

TESTIMONY OF CHARLES TOENISKOETTER

I, Charles Toeniskoetter, declare:

Introduction

1. I am a board member and an officer of the Lake Alpine Water Company. I have been a board member since 2004 and vice president since approximately 2006. I am also Chairman of the Board of SJW Corp., a New York Stock Exchange Company, which owns the San Jose Water Company, and which is one of the largest investor owned water utilities in California. County and LAWC Exhibit M contains an accurate statement of my qualifications and experience.
2. I am providing this testimony on the issues pertaining to the County of Alpine and Lake Alpine Water Company (the "Applicants") Petition for Partial Assignment of State-Filed Application 5648, Petitions to Change State-Filed Application, and Application 31523 (the "Project"), that will be discussed during the July 14, 2008, State Water Resources Control Board (SWRCB) hearing to consider the Applicants' petitions and application.
3. The petitions before you today are a critical component of the Bear Valley Master Plan and LAWC's water resources plan, which are essential to the long-term viability and economic sustainability of the Bear Valley community.

Bear Valley and Lake Alpine Water Company Background

4. This Project began in 1978 when Alpine County approved an expansion of the Bear Valley Master Plan (BVMP), which included additional residential units, commercial space, ski lifts, recreation facilities, and reserved open space on environmentally sensitive areas.
5. The community of Bear Valley is located off of Highway 4 in Alpine County and was developed on land patented from the United States Forest Service in the early 1960's. The entire community is composed of approximately 870 acres and is within the Stanislaus National Forest at an elevation of approximately 7,000 feet above mean sea level (msl).
6. When Alpine County approved the BVMP, the EIR for the plan adopted as a mitigation measure the requirement that additional water be developed to serve the facilities approved in the BVMP. It was anticipated that complete development under the BVMP would result in an expected increased water demand of 396 af per annum (afa), or 319,500 gpd, plus 40 afa for miscellaneous water uses.

EXHIBIT L

7. Lake Alpine Water Company (LAWC) provides the Bear Valley community with treated water. LAWC supplies water to the community pursuant to Licenses 10840 and 11007.
8. LAWC captures water from two blue-line intermittent streams (tributaries to Bear Creek) flowing into the Bear Lake storage area with a dam, and also taps three springs at a rate of 50 gallons per minute (gpm). The water from the reservoir and springs is delivered to a water treatment plant, located at the base of the dam, where it is then stored in three tanks and then distributed to residences, businesses, and service facilities. The three water-storage tanks have a total storage capacity of 600,000 gallons. The lake, dam, and WTP are located on an approximately 22-acre parcel owned by LAWC. LAWC serves approximately 468 customers. Wastewater/effluent from the Bear Valley community (treated water distribution), Lake Alpine resort area (USFS-SNF), and the Bear Valley Ski area, is channeled to the Bear Valley Water District's wastewater treatment plant.
9. Bear Lake is a 360-af on-stream reservoir constructed in 1965. Although Bear Lake has the storage capacity of 360-af, the water rights held by LAWC only allow for 240 af of storage in Bear Lake with a maximum allowable use of 140 af.
10. Although this amount of water was adequate for past uses, in order to implement the BVMP, LAWC needed to acquire the additional 396 af of water.

Petitions for Partial Assignment, Petitions for Change, Water Right Application

11. After significant discussion and consideration, the LAWC Board filed a petition for partial assignment of SFA 5648 in 1996. The petition sought a portion of the water that had been reserved by SFA 5648 from the North Fork of the Stanislaus River.
12. The 1996 petition was publicly noticed on June 20, 1997. The petition was protested by Oakdale Irrigation District, South San Joaquin Irrigation District, U.S. Bureau of Reclamation, the California Department of Water Resources, Stockton East Water District, and Delta Water Users Association.
13. In 2000, the Division of Water Rights requested additional information on whether the proposed purpose of use, points of diversion and places of use were covered under SFA 5648. In response to this request, the County of Alpine became a co-applicant and the County and LAWC filed amended petitions for partial assignment of SFA 5648 and petitions to change the points of diversion, place of use, and purpose of use in 2003. The Applicants also filed a companion application.
14. The objective of the Project is to provide the adequate water source necessary to support the increased development contemplated and approved in the BVMP. Approval of the water rights petitions and applications will allow LAWC to put

the remainder of water that is stored in Bear Lake to beneficial use (approximately 220 af of storage) and directly divert an additional 175 afa for a proposed total diversion of 395 afa.

15. The petitions and application were publicly noticed on December 10, 2004. The petitions and application were protested by Oakdale Irrigation District, South San Joaquin Irrigation District, U.S. Bureau of Reclamation, Calaveras County Water District, Northern California Power Agency, California Department of Fish and Game, and the Central Sierra Environmental Resources Center.
16. Thus, when combining the total number of protests received against both the 1996 and 2003 petitions and applications, there were protests from ten entities that needed to be addressed.
 - a. Oakdale Irrigation District
 - b. South San Joaquin Irrigation District
 - c. U.S. Bureau of Reclamation
 - d. Calaveras County Water District
 - e. Northern California Power Agency
 - f. California Department of Fish and Game
 - g. Central Sierra Environmental Resources Center
 - h. California Department of Water Resources
 - i. Stockton East Water District
 - j. Delta Water Users Association
17. Since I was aware that the protests raised issues that needed to be addressed, I directed Robert Wagner and Jesse Barton, LAWC's engineer and attorney, respectively, to work with me to undertake all reasonable efforts to resolve the protests in an equitable manner.
18. Over the next three years, Mr. Wagner, Mr. Barton and I met with the protestants several times and participated in an unknown number of conference calls in an effort to address every protestant's concern. Our three years of effort resulted in all ten of the protests that were filed against our petitions and applications being withdrawn, dismissed, or resolved by agreement.

Bear Creek Water Rights Application EIR

19. In addition to working to resolve the protests, we worked with Alpine County for almost a full year to develop the Environmental Impact Report for the Project. Condor Earth Technologies, which has extensive experience in aesthetics, cultural resources, biological resources, land use/planning, population and housing, hydrology, water quality, geology, air quality, recreation, and utilities was hired to draft the EIR. The final EIR is attached as County & LAWC Exhibit C.

Effects of the Project on the Bear Valley Community

20. The Project will create several different types of economic and related benefits for the Bear Valley Community.
21. For example, the Project will result in an economically viable year-round community through the creation of: (a) additional housing (single family and multifamily); (b) a viable retail component to support the housing and recreation services; (c) a viable recreation component of downhill skiing, cross-country skiing, and snowmobiling in the winter; and (d) hiking, biking, fishing and use of the Forest Service lands in the summer.

Water Conservation

22. In order to save water, LAWC has implemented several water conservation measures such as: (a) the installation of a new state-of-the-art water filtration plant, which came online in 2007; (b) the replacement and enlargement of a leaking water tank; (c) the installation of electronic water meters on all service connections, with automatic leak detection; (d) the implementation of Alpine County's water conservation program with low-flow devices (shower heads and toilets). We expect these conservation measures to result in more efficient water use and water savings over time.

Conclusion

23. The public, representatives from every protestant, and the SWRCB have been given every opportunity over the past several years to express their concerns with the petitions and application before you today. The resulting agreements and understandings represent a balanced outcome that reasonably addresses the interests of all stakeholders.
24. The public, representatives from every protestant, and the SWRCB participated in, or were given the opportunity to participate in, the development of the Bear Creek Water Rights Application EIR. The modeling and assumptions that are described in the EIR use the best available information.
25. In sum, the petitions and application before you today represent over 12 years of hard work. The Applicants have taken every effort to address every concern presented by our petitions and we ask that the SWRCB recognize our efforts by granting us our requested petition for partial assignment of State-filed application 5648.



Charles Toeniskoetter