain the requirements of Order 95, and D-18 -- and 7 D-893 either; is that correct? MR. MILLIGAN: Given that the reservoir levels 8 are at the same level that they would have otherwise 9 been, the answer is there would be no change. 10 11 MR. JACKSON: Thank you, sir. 12 Calling your attention to your page 2 of your 13 testimony, the second paragraph from the bottom, the --14 you indicated that you did at some point in February 15 coordinate reduced exports in an attempt to achieve the starting date condition; is that correct? 16 17 MR. MILLIGAN: Yes. MR. JACKSON: How much did you reduce exports 18 in an attempt to reach the starting gate condition? 19 20 MR. MILLIGAN: As I stated for Mr. Nomellini, 21 that was a conscious decision not to raise exports. While it would have been allowable and still 22 23 be in compliance with the Outflow Objective, I do 24 believe that on one day around the 1st or the 2nd that 25 DWR had taken slightly less of an intake into Clifton

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1 Court.

2 MR. JACKSON: So do you know --3 MR. MILLIGAN: What --4 MR. JACKSON: -- what percentage of what the 5 two of you were taking that day was your attempt to б reach this starting gate? 7 MR. MILLIGAN: The major component of the attempt was not to take advantage of several thousand 8 9 acre feet of outflow on that particular day or 10 combinations of several days at the beginning of the 11 month. MR. JACKSON: And so it was an opportunity 12 13 cost, not actual water? 14 MR. MILLIGAN: I'd say primarily an 15 opportunity. I do think that it resulted in actual 16 water. MR. JACKSON: So you said a couple of times in 17 your testimony that, you know, you talked to US Fish 18 19 and Wildlife Service and DFG and NOAA and NMFS about 20 not meeting the requirements in D-1641. 21 Is it your position that if the federal and state fisheries agencies agree to not meeting D-1641 22 23 that you're not required to obey Table 3 and Table 4? 24 MR. MILLIGAN: No. 25 MR. JACKSON: Thank you, sir.

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1 Mr. Chot -- Cho --

2	DR. CHOTKOWSKI: Chotkowski.
3	MR. JACKSON: Chotkowski. I have it now.
4	Thank you, sir, and I am sorry. Michael Jackson is not
5	any dream, either.
б	(Laughter)
7	MR. JACKSON: I want to talk I want to
8	start with your caveat on page 3.
9	The you were relying on Mr. Milligan's
10	testimony for the operational parameters under which
11	you came to your biological conclusions? Is that true?
12	DR. CHOTKOWSKI: Yes, although when I
13	discussed that I was really talking about the second
14	part of this when we were discussing anadromous fishes,
15	not the Delta smelt part.
16	MR. JACKSON: All right. Let's start with the
17	anadromous fishes. I think you indicated that you
18	believe that there was some potential to affect
19	up-migrating winter run salmon by this temporary
20	urgency permit request?
21	DR. CHOTKOWSKI: Yes.
22	MR. JACKSON: And you I think you also said
23	there was some potential to affect down-migrating
24	winter run salmon smolts and steelhead juveniles?
25	DR. CHOTKOWSKI: Yes.

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1 MR. JACKSON: And you balanced that, as I 2 understand it, with the idea that there could be a loss of as much as 200,000 acre feet of cold water from 3 4 storage facilities that might be useful for those 5 species at a later life stage during 2009? б DR. CHOTKOWSKI: I think you might want to 7 rephrase that. It was a savings of 200,000 acre feet, not a loss of 200,000 acre feet. 8 9 MR. JACKSON: It depends on who you're looking I mean, the fish might see it as a loss. 10 at. 11 So now that you know that there is no cold water loss in February, is there still a potential that 12 13 there will be damage to in-migrating adults or 14 out-migrating juveniles in the conditions we have 15 actually today? DR. CHOTKOWSKI: Given the actual weather 16 conditions, no. I think it's less of a concern. 17 MR. JACKSON: Right. 18 So it's just kind of a wipeout, both ways. 19 The potential for damage of this project kind of goes 20 21 away, and a potential for gaining for later in the year 22 kind of goes away. Right? 23 DR. CHOTKOWSKI: I'm not sure I would 24 completely agree with that, but that's only because I'm 25 not completely sure what's required in Shasta in order

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1 to maintain an appropriate level of cold water

2 compliance below the dams.

3 MR. JACKSON: And that's the next and probably 4 last question that I have for you in regard to salmon. 5 What is the present plan to protect cold water б for winter run salmon for the year 2009 on the 7 Sacramento River in terms of cold water storage? 8 MR. RUBIN: I'm going to object to the question on grounds of relevance. 9 10 CO-HEARING OFFICER BAGGETT: Can you --11 MR. JACKSON: Sure. I mean it's relevant because all of the testimony was assuming some damage 12 13 to them by the loss of cold water for the smelt. 14 And now we're not going to lose it. And I'd 15 like to know whether or not there is a plan so I know whether or not we're going to have another urgency 16 17 permit and another urgency permit. 18 CO-HEARING OFFICER BAGGETT: Mr. Rubin? 19 MR. RUBIN: I don't know if his explanation 20 addressed my objection on relevance grounds. You have 21 a petition before you to modify an Outflow Objective. You've heard testimony today that it's the --22 23 CO-HEARING OFFICER BAGGETT: Okay. 24 MR. RUBIN: -- professional opinions of the 25 Bureau of Reclamation/Department of Water Resources

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1 that they're not going to have to release water from 2 storage.

3 To the extent that this petition's before you, 4 I don't think the question has relevance. 5 CO-HEARING OFFICER BAGGETT: I would sustain б the objection, and that would be another proceeding. 7 If you can lay a foundation why it's relevant? 8 MR. JACKSON: Sure. Can I -- I guess I could say at this point that this proceeding seems to have 9 come down to a violation, which logically would be 10 11 another proceeding. CO-HEARING OFFICER BAGGETT: Just ask the 12 13 question. We don't need legal argument at this point. 14 MR. JACKSON: All right. 15 I guess I'm through. Thank you, sir. CO-HEARING OFFICER BAGGETT: Thank you. 16 Bay Institute, do you have any cross? 17 MR. BOBKER: Yeah. I'll try to make it brief. 18 19 CO-HEARING OFFICER BAGGETT: Butte Environmental Council, do you have cross? 20 21 MR. WAGNER: A couple of questions. 22 CO-HEARING OFFICER BAGGETT: You can be ready 23 then. 24 25

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CROSS-EXAMINATION BY MR. BOBKER 1 2 FOR BAY INSTITUTE MR. BOBKER: Gary Bobker, Bay Institute. Just 3 4 a couple of quick questions. 5 Mike, would you agree that longfin smelt and б Delta smelt are at record low levels of abundance? 7 DR. CHOTKOWSKI: Yes. 8 MR. BOBKER: Do you think that represents a 9 high risk of extinction for these species? DR. CHOTKOWSKI: Yes. 10 11 MR. BOBKER: Would relaxing the Outflow Objectives improve or degrade conditions for those 12 13 species? 14 DR. CHOTKOWSKI: You're talking about X2 now 15 or the equivalent outflow? MR. BOBKER: Yeah. 16 DR. CHOTKOWSKI: I think it's a matter of 17 degree. As I said before, I think if you relax them by 18 a lot, it would certainly represent a risk. The 19 20 question is how much relaxation gets you into risk 21 territory. 22 MR. BOBKER: Right. 23 DR. CHOTKOWSKI: And as best I can tell, based on my review of a lot of data and having worked with 24 25 these for a long time, this relaxation for this length

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1 of time in February is not a big risk.

2	MR. BOBKER: Not a big risk. But you would
3	agree that it does represent a risk. So it's a
4	question of the degree of risk, but there is a risk.
5	DR. CHOTKOWSKI: It's certainly a question
6	that you would want to answer every time this issue
7	comes up.
8	MR. BOBKER: Okay. Did you or anyone involved
9	in preparing the petition actually do a quantitative
10	analysis of that risk or the effects on abundance based
11	on what we know about flow-abundance relationships, et
12	cetera?
13	DR. CHOTKOWSKI: You mean specifically for
14	this hearing? No.
15	MR. BOBKER: Okay. Also you, and others of
16	course, in talking about the justification for the
17	relaxation have talked about the desire to maintain the
18	cold water pool to preserve some measure of temperature
19	control.
20	Did you or anyone else actually do a
21	quantitative analysis of the degree of temperature
22	control that would be achievable given the savings that
23	might accrue as a result of the relaxation?
24	In other words, the length of time, the amount
25	of river miles that, you know, the whether it's

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1 duration or the actual temperatures, et cetera. Was 2 there any kind of quantitative analysis? DR. CHOTKOWSKI: Not for this hearing, no. 3 4 MR. BOBKER: Okay, great. Thanks. 5 Ron, I had a quick question for you, and that б is: In looking at the options that the Project 7 operators had to try and maintain the cold water pool, did you guys look at -- I'm sure you looked at 8 reduction of exports as an option? 9 MR. MILLIGAN: We did. Consistent with some 10 11 of my declarations to federal court, you know, through January and February we have been at minimal releases 12 13 at Keswick and Nimbus. 14 We've been at 3250 for both months at Keswick 15 which is the rock bottom as it applies to 90-5. And we have reduced the releases at Nimbus to 800 cfs, all in 16 17 an attempt to conserve as much storage as we could. 18 That's -- that represents a threshold of concern just for the resident species there, and we 19 20 didn't feel we could lower those any more. 21 So there really was limited ability to reduce 22 exports. The exports were not driving those releases. 23 I think a similar case is occurring at Oroville down 24 the Feather River. MR. BOBKER: Okay. And I did understand that 25

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1 part of your testimony.

2	I guess the question that I was trying to get
3	at in my inartful way was: Given that I'm sure you
4	make assumptions about the level of deliveries you're
5	going to try to provide through the rest of the season,
б	did you look at changes in exports throughout the
7	delivery season in other words, beyond February
8	and the effect that would have on the assumptions you
9	would make about how much storage would be upstream to
10	help maintain the cold water pool?
11	MR. MILLIGAN: Given the very low storages
12	that we're going to see at Shasta and or likely will
13	see at Shasta or at Folsom, barring some very, very wet
14	conditions, we are looking at all options to try to
15	minimize the releases from both reservoirs, both from
16	in terms of looking at, let's say, deliveries to
17	contractors, looking for ways to shift releases so that
18	they can coincide with temperature releases in the
19	summer.
20	MR. BOBKER: Okay.
21	MR. MILLIGAN: So we are currently working
22	with NOAA Fisheries on a number of options that we hope
23	will maximize the amount of cold water pool that we'll

24 have.

25 MR. BOBKER: Okay.

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1 MR. MILLIGAN: This is -- was just part of an 2 overall strategy to conserve as much as we possibly 3 could. 4 MR. BOBKER: Okay. Thanks. 5 CO-HEARING OFFICER BAGGETT: Thank you. б Butte Environmental Council, then 7 Environmental Defense, if you have any questions after 8 that. 9 CROSS-EXAMINATION BY MR. WAGNER 10 FOR BUTTE ENVIRONMENTAL COUNCIL 11 MR. WAGNER: Hello. I'm Keith Wagner with Lippe Gaffney Wagner on behalf of Butte Environmental 12 13 Council. Mr. I think Chaikowsky? Is that correct? 14 DR. CHOTKOWSKI: That's close enough. 15 MR. WAGNER: Okay. I apologize. You mentioned I believe during your testimony, 16 17 although I'll posit the question to either of you gentlemen, that the relaxation of the requirements of 18 19 1641 would result in a larger amount of cold water 20 storage; is that correct? 21 MR. MILLIGAN: Probably to put a finer point on that, to meet the full number, 24 days, it would 22 23 have required some augmentation of reservoir releases 24 to meet the outflow. 25 And with the days that that would occur, that

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would have drawn down the potential pool that we think 1 2 would be available for cold water management. 3 Mike, did you have anything you want? 4 DR. CHOTKOWSKI: No. 5 MR. WAGNER: I'm not sure that answered -- I б think the number 200,000 acre feet was mentioned? 7 MR. MILLIGAN: That was mentioned if we had 8 very dry conditions through the month of February with, let's say, Delta inflows, particularly from the 9 Sacramento River Basin that were at a level that we had 10 11 seen in the first part of February. MR. WAGNER: So when you put this application 12 13 in, you were looking the potential of being able to 14 save up to an additional 200,000 acre feet of water? 15 MR. MILLIGAN: And that was based on if we had to augment flows in the Delta by 4,000 cfs which is the 16 difference between the Collinsville versus the Chipps 17 Island, that would have equated to about 200,000 acre 18 19 feet of water. 20 So that certainly was the upper limit. And if 21 we did get wetter conditions, hopefully that would 22 augment. 23 Our primary concern was that we had not seen a 24 response by the watershed nor in Sac Valley to some

25 smaller systems that had come through, so that was why

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we had an abundance of caution in terms of what we
 thought might be achievable here.

MR. WAGNER: So if what you were concerned 3 4 about had happened in the month of February, and it had 5 been a dry year after all, it would have been -- well, б would one say that it would have been significant in 7 terms of the water that could have been saved for later 8 in the year for the purposes of other salmon 9 protection? MR. MILLIGAN: I would say yes. That would 10 11 have been -- you know, dry conditions through February would have been a significant difference between 12 13 meeting the 24 days at Chipps versus at Collinsville. 14 MR. WAGNER: Thank you. CO-HEARING OFFICER HOPPIN: Environmental 15 Defense? Russ Brown? 16 17 We're going to take, before we start our next 18 phase, about a five-minute break, and we'll be back. 19 (Recess) CO-HEARING OFFICER BAGGETT: Let's go back. 20 21 We had three more parties that want to do a brief 22 cross, I understand: San Luis Mendota, Mr. Rubin; Mr. 23 Schulz, and -- you have no questions? Only two, then. 24 Mr. Rubin, you're up. And then Stockton East 25 will be up.

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CROSS-EXAMINATION BY MR. RUBIN 1 2 FOR SAN LUIS & DELTA MENDOTA WATER AUTHORITY and WESTLANDS WATER DISTRICT 3 4 MR. RUBIN: Good evening now. Jon Rubin for 5 San Luis & Delta Mendota Water Authority, Westlands б Water District. Just a few questions. 7 The first deals with some discussion about Old and Middle River flows and regulation of flows in Old 8 and Middle River. 9 Mr. Milligan, Mr. Chotkowski, do you recall 10 discussions today about Old and Middle River flows? 11 DR. CHOTKOWSKI: I do. 12 13 MR. MILLIGAN: Yes. 14 MR. RUBIN: And either of you can answer this question. Are there regulations on flows in Old and 15 Middle River that exist today? 16 17 MR. MILLIGAN: I'm not aware of quote 18 regulations. It is a tool, a management tool, that's articulated in the current Biological Opinion with Fish 19 and Wildlife Service to protect Delta smelt. 20 21 And it is a tool that we're currently -- have used the last couple of years and probably would use 22 23 this year to help protect, both with adults and larval 24 smelt, from the risk of entrainment. 25 Does that sound about right, Mike.

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1

DR. CHOTKOWSKI: Yeah.

2 MR. RUBIN: And again, if I -- just to make 3 sure I understood your answer correctly, Mr. Milligan: 4 The tool in terms of Old and Middle River flows is a 5 regulation that's been in place for several years? б MR. NOMELLINI: I object. He's misstating the 7 testimony. Dante John Nomellini. The testimony did 8 not reference a regulation. 9 MR. RUBIN: I'll rephrase the question. CO-HEARING OFFICER BAGGETT: Rephrase the 10 11 question, please. I'll sustain the objection. MR. RUBIN: Mr. Milligan, I believe you 12 13 characterized it as a tool. There's a tool involving 14 flows in Old and Middle River; is that correct? MR. MILLIGAN: A management tool, I think is 15 how I described it. 16 MR. RUBIN: And how long has that management 17 18 tool been in place? 19 MR. MILLIGAN: Well, as something that's articulated in the Biological Opinion, only since last 20 21 December. But it is something, a parameter that we have 22 23 been -- used and worked with the Fish and Wildlife 24 Service and the smelt working group for the last couple 25 of years.

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1 MR. RUBIN: And does that management tool 2 affect water supply available south of the Delta? 3 MR. MILLIGAN: It can act as a -- as something 4 that does constrain exports at particular times. 5 MR. RUBIN: And Mr. Milligan, was that tool б available in 1995? Or let me rephrase my question. 7 Did Reclamation use the management tool that 8 we're speaking of in 1995? 9 MR. MILLIGAN: I am not aware of this particular parameter being something that was discussed 10 11 readily and used to manage exports and operations in the Delta. 12 13 MR. RUBIN: The same question regarding the 14 year 2000. Was it a management tool used in the period between 1995 and 2000? 15 MR. MILLIGAN: Not that I'm aware of. 16 MR. RUBIN: Thank you. 17 18 DR. CHOTKOWSKI: If you want me to expand on that, or rather clarify that: It's a fairly new tool. 19 20 The science that gave rise to it didn't exist until 21 around -- until the pod investigation. So it's post-2005. 22 23 MR. RUBIN: Great. Thank you. 24 Now, Mr. Milligan, I have a question about a 25 statement in your testimony, and it's on page 2.

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MR. MILLIGAN: Yes. 1 2 MR. RUBIN: You have a statement -- it's the first complete paragraph, second sentence, second part 3 4 of the second sentence. It says: 5 It is likely that allocations to many б CVP contractors will be extremely low in 7 2009. Do you see that statement? 8 9 MR. MILLIGAN: Yes, I do. MR. RUBIN: Is that true for a district like 10 Westlands Water District? 11 MR. MILLIGAN: Yes, it would be. 12 13 MR. RUBIN: Is it your expectation that a 14 district like Westlands Water District will receive a 15 historically low allocation in 2009? MR. MILLIGAN: Given current conditions, yes. 16 MR. RUBIN: And that's your conclusion, even 17 given the level of pumping during the period February 1 18 19 through today? 20 MR. MILLIGAN: Yes. 21 MR. RUBIN: Thank you. Mr. Milligan, I have another question; it's an 22 23 operational question. Do you know what the outflow has 24 been during the month of February? 25 MR. MILLIGAN: Net Delta outflow?

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1 MR. RUBIN: Yes.

2	MR. MILLIGAN: Generally, yes.
3	MR. RUBIN: And take a period maybe from
4	around maybe the 5th, 6th, or 7th of February through
5	the 13th of February. Can you characterize generally
6	what the outflow might have been?
7	MR. MILLIGAN: Yeah. Outflow at that time,
8	and I'm basing this in part on my recollection and also
9	Mr. Leahigh's presentation, that it ranged from 9- to
10	10,000 cfs.
11	MR. RUBIN: Thank you.
12	Mr. Milligan, just a couple more questions.
13	First, on page 3 of your testimony, I believe
14	Mr. Jackson asked you a number of questions regarding
15	paragraphs that are labelled 1, 2, and 3?
16	MR. MILLIGAN: Yes.
17	MR. RUBIN: As I understand it, you've
18	characterized circumstances; is that correct?
19	MR. MILLIGAN: Yes.
20	MR. RUBIN: And in your characterizations, you
21	use the word often I think you often use the word
22	"could"; is that correct?
23	MR. MILLIGAN: That is true.
24	MR. RUBIN: And did you use that term because
25	it's a possibility of occurring?

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MR. MILLIGAN: I used that term given the 1 2 variability of weather conditions, uncertainties related to runoff, and depletions in the Sac River 3 4 Basin. 5 MR. RUBIN: Thank you. б Mr. Milligan, I have one last question, and I 7 ask you to take a hypothetical -- or excuse me; it's not a hypothetical. But I ask you to take yourself 8 back to the day that Reclamation and DWR filed the 9 10 petition before the Board today. 11 Are you there? MR. MILLIGAN: Yes. 12 13 MR. RUBIN: Thank you. 14 MR. MILLIGAN: I remember it well. 15 MR. RUBIN: Mr. Milligan, when you filed -excuse me. When Reclamation filed the petition, was it 16 17 your expectation if the Board were to grant the petition that the allocation to Westlands Water 18 District in the 2009 water year would increase? 19 20 MR. MILLIGAN: No. That was not my 21 expectation. 22 MR. RUBIN: Thank you. 23 I have no further questions. 24 CO-HEARING OFFICER BAGGETT: Okay. Stockton 25 East.

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2	CROSS-EXAMINATION BY MS. HARRIGFELD
3	FOR STOCKTON EAST WATER DISTRICT
4	MS. HARRIGFELD: Good evening. Karna
5	Harrigfeld on behalf of Stockton East Water District.
б	Ron, I just have a couple of questions for
7	you. In looking at your testimony on the bottom of
8	page 2 and the top of page 3, from a review of this and
9	from your oral testimony, it is my understanding that
10	the Bureau withdrew your request for modification of
11	the San Joaquin River flow objective at Vernalis
12	because the water year type was classified as
13	critically dry instead of dry; is that correct?
14	MR. MILLIGAN: Yes.
15	MS. HARRIGFELD: So what is the San Joaquin
16	flow objective that is required to be met based on that
17	critical dry designation?
18	MR. MILLIGAN: My reading of the footnote that
19	accompanies Table 3 of the decision is that for periods
20	where a Chipps Island outflow would be governing that
21	the component of San Joaquin River flow at Vernalis
22	would be approximately 1,140 cfs.
23	MS. HARRIGFELD: And you withdrew the request
24	for relaxation because of your modeling that suggested
25	that the 1,140 objective would be met?

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MR. MILLIGAN: A combination of modeling and 1 2 forecasted flows on the San Joaquin River. 3 Our primary motivation for including this 4 component in the petition was that if the San Joaquin 5 River index had come in at the dry condition and for days that Chipps Island may have been required, that б 7 particular flow may have been in the neighborhood of 8 1,500 cfs or above that. 9 And that gave us some concern in that that was well in excess of flows we've currently seen at 10 11 Vernalis and would have required augmentation with 12 releases from New Melones. 13 MS. HARRIGFELD: So when you filed the 14 petition, it was your anticipation that relaxation was 15 required to prevent reductions in storage at New 16 Melones? MR. MILLIGAN: It was, if you will, a hedge 17 against the possibility of a dry year classification 18 and to protect the storage within New Melones. 19 20 MS. HARRIGFELD: If releases from New Melones 21 storage are triggered to meet the 1,140 objective, will Reclamation request relief from this objective? 22 23 MR. MILLIGAN: I would be very concerned about 24 making particularly -- even with the weather we have 25 had the last week, very concerned about making releases

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from even New Melones for an Outflow Objective of this 1 2 sort. And we would give strong consideration to asking for some sort of relaxation. 3 4 MS. HARRIGFELD: Thank you. 5 CO-HEARING OFFICER BAGGETT: This completes б the cross. Is there any redirect? 7 MS. AUFDEMBERGE: No. 8 CO-HEARING OFFICER BAGGETT: Not? Any questions from staff? Charles? None. Tom? 9 10 QUESTIONS BY CHIEF DEPUTY DIRECTOR HOWARD FOR STATE WATER RESOURCES CONTROL BOARD STAFF 11 CHIEF DEPUTY DIRECTOR HOWARD: Dr. Chotkowski, 12 13 are you aware of any statistically significant 14 relationship between Delta smelt populations and Delta 15 outflow? DR. CHOTKOWSKI: During February, no. 16 CHIEF DEPUTY DIRECTOR HOWARD: And during 17 other months? 18 19 DR. CHOTKOWSKI: No. Not that I know of. Not 20 outflow. 21 CHIEF DEPUTY DIRECTOR HOWARD: Thank you. QUESTIONS BY SENIOR STAFF COUNSEL MAHANEY 22 23 FOR STATE WATER RESOURCES CONTROL BOARD STAFF 24 SENIOR STAFF COUNSEL MAHANEY: Maybe we can 25 ask the same question -- I think you answered it

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1 previously -- related to longfin smelt? During

2 February, if it's more significant --

3 DR. CHOTKOWSKI: Outflow is more of an issue 4 for longfin. I don't think it's outflow per se but --5 I'm sorry.

6 SENIOR STAFF COUNSEL MAHANEY: During February7 specifically?

8 DR. CHOTKOWSKI: Well, they're fairly similar to Delta smelt as far as their life history goes, so 9 it's -- what I was about to say is it's more of an 10 11 issue for them I think largely because the outflow is a 12 surrogate for the amount of the sort of shallow 13 seasonally flooded habitat that they use to spawn. 14 So they actually have a somewhat different 15 spawning life history than Delta smelt do. QUESTIONS BY CO-HEARING OFFICER HOPPIN 16 17 FOR STATE WATER RESOURCES CONTROL BOARD CO-HEARING OFFICER HOPPIN: Michael, so I 18 don't butcher your last name, I'm just going to call 19 20 you Michael as well. 21 When you were being asked by I believe

22 Mr. Jackson about the possible effects of reducing 23 Delta outflow, you talked about the in-migration of 24 salmon. You also talked about possible delays in the 25 out-migration of steelhead and salmon smolts.

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1 Would the damage to these out-migrating fish 2 be from disease, exposure to water, or potentially from 3 predation? 4 DR. CHOTKOWSKI: As far as I know it's -- the 5 largest evidence is for predation or entrainment if б they're delayed. 7 I'm not sure I can fully answer that question because of the lack of expertise in this area. There 8 9 might be other issues. But it would be those mainly, I 10 think. CO-HEARING OFFICER HOPPIN: So you were 11 basically giving someone else's opinion on that 12 13 particular --14 DR. CHOTKOWSKI: My staff's. CO-HEARING OFFICER HOPPIN: I see. 15 CO-HEARING OFFICER BAGGETT: Any other 16 questions? No redirect. Exhibits? 17 18 MS. AUFDEMBERGE: We move DOI Exhibits 2 through 6 be moved into evidence. 19 CO-HEARING OFFICER BAGGETT: Any objections? 20 21 If not, they're admitted. 22 (Whereupon Exhibits DOI 2-6 were 23 accepted in evidence.) CO-HEARING OFFICER BAGGETT: You're finished. 24 25 Thank you. Mr. Nomellini.

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MR. NOMELLINI: I'd like to move at this time 1 2 for dismissal of the Petition For Temporary Urgency 3 Change in its entirety. 4 I base that on the fact that no evidence has 5 been produced by DWR or US Bureau of Reclamation to б show an urgent need to make the proposed modifications. 7 I think the issue is after-the-fact 8 consideration of what took place prior to this hearing, and I think that's really a matter of whether or not 9 there is a violation and how it should be punished, not 10 11 a question of a temporary urgency change. 12 I don't see any basis for an urgent decision 13 by this Board or change with regard to what happened in 14 the past, and I question whether or not it is even an 15 appropriate process to address the past violation or 16 past action. CO-HEARING OFFICER BAGGETT: I think there is 17 a line behind you who would like to comment on the 18 19 motion. 20 MR. JACKSON: I'll be very short. I'd like to 21 join in the motion on behalf of CSPA. There has been 22 no evidence of urgency presented at this hearing. 23 CO-HEARING OFFICER BAGGETT: Okay. Bureau of 24 Reclamation? MS. AUFDEMBERGE: This is Amy Aufdemberge from 25

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1 Bureau of Reclamations.

2	We know of no other procedure in which
3	Reclamation or DWR can seek modification of an
4	objective from of D-1641 other than a temporary
5	urgency change for 30 days.
6	We are still in need of the requested
7	modification for the month of February, and we are
8	still within the month of February '09. We are still
9	within the window of the requested order.
10	The relief requested in the petition actually
11	contemplates that there would be an off-ramp condition
12	if conditions change for February, so we are still
13	within the confines of the relief we requested in our
14	order irrespective of the fact that we believe today
15	that we can potentially meet Chipps Island for the rest
16	of the month.
17	We are hard-pressed to see the way that we are
18	not entitled to the relief we have requested a week ago
19	for the month of February.
20	Thank you.
21	MS. CROTHERS: This is Cathy Crothers for the
22	Department of Water Resources, and I would like to
23	object to the motion to dismiss on the grounds that we
24	are following a process that's put out through the
25	Board procedures.

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1 This was a temporary urgency change request 2 that we made as soon as we were aware of the 3 difficulties in the outflow requirements, the number of 4 days at Chipps Island. 5 That -- like John Leahigh explained, that б requirement is triggered by data that's collected at 7 the end of January. There was no basis for us to know 8 that we were going to be stuck in this concern of 9 outflow today versus cold water habitat later in the 10 year. 11 So we had a choice to make between the two 12 species, so we submitted that in our petition as the 13 basis for an urgent need. It was submitted as soon as 14 we became aware of the conflict we had to choose 15 between, and we also submitted a letter to the Board --I believe it was February 5th; it might have been the 16 17 4th, but say it was the 5th. 18 We had the state furlough day the next day. We met with fish agencies Monday to try to get 19 it established in the petition on how we were 20 21 proceeding. We sent the letter in advance of the petition 22 23 because there is some procedural things you have to 24 submit in your petition, and we hadn't time to get all 25 those procedural -- that information needed to make any

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1 action on the petition any more timely than we could 2 have met. And that was -- by the time we got the actual petition, it was February 10th. 3 4 But we did submit the petition -- we did 5 notify the Board as soon as we could have, which was б February 4th or 5th which I think you guys have the 7 letter in your records. 8 Based on the timeliness of our urgent petition and the information we put in there, it was the 9 information we had the soonest we could have gotten it 10 11 together based on the way that the mechanism works for 12 this particular D-1641 requirement, we feel there is 13 enough information for the Board to make a decision on 14 our petition, that it's a relevant petition, the process is being followed. 15 16 And the concerns people have here about, oh, 17 well, it's rained: We could not have known that at the 18 time we prepared this. 19 I think all that information shouldn't be part of the consideration of whether this urgent need met 20 21 the public interest requirement, it met the requirement

22 that there's no harm to other water users, and there's 23 no significant impact to the fishery.

We've met those three requirements, and that should be the focus of the Board's decision, not what

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1 all of a sudden happened that was not what we knew of 2 at the time we submitted the petition. 3 So I would request that the motion to dismiss 4 be denied. Thank you. 5 CO-HEARING OFFICER BAGGETT: I want to hear б from everybody before we --7 MR. RUBIN: I too oppose the motion that's 8 been made, assuming that you could grant it, but. 9 CO-HEARING OFFICER BAGGETT: There's a 10 question. MR. RUBIN: I think what the Board needs to 11 be -- or excuse me, what the Hearing Officers need to 12 13 be doing is looking to the circumstances at the time 14 the petition was filed. 15 Clearly at that time, there was an urgency. And I think if you don't, there's a significant penalty 16 17 that's imposed on the Bureau of Reclamation and 18 Department of Water Resources. 19 And the irony of the penalty would be the 20 process that the Board or the Hearing Officers has gone 21 through is to accommodate complaints that were raised 22 by at least some of the interests and possibly the 23 interests that have moved for dismissal. 24 It's been a long day, and maybe my 25 recollection is foggy today, but I recall earlier today

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at the Board meeting John Herrick raising complaints
 about a petition that was granted last year and his
 complaint in part was not having an opportunity for a
 hearing.

5 And so now you have before you an interest 6 from -- and I'm not sure who Mr. Nomellini was 7 representing when he made the motion saying it's moot. 8 MR. NOMELLINI: I represented all three 9 parties. 10 MR. RUBIN: So he represents one of the

11 parties that was complaining this morning. He's 12 claiming that it's moot now because you have

13 accommodated his client's concerns.

And that just seems incredibly inequitable to put that burden back on the Central Valley Project and the State Water Project.

MR. WAGNER: Keith Wagner on behalf of ButteEnvironmental Council.

19 The burden is on the petitioners to prove all 20 elements of their petition. One of those elements is 21 that they must provide competent evidence that there is 22 urgency.

23 While the attorneys here seem to be quite 24 convinced there is urgency, the witnesses that they 25 have produced have testified that there is none.

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1 At this point, what we are left with is a 2 purely past violation, something that this Board really 3 should not engage in; and I question whether you have 4 the jurisdiction to engage in permitting, directly 5 objecting to a permit that would only apply to wholly б past activity. 7 Another reason that this motion should be 8 granted is because it will inform the Department -- or

9 the Bureau of Reclamation and Department of Water 10 Resources that the time to apply for permits to deviate 11 from their existing permit conditions is before they 12 engage in those violations, not after.

13 I don't want to be here next month for the 14 application urgency application for March.

15 I don't want to be here in the middle of April16 for the urgency application for April.

17 I don't want to be here in the middle of May18 for the urgency application in May.

19 If they think that there are problems in the 20 future, now is the time for them to figure out and get 21 their house of cards in order.

But this application is limited to the month of February and the month of February only, and they have testified under oath there is no urgency. They do not meet the requirements of Section 1435.

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MR. HERRICK: John Herrick, South Delta Water
 Agency.

3 I agree with the previous speaker. If there 4 were an urgency when this was filed, the fact that it 5 no longer exists ends the matter. You can't come б before the Board and say would you please give me a 7 blessing for a past violation. That's not a procedure. 8 There is no basis to proceed. There is no urgency because, as the last speaker just said, the 9 witnesses all said the urgency is gone. There is no 10 11 reason to proceed.

12 And just in brief, the idea that my complaint 13 that I didn't get a hearing on something else forces us 14 to rule on something that's moot now is nonsensical.

15 There is no basis to move forward on this, and 16 I hope that you grant this motion so that we don't have 17 to come back tomorrow.

18 MR. SCHULZ: Cliff Schulz for the Kern County19 Water Agency and the State Water Contractors.

I think we're creating the perfect conundrum. On February 2nd or 3rd, whenever the end of January numbers were known, we saw the 970 number of which was a great surprise based on what we normally think would have been a number somewhere in the 750s.



So immediately, the Department and the Bureau

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get together and put together a notice to the Board
 somewhere around the 4th or 5th of February when it was
 dry as a bone still.

An action which is my understanding could have been looked at by a Board Member -- a single Board Member -- and signed on that day. But you decided to give a great deal of due process to everybody involved, and so you set this hearing. And it rained.

9 But what you're left with, if you say -- what the perfect conundrum is is if you say now it's no 10 11 longer an emergency and so you can't issue a 12 modification of the permit, DWR and the Bureau, in 13 spite of the fact they acted as quickly as humanly 14 possible to get the notice before you and let you know 15 what was going on, are left with the potential of an enforcement hearing as the follow-up to this if you 16 17 dismiss.

Doesn't work. It doesn't work.
And I think it's just -- you really do need to
look at this proceeding as of the circumstances when
the petition was filed and you decided to grant this
hearing today. So we would ask that the motion be
dismissed -- I mean the motion to dismiss be dismissed.
Be denied.

25 CO-HEARING OFFICER BAGGETT: One final word.

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MR. NOMELLINI: Does the maker get a rebuttal? 1 2 This is simply a moot issue, not because you 3 granted a hearing but because the intervention of 4 hydrology and weather. 5 It makes the urgency a nullity. It cannot be б demonstrated. There's no dispute on that. The 7 question is whether or not the past conduct is excusable in some respect. 8 9 I would submit that the past conduct includes some exaggeration or misrepresentation with regard to 10 11 the need to relax the standard rather than curtail 12 exports or even apply San Luis Reservoir water to the 13 cause. 14 But that isn't the issue. 15 The issue before you is whether or not to 16 grant a temporary urgency change. And part of that burden is to show the urgency, and there is no longer 17 18 an urgency. There may be a decent plea for leniency with regard to past conduct, but that's not the subject 19 20 of the temporary urgency change. 21 Thank you. CO-HEARING OFFICER BAGGETT: Okay. We'll take 22 23 it under submission for five minutes. 24 (Recess) CO-HEARING OFFICER BAGGETT: Okay. We're 25

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1 ready.

2 While I appreciate the efficiencies parties 3 are trying to provide us with, I think we'll take that 4 motion under submission and complete the hearing and 5 we'll deal with it at the end I think because there 6 remains a number of questions.

7 One, whether Hearing Officers can legally 8 grant such a motion under the rules of the Board. To 9 my knowledge, or to anybody up here's knowledge, it's 10 never been done before. We are on new ground.

As you recall, we have -- as I think some know full well out there, I've got something like 40 or 50 motions under submission in another water right hearing right now. And until the full order's adopted, we can't -- one Board Member cannot deal with those.

16 Two, there was a timely filing, and we did 17 grant this opportunity for parties to weigh in. This 18 is slightly different than other emergency orders, at 19 least I've dealt with in my almost ten years on this 20 Board.

Those other ones are not just on the San Joaquin; there have been others. Have all -- with long histories and with objectives and flow objectives that were real clear, and we had a much longer history and understanding.

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This is -- at least for this Board, this is a 1 2 new issue. X2 has never been dealt with. It is more 3 complex. It's not as clean and as clear as some other 4 issues to deal with on an emergency basis. 5 That's why I think Mr. Hoppin and I decided to б have a proceeding so we could actually make an informed 7 decision and allow parties to present cases and 8 provided that extra measure. 9 So we'll take the motion and give it serious consideration. We'll deal with it in the final order 10 11 which we come up with hopefully in a timely fashion. 12 And we do appreciate the concerns parties have raised 13 and have heard them. 14 So with that, we will continue. I think we'll continue definitely tomorrow from 8:00 until noon and 15 be done by noon. Tonight, I think we have an 16 17 opportunity --MR. RUBIN: In terms of the schedule tomorrow, 18 I believe that the Board staff scheduled a workshop. 19 20 CO-HEARING OFFICER BAGGETT: There's another 21 workshop. We'll talk about that in a minute. 22 For tonight's purposes, we still have another 23 half hour, an hour. Are there any parties that have 24 cases-in-chief that would be a hardship to come back 25 tomorrow?

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1 I mean we've got two, four, six more parties 2 that want to do a case-in-chief. Anybody have a 3 hardship to bring their witness back tomorrow or come 4 back tomorrow? 5 MR. HERRICK: John Herrick, South Delta Water б Agency. Our witness does have a conflict tomorrow. We 7 talked about --8 CO-HEARING OFFICER BAGGETT: We could -- I assume that some of these cases will be much shorter, 9 given they're going to make an argument that's moot 10 11 anyway which we've heard. MR. HERRICK: Without offering to stay too, 12 13 too late, South Delta Water Agency, Central Delta, and 14 the County would like to get their witness out of the way. Or, in the alternative, tomorrow we were thinking 15 about withdrawing the testimony but asking for judicial 16 17 notice of the websites at cdec and other places, just 18 information, given the cross-examination today. Just to have some information put in through judicial 19 notice, not through a witness. 20 21 CO-HEARING OFFICER BAGGETT: Are all parties aware of that? 22 23 MR. HERRICK: I only talked about it with one 24 other party. CO-HEARING OFFICER BAGGETT: If parties 25

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stipulate to that, that's fine with us. But I think
 we'd want stipulation.

MR. RUBIN: Mr. Herrick raised that to me 3 4 during the break. I won't have an objection except 5 potentially on relevance grounds. I haven't had time, б frankly, to go through the information in detail. 7 CO-HEARING OFFICER BAGGETT: Okay. 8 MR. RUBIN: But official notice is I think an appropriate vehicle for information that is easily 9 verified. And information on the DWR's website I think 10 11 falls within that category, at least in my mind. But the real question is whether all of the 12 13 information that's attached to the testimony is 14 relevant. CO-HEARING OFFICER BAGGETT: Well, that makes 15 16 it a problem then. MR. SCHULZ: Well, I actually -- all of my 17 questions on cross-examination dealt with the text 18 19 around the numbers. The cdec data is what it is. I think quite frankly you can take official notice of 20 21 what's in cdec, and I didn't have any issue with that

22 aspect of it.

23 So to the extent there, just want to put in 24 the cdec data and make a policy statement or something 25 of that nature, I would be willing to waive cross.

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CO-HEARING OFFICER BAGGETT: Is that what you 1 2 are proposing Mr. Herrick? 3 MR. HERRICK: Maybe I've just confused this. 4 John Herrick again. 5 If you don't want to put a witness on tonight, б which we would do right now, then tomorrow we would 7 submit a request for judicial notice of certain sites instead. 8 9 CO-HEARING OFFICER BAGGETT: Okay. Got it. I think we'll probably put them on, but let me hear from 10 11 Environmental Defense first. 12 MR. ROSEKRANS: Spreck Rosekrans for 13 Environmental Defense Fund. We have a very short case; 14 it would be really great if it could happen tonight. But if not, we'll come back tomorrow. 15 CO-HEARING OFFICER BAGGETT: Okay. I think 16 17 we've got Environmental --MS. CROTHERS: This is Cathy Crothers for 18 Department of Water Resources. 19 20 I don't have my expert here to give me as much 21 advice on the cdec data. I know it's posted. Just 22 have some concerns that sometimes cdec does have a 23 little aberrations in them. CO-HEARING OFFICER BAGGETT: Let's proceed. 24 25 Let's just see how quickly -- see if we can -- I've

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1 been assured it's a very short case-in-chief, and then 2 it's up to the cross-examination parties whether they 3 want to drag this thing on for hours. 4 MS. AUFDEMBERGE: I just have a question for 5 clarification. You said tomorrow we would go from 8 to б noon. 7 CO-HEARING OFFICER BAGGETT: And we'll be 8 done. 9 MS. AUFDEMBERGE: No longer than noon? CO-HEARING OFFICER BAGGETT: No. We don't 10 11 have a place. And we don't have a court reporter. 12 Okay. Let's just continue and see if we can get 13 through these three parties that say they want to get 14 their witnesses done today. So Mr. Herrick, do you want to go first? I 15 16 mean, if it's putting in a witness to basically verify 17 some data, put it on and enter it into the record, then 18 this could be quick. 19 MS. GILLICK: And for the record, DeeAnne Gillick representing the County of San Joaquin. 20 21 I did submit a written opening statement which I'll submit. We'll waive talking on behalf of the 22 23 County, and then John's going to present the witness. 24 CO-HEARING OFFICER BAGGETT: Okay. So we'll 25 accept San Joaquin County's opening statement as

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1 written as noted and as part of the official record.

2	MR. RUBIN: I do want to make just a point of
3	clarification in terms of the openings statement that
4	the Board will not consider the opening statement for
5	evidentiary purposes.
6	CO-HEARING OFFICER BAGGETT: Of course.
7	MR. RUBIN: I raise this because I believe the
8	opening statement, at least in written form, did not
9	was not limited to a summary of the testimony that was
10	going to be provided.
11	CO-HEARING OFFICER BAGGETT: That's
12	understood. Opening statements are not evidence and
13	are not accepted as evidence.
14	With that, Mr. Herrick?
15	MR. HERRICK: Mr. Chairman, Board Member.
16	John Herrick for the South Delta Water Agency.
17	The witness today is Mr. Mel Lytle Dr. Mel
18	Lytle, excuse me. I will not waste our time with an
19	opening statement.
20	Our closing statement will certainly cover
21	everything, and the motion certainly brings up other
22	issues that we think are relevant.
23	CO-HEARING OFFICER BAGGETT: All right.
24	
25	

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DR. MEL LYTLE

2	Called by SOUTH DELTA WATER AGENCY
3	DIRECT EXAMINATION BY MR. HERRICK
4	MR. HERRICK: One quick correction or
5	addition: Mr. Lytle's testimony itself is not labeled,
б	but it was supposed to have been labeled 1, and it has
7	attached to it 1-A through G, I believe.
8	DR. LYTLE: That's correct.
9	MR. HERRICK: And Exhibit 2 is Mr. Lytle's
10	statement of qualifications. And so with that, I'll
11	just first ask Dr. Lytle, would you confirm that South
12	Delta, Central Delta, San Joaquin County 1 with
13	attachments is your testimony for here today?
14	DR. LYTLE: That's correct.
15	MR. HERRICK: And Exhibit 2 is a correct copy
16	of your statement of qualifications?
17	DR. LYTLE: That's correct.
18	MR. HERRICK: Mr. Lytle, would you please
19	summarize your testimony as contained in Exhibit No. 1?
20	DR. LYTLE: Thank you. I'll try to make this
21	brief as I can.
22	I was asked to by South Delta Water Agency,
23	Central Delta Water Agency, as well as San Joaquin
24	County as the water resource coordinator for San
25	Joaquin County to provide them with some information

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1 preparatory for this hearing.

Essentially, I investigated and what's present
here in this testimony of mine, Exhibits A through G,
information from the State of California's Data
Exchange Center regarding various issues that have been
addressed pretty much already from Mr. Nomellini as
well as Mr. Herrick.

8 I'll just go through, just highlight a couple 9 of things, and then just give a quick summary of some 10 of my thoughts regarding that.

For the cdec, Exhibit 1-A, there has been a lot of discussion about the current reservoir operations and capacities in San Luis Reservoir. Exhibit 1-A is giving the most up to date of that.

Exhibit 1-B, there's been discussion about entrainment of the Delta smelt on the pumps. That one and as well as various State Water Project and Central Valley Water Project operations. That's the summary of that -- of that.

Then as you go on, there's other ones regarding Exhibit 1-C, regarding various hydrologies in the river, in the San Joaquin River, as well and so on. And I won't go into all of -- listing all of them, but they're included as part of my testimony. I do want to address one issue regarding the

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recirculation in the San Joaquin River. There's been a little bit described about that and discussed regarding that, and from what I understand in San Joaquin County that process or that pilot study or project or however you want to define it is something that's gone on I think in 2004, again in 2007, and then again in 2008.

7 I think 2008 was quite a bit longer than the8 other two previous years.

9 From a personal point of view and from San 10 Joaquin County, I have been at the meetings where 11 farmers and folks that are very sensitive to water 12 quality in the south Delta as well as flow in the San 13 Joaquin have greatly appreciated the fact that that 14 recirculation project has gone forward.

If I think it was no small task to move it forward. I know there was a lot of communication from South Delta Water Agency to the State Water Board folks, and I truly appreciate that before the Board as well as through staff at the -- at Interior -- at Reclamation, sorry.

21 So with that, I continue to support the idea 22 that recirculation makes sense. Hopefully it's 23 something that can be moved forward into the future. 24 In fact, if you look at my testimony, we 25 believe that water stored in San Luis this year may be

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used or potentially has a responsibility of being used
 for that, meeting various salinity objectives.

If I can go on a little bit more on that issue, I think that there is also federal direction as far as that goes. I think if we had completed the requirements of HR 2828, that actually outlined a number of issues regarding ways that you can meet some of the standards that we're all discussing today.

9 If we had actually completed the plan back in 10 2004, we may not have been at this circumstance where 11 we're debating about meeting a standard after the fact, 12 so to speak.

13 I think that's a requirement that was given 14 under that HR 2828 to find the plan and the solutions 15 to meet those standards.

16 Unfortunately, we haven't done that yet. And 17 I think we're paying the price now. Even if it's the 18 price of having to sit through a hearing today to 19 listen to this type of thing.

But let me just summarize real quick and thenI'd be happy to answer any questions.

I think with HR 2828, I think that gave a direction to the Reclamation to find the plan. But again, like we talked about, we're faced with this dilemma as we get into a dry year or a series of dry

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years, and it seems like -- in one of my exhibits, I have some of the chronologicalized reconstructed Sacramento-San Joaquin Valley water year hydrologic classification indices for -- to spell that out, it's essentially looking at the dry years over the last number of years, 80 years or so of hydrology, as I think somebody said here earlier.

8 The issue there is it seems like we continue 9 to lack in the planning side. I think there is a lot 10 of investigation early on whether or not the watersheds 11 in northern California would be able to supply the 12 water necessary to meet obligations, not only to the 13 Delta but folks south of the Delta.

14 Unfortunately, it seems like we're lacking in 15 that planning even today and even after only a two-year 16 or so drought.

17 I've done a little bit of investigation
18 regarding previous historic droughts from California,
19 and many of those actually last more than six years.
20 Some last 20 or 50 years. And we're all excited about
21 a drought that may only last two or three.

I think that's a very, very narrow focus and a short sight on our part throughout the water community. Let me summarize by saying this: DWR and the US Bureau of Reclamation appear to have been operating

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1 the Central Valley Project and the State Water Project 2 this water year in a manner which would not result in 3 compliance with their permit obligations for X2 or 4 other standards.

5 Instead, they appear to be operating as if 6 they have some sort of minimum right for the amount of 7 exports and are taking such exports at the detriment of 8 X2. I think that's fairly evident by the hearing and 9 the evidence that's been put forth today.

10 As of February 12 of 2009, the water being 11 exported, and especially the increased exports as of 12 February the 11th of 2009, could have been allowed to 13 contribute to the outflow in X2.

The failure to plan ahead has resulted in a violation of the X2 standard, but at least a portion of these exports are still available to meet X2 through -potentially through San Luis Reservoir, the San Joaquin River Flow standards as well as the southern Delta standards as we face potentially another dry summer.

20 That concludes my testimony. I'd be happy to 21 answer any questions.

22 CO-HEARING OFFICER BAGGETT: Thank you. DWR,
23 questions?
24 MS. CROTHERS: I have just a couple.

25 CO-HEARING OFFICER BAGGETT: Proceed.

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CROSS-EXAMINATION BY MS. CROTHERS 1 FOR DEPARTMENT OF WATER RESOURCES 2 MS. CROTHERS: My name is Cathy Crothers, 3 4 Department of Water Resources. 5 Mr. John? 6 DR. LYTLE: John's over here. I'm Mel. 7 MS. CROTHERS: No. DR. LYTLE: Sorry. 8 9 MS. CROTHERS: I'm sorry. Mr. Lytle. DR. LYTLE: That's correct. 10 MS. CROTHERS: Sorry. 11 You were talking about the recirculation tests 12 13 that were done in the last couple years. DWR 14 cooperated in that. It's actually more of a Bureau of 15 Reclamation test. I would like to know: Do you know what time 16 of year that recirculation test is done? 17 18 DR. LYTLE: For what year? Were you 19 describing 2004, '07, or '08? MS. CROTHERS: Yes. In any of those years, 20 21 when was the recirculation actually done? 22 DR. LYTLE: Well, that's a good question. I 23 don't have the exact months. I think it may be 24 included in my testimony for some of the tests. I 25 think that you can find it there.

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It says in '07, recirculated from August --1 2 for the period of time of August and September. 3 And then from July until September in 2008. 4 But I think it wasn't just those were selected 5 as idealic (sic) months for recirculation. I think it б was a matter of the process by which they were trying 7 to get the study or pilot study in place, took many 8 months to actually get it going. And those were 9 essentially the last months that they had actually putting it into place. 10 11 MS. CROTHERS: So as far as you know, those recirculation studies were done in the late summer 12 13 early fall months; is that correct? 14 DR. LYTLE: For my testimony, that is correct. MS. CROTHERS: Do you know how that type of 15 use of water could benefit the month of February? 16 MR. HERRICK: Objection. We have to deal with 17 rational discussions here. 18 Nobody has suggested that water that was 19 recirculated in August somehow is available in 20 February. That's irrelevant. 21 MS. CROTHERS: Thank you. I just wanted to 22 23 try to figure out the relevancy myself. 24 That's all the questions I have. Thank you. DR. LYTLE: Great. Thanks. 25

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CO-HEARING OFFICER BAGGETT: Thank you. Okay. 1 2 Does the Bureau have any questions? Bureau? Reclamation. No. CSPA, Michael? And the Bay 3 4 Institute. None? While he's coming up, Butte Council, 5 do you have any questions? None. EDF? No questions. б Mr. Brown? No questions. Yes, okay. And Mr. Schulz. 7 Yes, okay. 8 CROSS-EXAMINATION BY MR. JACKSON 9 FOR CALIFORNIA SPORTFISHING PROTECTION ALLIANCE MR. JACKSON: Mr. Lytle, you talked a little 10 11 about the recirculation program. How exactly -- how 12 physically does it get from San Luis back into the San 13 Joaquin River? Does water get from San Luis to the San 14 Joaquin? 15 DR. LYTLE: I think it depended on the actual year that they did the study. But from what I 16 17 understand, it was taken down the Newman Wasteway, from San Luis through the Newman Wasteway into the San 18 Joaquin River. 19 20 MR. JACKSON: So in the event of a violation 21 of 1641, the water stored in San Luis in your opinion, based upon that experience, is still available to deal 22 23 with the standards of 1641 in the Delta? 24 DR. LYTLE: I'm not -- you know, I'm not a 25 professed expert in D-1641 or can make a legal ruling

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regarding that. But I still think that the actual 1 2 ability to move water from San Luis through the Newman 3 Wasteway into the San Joaquin is available. 4 MR. JACKSON: And are there times in which --5 in the past in which the standards, the agricultural б standards in San Joaquin County, have not been met by 7 The Projects? 8 DR. LYTLE: That is correct. 9 MR. JACKSON: Thank you. CO-HEARING OFFICER BAGGETT: Thank you. Okay. 10 Mr. Rubin, then Mr. Schulz. 11 CROSS-EXAMINATION BY MR. RUBIN 12 13 FOR SAN LUIS & DELTA-MENDOTA WATER AUTHORITY and 14 WESTLANDS WATER DISTRICT 15 MR. RUBIN: Good evening Mr. Lytle, is it? DR. LYTLE: Mr. Rubin. 16 MR. RUBIN: How are you. 17 DR. LYTLE: We shouldn't meet like this. 18 19 MR. RUBIN: A few questions for you. Question first on page 4 of your written testimony it's --20 21 DR. LYTLE: Page 4? MR. RUBIN: Yes. The last complete paragraph. 22 23 It begins: It is my understanding. Do you see that 24 paragraph? 25 DR. LYTLE: That's correct.

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MR. RUBIN: It looks about five lines down 1 2 from the beginning of the paragraph, you conclude that: USBR and DWR can use their San Luis 3 4 storage to meet or help attempt to meet 5 the San Joaquin River flow standards. б Do you see that? 7 DR. LYTLE: Yes. It's San Joaquin River; it's 8 not rivee. 9 MR. RUBIN: Yes, I assumed that was a typo. DR. LYTLE: Yes, that's correct. 10 11 MR. RUBIN: What is the basis for your 12 conclusion as stated on page 4 of your written 13 testimony? 14 DR. LYTLE: I believe that it had to deal with the -- let's see -- with -- my introductory sentence in 15 that paragraph says: 16 17 It is my understanding that the DWR and USBR permits for San Luis Reservoir also 18 include obligation of meeting X2 San 19 Joaquin flow standards in the south --20 21 southern Delta standards. MR. SCHULZ: Okay. Did you review the permits 22 23 that the Bureau of Reclamation holds for operation of 24 the Central Valley Project or the permit? 25 DR. LYTLE: Not for this hearing.

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MR. RUBIN: And did you review the permits 1 2 that the Department of Water Resources holds for 3 operation of the State Water Project for your purposes 4 of your testimony? 5 DR. LYTLE: Not for this hearing. б MR. RUBIN: Are you generally familiar with 7 water right permits? 8 DR. LYTLE: It would have to depend on which 9 ones. 10 MR. RUBIN: Generally are you aware that water 11 right permits sometimes contain terms and conditions? DR. LYTLE: Sure. 12 13 MR. RUBIN: Are you aware that permit -- water 14 rights permits contain terms and conditions related to 15 the place of use? DR. LYTLE: Absolutely. Sure. 16 17 MR. RUBIN: Do you know if the Bureau's permits for San Luis Reservoir allow for use of water 18 19 stored in San Luis in the San Joaquin River? DR. LYTLE: I don't know the detail, no. 20 21 MR. RUBIN: And do you know if the permits that the Department of Water Resource holds for 22 23 operation of -- or storage of water in San Luis allow 24 for use of stored water in the San Joaquin River? DR. LYTLE: Well, I would --25

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1 MR. RUBIN: My question was: Do you know if 2 they do? DR. LYTLE: Not specifically, no. 3 MR. RUBIN: Has recirculation ever occurred 4 5 with releases from San Luis Reservoir? б DR. LYTLE: I think so. I think in '04, '07, 7 and '08. 8 MR. RUBIN: Are you sure of that? 9 DR. LYTLE: Not specifically, no. MR. RUBIN: Would you surprised to hear if 10 11 recirculation has never been done with stored water from San Luis Reservoir? 12 DR. LYTLE: Well, it was either stored water 13 14 or water specifically out of the canal. 15 MR. RUBIN: And when you speak of water directly out of the canal, is that water pumped from 16 17 either the Jones pumping plant or the Banks pumping plant into the Delta Mendota Canal or the San -- excuse 18 19 me -- the California Aqueduct? 20 DR. LYTLE: That's what I understand. 21 MR. RUBIN: So does it -- does your answer to my question change now in terms of whether 22 23 recirculation has ever been done using stored water 24 from San Luis Reservoir? DR. LYTLE: Well, I can't -- you know, I can't 25

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specifically say that it has or hasn't come from the 1 2 reservoir itself. MR. RUBIN: Thank you. 3 4 Now, in terms of the recirculation programs, 5 it was your testimony that there was a pilot program in 6 2004? 7 DR. LYTLE: I believe so. 8 MR. RUBIN: And was there a pilot recirculation program in 2007? 9 DR. LYTLE: That's correct. 10 11 MR. RUBIN: And was there a pilot program in 2008? 12 13 DR. LYTLE: That's correct. 14 MR. RUBIN: Do you recall for those pilot programs was the recirculation pilot program done in 15 the same time of the year? 16 DR. LYTLE: For '04, I'm not specifically 17 certain. But in 2007 it was done for two months, 18 19 whereas in 2008, it was done I think for a month 20 longer. 21 MR. RUBIN: In 2007, do you recall which two months the recirculation pilot program was implemented? 22 23 DR. LYTLE: As I stated earlier, I think it 24 was August. I'd have to go back and actually see my 25 testimony again.

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MR. RUBIN: Do you recall in 2007 --2 DR. LYTLE: '07, it was August and September. 3 And '08, it was July, August and September. 4 MR. RUBIN: And do you recall the purpose of 5 the pilot programs in 2007 and 2008? б DR. LYTLE: Purpose. I think primarily it was 7 to increase flow in the river itself. I think also to 8 improve water quality. 9 MR. RUBIN: Are you aware of any water quality objectives related to flow that apply in July, August 10 11 or September? DR. LYTLE: Generally, but I couldn't probably 12 13 pull them out of my -- pull it out of a hat right now. 14 MR. RUBIN: Is it your understanding that recirculation in 2007 and 2008 was -- occurred in order 15 to help achieve a flow objective? 16 17 MR. HERRICK: Let me just object for lack of foundation. There all sorts of things going on in the 18 19 south Delta. 20 CO-HEARING OFFICER BAGGETT: Okay. 21 MR. HERRICK: If the question seeks to know whether or not flow might assist in making the southern 22 23 Delta --24 CO-HEARING OFFICER BAGGETT: Okay. Sustained. 25 MR. HERRICK: -- meet standards.

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1 MR. RUBIN: Let me ask a general question and 2 see if you could expand, just for sake of time. What was the purpose of the 2007 and 2008 recirculation 3 4 programs, in your mind? 5 DR. LYTLE: In my opinion, it was to improve б water quality and flow on the San Joaquin. 7 MR. RUBIN: Was the improvement of flow and 8 water quality to assist in protecting agricultural 9 beneficial uses? 10 DR. LYTLE: Probably amongst others. MR. RUBIN: And what other things do you think 11 recirculation might have been implemented for? 12 13 DR. LYTLE: Could have been agriculture as 14 well as maybe habitat improvements along the river. 15 MR. RUBIN: Is your recollection that recirculation programs in 2007, 2008 were intended to 16 17 improve conditions for fish? 18 DR. LYTLE: You know, I couldn't say specifically. 19 20 MR. RUBIN: Is it your recollection that the 21 2007-2008 pilot programs were intended to improve conditions for agriculture? 22 23 DR. LYTLE: Yeah, I think there was some 24 intention that that was the case. 25 MR. RUBIN: Do you know if the United

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1 States -- excuse me; strike that.

2	Do you know if the National Marine Fisheries
3	Service supports a recirculation program in order to
4	help achieve flow requirements at Vernalis?
5	DR. LYTLE: That I don't know.
6	MR. RUBIN: Do you know if the California
7	Department of Fish and Game supports the use of
8	recirculation in order to meet flow objectives at
9	Vernalis?
10	DR. LYTLE: I don't specifically know.
11	MR. RUBIN: Turning to the paragraph just
12	above the one we were speaking of on page 4 of your
13	written testimony.
14	DR. LYTLE: Okay.
15	MR. RUBIN: You have a statement here that
16	says:
17	It is my understanding that a permittee
18	must comply with his/hers/its permit
19	terms and conditions in order to take
20	the benefits of the permit.
21	Do you see that statement?
22	DR. LYTLE: Yes.
23	MR. RUBIN: What do you mean by benefits?
24	DR. LYTLE: It could be water supply benefits.
25	MR. RUBIN: Is it correct to characterize

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1 benefits to mean the ability to appropriate water under 2 a water right? DR. LYTLE: Yeah. Sure. 3 4 MR. RUBIN: And so is it your testimony today 5 that if a permittee is not complying with a water right б the permittee should not be able to exercise the 7 rights? 8 DR. LYTLE: The water right terms and conditions of the permits? 9 10 MR. RUBIN: Let me rephrase my question if you didn't understand. 11 DR. LYTLE: Okay. 12 13 MR. RUBIN: My question to you today is: Is 14 it your position that if a permittee is not complying with the terms and conditions of his, her, or its 15 permit that the holder of the permit should not be able 16 to exercise rights that are afforded by the permit? 17 18 DR. LYTLE: Generally speaking. 19 MR. RUBIN: And are you testifying today on 20 behalf of the County of San Joaquin? 21 DR. LYTLE: That's correct. MR. RUBIN: Is it -- and is your position 22 23 today the County's position? 24 DR. LYTLE: That's correct. 25 MR. RUBIN: And so the County has a position

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1 that if a person or an entity holds a permit and is 2 violating the permit, it should not exercise any rights 3 accorded to it under the permit? 4 MR. HERRICK: Mr. Chairman, let me just say 5 that this is a fascinating line of inquiry, but I don't б see its relevance to whether or not San Joaquin County 7 thinks that a permittee should or should not receive 8 some part, a few benefits of a permit. 9 CO-HEARING OFFICER BAGGETT: Mr. Rubin? MR. RUBIN: I think the statement's been made, 10 11 and I want to understand the extent of the County's 12 position. 13 MR. HERRICK: To what end? 14 MR. RUBIN: I presented my question. I believe it is relevant. I'm trying to explore the 15 statement that's been made here, and it's been made in 16 17 the context. If my question is not relevant, I don't 18 see how the statement is relevant. CO-HEARING OFFICER BAGGETT: Proceed. Could 19 you --20 21 MR. RUBIN: I would ask the court reporter to read back the question. 22 23 (Record read as follows: 24 Is it your position that if a permittee 25 is not complying with the terms and

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conditions of his, her, or its permit 1 2 that the holder of the permit should not 3 be able the exercise rights that are 4 afforded by the permit?) 5 DR. LYTLE: Generally speaking, that's correct б if you're taking it out that far. 7 MR. RUBIN: Thank you. Now I have a couple of questions, and this is 8 the last line of my questions regarding the first two 9 paragraphs on page 4. 10 11 DR. LYTLE: Okay. MR. RUBIN: Is it -- are you familiar with HR 12 13 2828, Public Law 108-261. 14 DR. LYTLE: I'm familiar with it. 15 MR. RUBIN: And it's your understanding that in HR 2828 Congress mandated Reclamation to implement 16 17 recirculation? DR. LYTLE: Does it actually say mandated? 18 I'm not sure specifically it says mandated. I'd have 19 to look at the actual language of the bill. 20 21 MR. RUBIN: In the first paragraph on page 4, I believe you say: 22 23 Implementing recirculation should not be 24 met with reluctancy by USBR as 25 recirculation was mandated by Congress

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1 in 2004.

2 Do you see that statement? DR. LYTLE: That's what it said. 3 4 MR. RUBIN: Do you still support the statement 5 that you made on page 4? б DR. LYTLE: I would have to clarify the actual 7 word mandate. I'd have to review the language of the bill. 8 9 MR. RUBIN: I do have a copy of HR 2828, if you don't mind. 10 11 DR. LYTLE: Does it say mandate? MR. RUBIN: I'm not sure. I was going to ask 12 13 you to take a look at one of the provisions to see if 14 it was the provision that you were referring to to 15 support your statement. DR. LYTLE: Okay. 16 MR. RUBIN: Mind if I approach. 17 CO-HEARING OFFICER BAGGETT: No, please. 18 19 MR. RUBIN: Let the record reflect that I've provided the witness with a copy of Public Law 108- I 20 21 believe it's 361 which is HR 2828. 22 Is that correct? DR. LYTLE: 361 or 261. 23 24 MR. RUBIN: According to the document that I 25 have, which I believe comes from the official record,

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1 it's 361?

2 DR. LYTLE: Okay. Sorry. 3 MR. RUBIN: I ask that you turn to page 118 Stat. 1687. And that number is reflected on the top 4 5 right-hand corner of the document. 6 DR. LYTLE: Okay. 7 MR. RUBIN: About a quarter of the way down the page, there is a subsection D, Program to Meet 8 9 Standards. Is that the section that you were relying upon to support your statement on page 4 of your 10 11 written testimony? DR. LYTLE: It's probably one of them. I'd 12 13 have to look at it closer. 14 MR. RUBIN: Well, take your time. I think 15 this is an important issue. DR. LYTLE: Okay. 16 17 MR. RUBIN: My question I think that I presented to you is: Is the paragraph that's a third 18 19 of the way down the page on 118 Stat. 1687 under the 20 subsection (d), Program to Meet Standards, is that the 21 section that you relied upon to support your statement on page 4 of your written testimony? 22 23 DR. LYTLE: Yeah. 24 MR. RUBIN: And after reading that section, do 25 you have any clarification for the statement on page 4, PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 the first sentence on page 4, of your written

2 testimony?

DR. LYTLE: It -- from what I see, it does not 3 4 say mandates. But it does say shall to the extent --5 the maximum extent feasible, the measures described in б the clauses, and then it goes on to say recirculation 7 program. 8 MR. RUBIN: And -- I apologize. The maximum extent feasible relates to programs that are defined in 9 the statute, one of which is recirculation? 10 DR. LYTLE: I believe so. 11 MR. RUBIN: And let's take that one step 12 13 further. If you look under subsection (d)(i), it's 14 entitled in general; is that correct? (D) little i; do 15 you see that? DR. LYTLE: Okay. 16 17 MR. RUBIN: It's one paragraph above. I believe it reads: 18 19 Prior to increasing export limits from 20 the Delta for purposes of conveying 21 water to south of Delta, Central Valley Project contractors or increasing 22 23 deliveries through the intertie. 24 Do you see that? DR. LYTLE: Mm-hmm. 25

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MR. RUBIN: After reading that, as well as the 1 2 remainder of that subsection (d)(i), does that provide 3 any additional clarification for your statement on page 4 4 of your written testimony, the first sentence on 5 page 4? 6 DR. LYTLE: Goes on to say: 7 develop, initiate, and implementation of 8 a program to meet all existing water 9 quality standards and objectives for which the Central Valley Project has 10 11 responsibility. MR. RUBIN: And so the clause that I read that 12 13 begins "prior to increasing" provides conditions on the 14 secretary? DR. LYTLE: Mm-hmm. 15 MR. RUBIN: Is that correct? 16 DR. LYTLE: That's correct. 17 MR. RUBIN: And the sentence that you -- the 18 clause that you read -- excuse me. 19 20 The clause that you read dealing with a 21 program to meet all existing water quality objectives: Is that the program that's referred in subsection 22 23 (d)(ii) that says in developing and implementing the 24 program? 25 DR. LYTLE: I think so.

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1 MR. RUBIN: Okay. Thank you.

2	Now the provision that we've just been
3	speaking of touches on the program to touches on a
4	program to meet all existing water quality standards;
5	is that correct?
6	DR. LYTLE: As defined in that sorry. I
7	thought we'd moved on.
8	MR. RUBIN: I'm not trying to just a segue
9	to the next question.
10	DR. LYTLE: As directed in this bill. I can't
11	say every water quality issue.
12	MR. RUBIN: That's fine.
13	On page 4 of your written testimony, you also
14	talk about an obligation or direction that the
15	Secretary of Interior has to develop and initiate
16	implementation of a program to meet all existing water
17	quality standards and objectives.
18	Do you see that statement in the second
19	paragraph of your written testimony on page 4?
20	DR. LYTLE: Yes.
21	MR. RUBIN: Is it correct to state that the
22	statement that you've made on page 4 in the second
23	paragraph is also supported by the section of HR 2828
24	that occurs on page 118 stat 1687?
25	DR. LYTLE: I believe so.

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MR. RUBIN: Mr. Lytle, just one or two last
 questions.

3 In terms of preparing your testimony, did you consider the water cost of recirculation if it were to 4 5 occur to meet either the salinity standards, the X2 б standards, or the San Joaquin River flow standards? 7 DR. LYTLE: No, it's not included as part of 8 my testimony. 9 MR. RUBIN: And did you consider the power cost to use recirculation to meet either the south 10 11 Delta salinity standards, the X2 standard, or San 12 Joaquin River flow standard? 13 DR. LYTLE: No, it's not part of my testimony. 14 MR. RUBIN: Thank you. I have no further questions. I would ask that 15 the Hearing Officers take official notice of HR 2828. 16 CO-HEARING OFFICER BAGGETT: Any objection? 17 If not, noted. And it would be under Exhibit from --18 do you want to give it a number? 19 MR. RUBIN: We could mark it as SLDMWA Exhibit 20 21 01. CO-HEARING OFFICER BAGGETT: Thank you. Okay. 22 23 (Whereupon Exhibit SLDMWA 1 was marked 24 for identification.) CO-HEARING OFFICER BAGGETT: Mr. Schulz, do 25

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1 you have any questions?

2	MR. RUBIN: Thank you.
3	CO-HEARING OFFICER BAGGETT: A few questions?
4	A question?
5	MR. SCHULZ: As few as possible. I don't know
6	why I brought my umbrella. Just in case it rains.
7	CROSS-EXAMINATION BY MR. SCHULZ
8	FOR KERN COUNTY WATER AGENCY, STATE WATER CONTRACTORS
9	MR. SCHULZ: Dr. Lytle, I notice from your
10	testimony from your Exhibit 2 that apparently your
11	main expertise is in botany and agronomy. Is that
12	correct? Is that what your degrees are in?
13	DR. LYTLE: That's correct. I have a
14	bachelor's and master's degree in agronomy and a PhD in
15	botany.
16	MR. SCHULZ: Okay.
17	DR. LYTLE: And I'm a post-doctoral fellow
18	from University of California, Berkeley.
19	MR. SCHULZ: Do you consider yourself to be an
20	expert in hydrology and modeling?
21	DR. LYTLE: No.
22	MR. SCHULZ: Okay. Thank you. On to the
23	next. Everybody's been asking you about recirculation,
24	and I'm not going to be any different.
25	DR. LYTLE: Oh, great.

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MR. SCHULZ: We in this proceeding are 1 2 concerned with three specific items that the Department 3 and the Bureau have asked for with respect to D-1641: 4 X2 in February, the triggering event between 5 February 1st and 14th of meeting X2 for one day at б Collinsville, and now one that has been withdrawn, that 7 is San Joaquin River flow relaxations. 8 So I want to limit us to those areas. And in making your recirculation argument in your testimony, 9 were you assuming that recirculation would be useful 10 11 for X2? For meeting X2? DR. LYTLE: In February? 12 13 MR. SCHULZ: In February? 14 DR. LYTLE: No. 15 MR. SCHULZ: Okay. So you must have been -did you intend that section then only to be read with 16 17 respect to the withdrawn issue of San Joaquin River 18 Flows? 19 DR. LYTLE: Maybe you can answer the question again. 20 21 MR. HERRICK: Mr. Chair, let me talk to my witness because I think he just misstated his 22 23 testimony. Let me just clarify what. 24 (Discussion off the record) 25 MR. SCHULZ: May the record show that counsel

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1 is telling his client what to say.

2 (Laughter) MR. HERRICK: Yeah, I'm confirming with my 3 4 client what the testimony says. This is all done --5 CO-HEARING OFFICER BAGGETT: That's fine. б Just answer the question. 7 DR. LYTLE: Well, I think the matter of confusion here is: Is a recirculation program that 8 is -- that is functioning in the summer months going to 9 help with X2 in February? And that's where I think the 10 11 confusion was. MR. SCHULZ: So you were not suggesting that 12 13 we should do recirculation in February? 14 DR. LYTLE: All I'm saying is that during the 15 summer months recirculation could potentially have a positive benefit. 16 MR. SCHULZ: On Delta outflow. 17 DR. LYTLE: That's correct. 18 19 MR. SCHULZ: And --DR. LYTLE: And -- and --20 21 MR. SCHULZ: If you recirculate, how do you tell --22 23 DR. LYTLE: Let me keep going a little bit --24 MR. SCHULZ: Okay. DR. LYTLE: -- further in the sense that I 25

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believe that if recirculation was in place in February,
 just because it is a flow of water potentially from San
 Luis Reservoir through the Newman Wasteway out to the
 San Joaquin, it could potentially also have that
 benefit.

6 MR. SCHULZ: So you have a different concept 7 of recirculation, as I understand it, than has ever 8 been tested. So you are suggesting that recirculation 9 ought to occur by diverting water during one season 10 into San Luis Reservoir; and in another season -- you 11 leave it there, you leave it in storage, and then in 12 another season you put it back in.

13 You're not talking about a recirculation of 14 the type that was tested in any of those tests?

MR. HERRICK: Mr. Chairman, I believe that misrepresents the testimony.

17 The testimony is very clear that it said 18 diversions that have occurred this water year are still 19 available and could be potentially put back into the 20 river to meet both river and output.

21 CO-HEARING OFFICER BAGGETT: Can you restate
22 the question? Sustained.

23 MR. SCHULZ: I'd prefer Mr. Herrick not
24 testify. And in fact because what he just said was
25 something I did not ask.

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I thought I tried very hard in the beginning 1 2 of this questioning to say we aren't talking about in 3 this hearing San Joaquin River flows because they've 4 been withdrawn. 5 We're talking about recirculation for X2. б And I'm trying to find out from this witness 7 how he thinks you would do a recirculation program that would benefit X2. So all I'm looking for is an 8 9 explanation how this would work. 10 DR. LYTLE: You're asking me? 11 MR. SCHULZ: I'm asking you. How would you do a recirculation program for X2 purposes? 12 13 DR. LYTLE: Well, I would -- frankly, I think 14 it's probably something that should be developed as 15 part of the overall plan. MR. SCHULZ: How would you do it? 16 DR. LYTLE: How would I do it? 17 MR. SCHULZ: What's your recommendation? 18 You've suggested it's something that should be done. 19 20 What's -- how do you think it should be done? 21 DR. LYTLE: I think there is capability in the facilities as currently developed to allow for water to 22 23 recirculate down the San Joaquin River to provide 24 additional flow. 25 MR. SCHULZ: Why wouldn't you just leave that

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1 in the Delta to go as outflow? Why would you run it 2 down the canal and back down the San Joaquin to benefit 3 X2? 4 DR. LYTLE: I didn't say I'd just run down the 5 canal. б MR. SCHULZ: How do you recirculate? 7 DR. LYTLE: Water could be taken out of 8 storage. 9 MR. SCHULZ: So you are talking about taking water out of the Delta during some period, putting it 10 11 into San Luis, holding it until another time, and then 12 returning it at a later time. Is that what you are 13 talking about? 14 DR. LYTLE: There is a potential there. 15 MR. SCHULZ: So you are not suggesting that as part of this hearing that there should be any 16 17 recirculation in February or March? 18 DR. LYTLE: Am I not saying that? Could it be a contributing factor to benefitting X2 by allowing 19 20 water to go down the San Joaquin? I mean, I am not 21 going to give my opinion on that based on lack of, you know, sufficient planning. 22 23 MR. SCHULZ: Would you --24 DR. LYTLE: I'd love to see the alternatives 25 that show the modeling and the information that would

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1 be available to allow that to happen.

-	be available to allow that to happen.
2	MR. SCHULZ: And would that recirculation
3	increase the negative flows in Old and Middle River
4	that occurred in February and March?
5	DR. LYTLE: It would be interesting to see the
6	modeling.
7	MR. SCHULZ: So the extra pumping out of the
8	Delta for your recirculation program in the times when
9	the Fish and Wildlife Service wants to protect Delta
10	smelt wouldn't impact Delta smelt?
11	DR. LYTLE: Well, we could that would be
12	part of the planning process.
13	MR. SCHULZ: Okay. So you really haven't
14	worked out a way to have this done yet; you just want
15	to see somebody look at it?
16	DR. LYTLE: That's correct.
17	MR. SCHULZ: Okay. Okay.
18	On your you quoted almost verbatim from the
19	last paragraph of your testimony during your summary.
20	And you say and the one that you that I had
21	already underlined that you read it said:
22	Instead, they appear to be operating as
23	if they have a right to a minimum amount
24	of exports and are taking such exports
25	to the detriment of X2.

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Did you hear the testimony of the earlier 1 2 witnesses and the policy statements of the fishery 3 agencies that they did not believe that there was a 4 measurable impact on fishery as a result of this 5 modification in X2? б DR. LYTLE: I did hear that. 7 MR. SCHULZ: Do you have --8 MR. HERRICK: Mr. Chairman, the question is confusing the issue. 9 10 The testimony was about whether it was to the 11 detriment of X2, and Mr. Schulz confused that with whether or not the fishery agencies said it was a 12 13 detriment to fish. 14 MR. SCHULZ: I didn't confuse it at all. I 15 will now -- I was going to ask that next question. CO-HEARING OFFICER BAGGETT: He was laying a 16 17 foundation. MR. SCHULZ: I was laying the foundation for 18 the question of: Do you -- what is the difference 19 20 between a detriment to X2 and a detriment to the 21 fishery benefits of X2 in your opinion? What did you mean by detriments to X2? 22 23 DR. LYTLE: The lack of outfall -- or outflow, 24 sorry. 25 MR. SCHULZ: Okay. And so you weren't

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1 attaching it to any impact on any beneficial use of 2 water? Just -- it was a change in the amount of 3 outflow? 4 DR. LYTLE: That would be it. 5 MR. SCHULZ: Okay. But you were not making б any judgment or you don't claim any expertise with 7 respect to the effects of that reduction? 8 DR. LYTLE: I'm not a fisheries biologist. 9 MR. SCHULZ: Okay. Thank you. And when you say have a right to a minimum 10 11 amount of exports, you've heard earlier testimony today about health and safety needs and things of that 12 13 nature. 14 Were you making a judgment that in your mind 15 that those diversions were not necessary for health and safety purposes or did -- let me stop there. 16 17 DR. LYTLE: Now what's the question again? 18 MR. SCHULZ: In your mind, when you state they appear to be operating as they have a right to a 19 minimum amount of exports, were you making any judgment 20 21 as to whether or not the exports that were made were necessary for health and safety purposes? 22 23 DR. LYTLE: No. 24 MR. SCHULZ: Okay. That's all I have. CO-HEARING OFFICER BAGGETT: Thank you. 25

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1 Stockton East? Gone. With that, is there any

2 redirect?

MR. HERRICK: Sorry, Mr. Chairman. No, I 3 4 don't think so. 5 CO-HEARING OFFICER BAGGETT: Would you like to б introduce exhibits? 7 MR. HERRICK: Yes, I'd like to offer for acceptance into evidence South Delta, Central Delta, 8 9 San Joaquin County Exhibits No. 1 which includes 1-A through I believe F -- I don't think there is -- I mean 10 11 there's a G sorry G, and No. 2. (Whereupon Exhibits SDCDSJC1 and 12 13 SDCDSJC2 were accepted in evidence.) 14 CO-HEARING OFFICER BAGGETT: There's no 15 objection? They're so accepted. Try EDF? Do you want to try to. 16 17 DR. LYTLE: Thank you for your time. CO-HEARING OFFICER BAGGETT: Thank you. 18 19 Is it going to be short? MR. ROSEKRANS: I can't promise what other 20 21 attorneys might --22 CO-HEARING OFFICER BAGGETT: Do you just have 23 an opening statement, or do you have a witness? 24 MR. ROSEKRANS: I am proposing to be both, 25 offer the opening statement and the testimony. Has it PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 been done before?

2 CO-HEARING OFFICER BAGGETT: It's rare, but 3 let's see how it goes. You can summarize your own 4 testimony with -- opening statement, and then you'll 5 summarize your testimony. Okay. Let's go. 6 MR. ROSEKRANS: And it will go quickly and 7 smoothly and noncontroversially. 8 CO-HEARING OFFICER BAGGETT: Very good. Go for it. 9 MR. ROSEKRANS: I'm Spreck Rosekrans from the 10 11 Environmental Defense Fund, and I am both presenting a 12 statement and offering very short testimony. 13 I will note that in dry years all beneficial 14 uses of water in California suffer. We have a Water Quality Control Plan, and the Water Rights Order to 15 enforce that that was signed by the Department of Water 16 17 Resources and the Bureau of Reclamation. That was based on a series of planning studies 18 using historic hydrology; and as the testimony will 19 20 show, that the historic hydrology had many dry periods 21 similar to this, and the models all suggested that the 22 X2 standards could be met as well as other beneficial 23 uses of water.

At this time, we're in a difficult situation. And we are not opposing the petition, but we are asking

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1 the Board to take action to ask the Bureau and the 2 Department to submit plans to submit criteria to assure 3 that this sort of circumstance does not recur. 4 I'd like to move very quickly to testimony. 5 SPRECK ROSEKRANS 6 Called by ENVIRONMENTAL DEFENSE FUND 7 DIRECT EXAMINATION BY MR. ROSEKRANS MR. ROSEKRANS: What I've labelled as EDF-1 is 8 a very short version of my qualifications. I did not 9 get into things like water color that Dr. Lytle had on 10 11 his lengthy resume. 12 And as far as my testimony goes, it's very 13 simple. I did a little bit of research from the cdec 14 database, and Exhibit EDF-3 shows the end of year, and 15 this is end of water year, end of September storages at 16 the principal upstream reservoirs. 17 I added Clair Engle and the Trinity River 18 since that's a major storage reservoir for the Central Valley Project in addition to Shasta, Oroville, and 19 20 Folsom. 21 And as you can see, at the end of 2006, storage was over eight million acre feet, in the upper 22 23 range of what we see in any of the years in the 24 hydrologic record. So storage was in good shape then. 25 Moving on to Exhibit EDF-4, I looked at the

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1 droughts we've had in the hydrologic record over the 2 past 80 years and defined these as being 28 months 3 droughts, beginning of a water year, starting in 4 October, going around two full years, and then the next four months, and found there were six periods dryer 5 б than what we've seen so far this year. And they're on 7 the left-hand side of Exhibit EDF-4 starting with '76, 8 '78 and so on.

9 And then another five 28-month periods that 10 were only slightly wetter. And these have all been 11 through the analysis of the water projects, and so they 12 had been able to say, gee, this could happen again.

So I am sympathetic to the Project operators.
They have a lot of objectives. They have a lot of
constraints. They have a lot of pressures trying to
operate the system.

17 But I think we would all be better served if 18 we weren't back in this room saying why did we agree to a set of rules that we now find we can't abide by? 19 20 So I'm suggesting a role for the State Board 21 to ask, or require, recommend -- I'm sure you have your ways -- asking these water projects, the Department of 22 23 Water Resources and the Bureau of Reclamation, to 24 submit plans that say this is how we're going to 25 address storage to meet cold water requirements as well

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as the X2 that's required as well as the export of 1 2 water and water quality issues. So that's my statement, and my testimony, and 3 4 I'll take any questions. 5 CO-HEARING OFFICER BAGGETT: Any questions б from DWR? The Bureau? 7 MS. CROTHERS: Actually I do have a question. 8 Well, a couple questions. 9 (Laughter) CO-HEARING OFFICER BAGGETT: The lights go out 10 11 in 25 minutes, so. CROSS-EXAMINATION BY MS. CROTHERS 12 13 FOR DEPARTMENT OF WATER RESOURCES 14 MS. CROTHERS: This is Cathy Crothers, 15 Department of Water Resources. Mr. Rosekrans, have you done some modeling, 16 water project modeling, in the past? 17 MR. ROSEKRANS: Yes. 18 19 MS. CROTHERS: So you're fairly familiar with 20 how modeling of water projects is done? 21 MR. ROSEKRANS: Yes. MS. CROTHERS: Would you say that there is at 22 23 times some error in modeling results in relationship 24 to -- if you compare it to actual hydrology? MR. ROSEKRANS: Yes. I'll quote Professor Jay 25 PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

Lund who says that all models are wrong but some are
 useful.

3 MS. CROTHERS: So when you were saying that in 4 the past there was modeling done by the Bureau and DWR 5 to determine whether X2 could be met under dry hydrology, do you know whether those modeling efforts б 7 encompassed the types of year that we're seeing now 8 including the Eight River Index that's resulted in this 9 year's hydrology? 10 MR. ROSEKRANS: The particular issue with the 11 Eight River Index right on the cusp of the February, sort of steep stair-step, I believe is without 12 13 precedent. 14 There were -- there have been other occasions, 15 if you look at the history of the first DWR sim modeling runs, now CALSIM, where they show significant 16 17 releases from storage to meet X2 requirements. 18 In many years, there are no such releases; and in many years, there are significant releases. 19 20 I would say that it's possible that The 21 Projects could, perhaps should, have left more water in storage after water years 2007, 2008 and found that 22 23 they could have then made those releases while 24 retaining cold water in storage. 25 MS. CROTHERS: Mr. Rosekrans, would you say

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1 that is more of an approach of hindsight versus --

2 well, an approach of hindsight at this point?

3 MR. ROSEKRANS: I'd say it's both hindsight4 and foresight.

5 Nobody asked me a year ago or last summer 6 perhaps what The Projects should have been doing. But 7 if you look at -- and in EDF Exhibit 3, you see that 8 storage dropped as precipitously as almost any year 9 except for 1976-1977.

10 There were the driest years on record, much 11 drier than these last two years, and much of that water 12 was moved south, some of which for consumptive use, 13 some of which perhaps to the groundwater banks and 14 storage and south of Delta.

But I don't think it's entirely hindsight.
MS. CROTHERS: Do you also agree that at this
time that The Projects are operating under quite
different operation constraints for ESA species than
they were ten years ago?
MR. ROSEKRANS: Yes.
MS. CROTHERS: Thank you.

22 CO-HEARING OFFICER BAGGETT: Okay. The Delta?

23 MR. NOMELLINI: I think we're covered.

24 CO-HEARING OFFICER BAGGETT: Okay.

25 CSPA. Mr. Jackson?

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1 MR. JACKSON: No.

2	CO-HEARING OFFICER BAGGETT: Okay. The
3	Institute? Does any other party have any
4	cross-examination? Going once. Butte? No. Last
5	shot. Mr. Schulz, you're the last one. Stockton East?
6	Nope? Okay.
7	CROSS-EXAMINATION BY MR. SCHULZ
8	FOR KERN COUNTY WATER AGENCY, STATE WATER CONTRACTORS
9	MR. SCHULZ: I'd like to just very quickly,
10	2008: Are you aware of what the allocations to the
11	federal and state contractors were last year?
12	MR. ROSEKRANS: Oh, I think they were on
13	overhead earlier. I don't recall.
14	MR. SCHULZ: Okay. Would it surprise you to
15	know that the federal was 40 percent and the state 35
16	percent?
17	MR. ROSEKRANS: That sounds roughly correct.
18	And I always like to remind people when they say the
19	federal allocation is 40 percent, that would be to the
20	ag service contractors. I believe full deliveries were
21	made to the exchange contractors.
22	MR. SCHULZ: Right. And that was required
23	under the contracts because of the Shasta inflow rate,
24	correct?
25	MR. ROSEKRANS: Yeah. Sure.

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MR. SCHULZ: Okay. Do you know whether any 1 2 stored water releases were made to deliver water to contractors in 2008? 3 4 And I -- contrasting that to making releases 5 for navigation for cold water maintenance, do you know б whether or not any specific releases were made for 7 deliveries to these federal and state contractor -federal contractors? 8 9 MR. ROSEKRANS: I would be surprised if that were not the case. 10 11 MR. SCHULZ: Okay. So I just was trying to find out how they would have held more carryover 12 13 storage than they did? 14 You suggested that they maybe should have left 15 some more water in storage last year, and I was trying to figure out under the circumstances that they faced 16 17 last year, how that would occur. 18 MR. ROSEKRANS: I believe -- I mean you're assuming facts not in evidence. I have not seen 19 20 evidence that says there were no releases from storage 21 for water deliveries last year. 22 MR. SCHULZ: Okay. That's all. 23 CO-HEARING OFFICER BAGGETT: Thank you. You'd 24 like to -- assume there's any redirect? 25 (Laughter)

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CO-HEARING OFFICER BAGGETT: If not, would you 1 2 like to submit your exhibit into the record? MR. ROSEKRANS: I would like to submit these 3 4 exhibits into evidence. 5 CO-HEARING OFFICER BAGGETT: Okay. We've got б the numbers? EDF-1, 2, 3, and 4. Any objection? If 7 not so admitted. (Whereupon Exhibits EDF 1-4 were 8 accepted in evidence.) 9 CO-HEARING OFFICER BAGGETT: I think let's 10 just call it here, call it a night. And the plan is we 11 have the Sierra Hearing Room at 8:00. We'll be out of 12 13 there by noon. What I will propose --14 (Interruption) CO-HEARING OFFICER BAGGETT: Okay. Do you 15 want to try? I'm willing to stay if the other parties 16 17 are. Okay, let's do that one. 18 And while you're coming up, the rules for 19 tomorrow: We'll start at 8:00. Any party that wishes 20 21 has until noon to either make -- I will allow five-minute closings, or you could submit it, and you 22 23 can submit or in lieu you can submit a written closing 24 statement or brief if you want by noon tomorrow if you 25 don't want to come back.

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1 Send a written statement, or you can come back 2 and read a written statement. You can give us a 3 written statement. 4 But I will allow you to make it a brief if you 5 want to -- I know it's short timing, but this is like a б TRO, so. If you want to make a brief, make some legal 7 arguments, go for it. You've got until noon tomorrow 8 though; that's the only problem. 9 With that, let's go. Butte Environmental Council, you're on. 10 11 MR. WAGNER: My name is Keith Wagner. I am an 12 attorney that represents Butte Environmental Council; I 13 am also a member. I am here to actually present 14 testimony more on the issues not of the substance of 15 the water transfer but on the issue of CEQA compliance and on the adequacy of the application. 16 17 So there was some concern that simply 18 submitting a policy statement would not be sufficient in order to participate in the proceeding sufficient to 19 20 exhaust remedies. 21 And so what I would like to do is just run through a handful of issues here. This would 22 23 effectively serve as testimony or as an opening 24 statement, depending on the Board's pleasure. 25 CO-HEARING OFFICER BAGGETT: Basically a legal

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1 argument though.

2 MR. RUBIN: That's what I was going to raise. 3 I don't believe the Board's precedent is to allow for 4 testimony on legal issues. 5 CO-HEARING OFFICER BAGGETT: No. б MR. RUBIN: Maybe given the time, it's 7 appropriate for some sort of written submittal. 8 CO-HEARING OFFICER BAGGETT: I would -- I think that would be -- if it's -- if you could do a 9 written -- I mentioned: We'll allow five-minute 10 11 closing oral arguments tomorrow. If you want to submit a written brief -- it's 12 a short time period, I understand. But it sounds like 13 14 you've already got your arguments laid out. 15 MR. WAGNER: We've already laid out our 16 argument. CO-HEARING OFFICER BAGGETT: If you want to 17 submit them in writing as a closing brief, they're 18 legal arguments. I think that's appropriate. And then 19 20 we can address them. 21 MR. WAGNER: Okay. But in that case, I would just want to clarify that we are here to participate as 22 23 parties and as fully involved members of the public, 24 that we have attempted to -- all due effort to exhaust our remedies that are laid out within our statement. 25

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2 not appropriate for this, and the application is inadequate. 3 4 CO-HEARING OFFICER BAGGETT: And that --5 those, as you know, are legal arguments. And if you -б I would -- I think it would be appropriate, and it 7 would be appreciated if you would next -- in your sleep 8 or it sounds like you've got the outline written. 9 The outline's good enough. Send it as a closing brief, and it's a written legal argument, and 10 11 that's an appropriate place for that argument, and we 12 will address it. Very good. 13 So there is no evidence submitted, it's a

The use of the negative dec -- or a CEQA exemption is

14 legal argument and a closing brief.

So 8 o'clock tomorrow, we'll begin with CSPA,Bay Institute, and Russ Brown.

And then we'll allow five-minute closing oral
arguments. And if you want to submit written closings
you've got until noon tomorrow to do it.

20 * * * * 21 (Thereupon the WATER RESOURCES CONTROL BOARD hearing recessed at 8:42 p.m.) 22 23 24

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1 CERTIFICATE OF REPORTER

2	I, LINDA KAY RIGEL, a Certified Shorthand
3	Reporter of the State of California, do hereby certify:
4	That I am a disinterested person herein; that
5	the foregoing WATER RESOURCES CONTROL BOARD hearing was
6	reported in shorthand by me, Linda Kay Rigel, a
7	Certified Shorthand Reporter of the State of
8	California, and thereafter transcribed into
9	typewriting.
10	I further certify that I am not of counsel or
11	attorney for any of the parties to said meeting nor in
12	any way interested in the outcome of said meeting.
13	IN WITNESS WHEREOF, I have hereunto set my
14	hand this March 2, 2009.
14 15	hand this March 2, 2009.
	hand this March 2, 2009.
15	hand this March 2, 2009.
15 16	hand this March 2, 2009.
15 16 17	hand this March 2, 2009. LINDA KAY RIGEL, CSR Certified Shorthand Reporter
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