

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

**IN THE MATTER OF LICENSE 2685 (APPLICATION 1224)
OF THE MERCED IRRIGATION DISTRICT**

**PETITION FOR TEMPORARY CHANGE
IN PLACE OF USE AND POINTS OF REDIVERSION INVOLVING
THE TRANSFER OF UP TO 20,000 ACRE-FEET OF WATER**

SOURCE: Merced River

COUNTIES: Mariposa and Merced

BY THE DEPUTY DIRECTOR FOR WATER RIGHTS:

1.0 SUBSTANCE OF PETITION

On May 14, 2018, the Merced Irrigation District (MID or Licensee) filed with the State Water Resources Control Board (State Water Board), Division of Water Rights (Division) a Petition for Temporary Change pursuant to Water Code sections 1725 et al. Pursuant to the petition, MID seeks to transfer up to 20,000 acre-feet (af) of water to Belridge Water Storage District (Belridge or Licensee), a member of the Kern County Water Agency. Temporary changes under Water Code section 1725 may be effective for a period of up to one year.

1.1 Description of the Transfer

MID proposes to transfer up to 20,000 af of stored water under its License 2685 to irrigate land that is currently not included as a place of use under the license. MID is petitioning to increase the place of use covered by License 2685 (Application 1224) to supply previously stored surface water. A portion of the State Water Project (SWP) service area (as shown on Map 1878-2 on file with the Division under Application 5630) would be temporarily added as a place of use of License 2685. In the absence of the transfer, Belridge would acquire other supplemental market water supplies or recover the quantity from banked water accounts in Kern County. The water would be available to Belridge for rediversion at the SWP's Banks Pumping Plant (Banks) and San Luis Reservoir, for use within a portion of the SWP service area.

In the absence of the proposed temporary change, 20,000 af of water would remain in storage within Lake McClure, pursuant to MID's License 2685.

2.0 BACKGROUND

2.1 Substance of MID's License

Original Water Rights under License 2685

License 2685 was issued to MID on August 11, 1944, pursuant to Application 1224. License 2685 allows the direct diversion of 1,500 cubic feet per second (cfs) of water from the Merced River from about March 1 through about October 31 of each year. License 2685 also allows the diversion from the

Merced River to storage of 266,400 af per annum (afa) from about October 1 of each year to about July 1 of the succeeding year.

The point of diversion is at the New Exchequer Dam on Lake McClure. There are also two points of rediversion downstream of New Exchequer Dam – Merced Falls Diversion Dam for the North Side Canal and Crocker-Huffman Diversion Dam for the Main Canal. Water rediverted through the North Side Canal and the Main Canal is used for irrigation and domestic purposes on 164,395 gross acres within the boundaries of MID.

Modified Water Rights under License 2685

Effective February 16, 1995, License 2685 was modified from its original conditions to allow the direct diversion of 5,000 afa of water from the Merced River at a rate not to exceed 7 cfs from November 1 of each year to February 29 of the following year for municipal use in the Mariposa Town Planning Area. Storage under License 2685 was reduced in the amount of water diverted to the Mariposa Town Planning Area, up to 1,667 afa. Combined maximum direct diversion and storage under License 2685 cannot exceed 345,440 afa. The point of diversion for the water delivered to the Mariposa Town Planning Area is located approximately 40 miles upstream of New Exchequer Dam.

License 2685 was further amended effective June 20, 2003 to include an additional point of rediversion and modify the place of use resulting from MID's consolidation with the El Nido Irrigation District. The new point of rediversion downstream of New Exchequer Dam is on Duck Slough. Water rediverted through Duck Slough is used for irrigation purposes on 9,418.6 acres within the boundaries of El Nido Irrigation District.

2.2 Proposed Temporary Changes

The proposed transfer would temporarily add Banks and San Luis Reservoir as points of rediversion under License 2685. Belridge's service area, which is within a portion of the SWP service area (as shown on Map 1878-2 on file with Application 5630) would be temporarily added to the place of use of License 2685.

2.3 Water Available for Transfer

MID proposes to deliver previously stored surface water to Belridge. The quantity of surface water proposed to be delivered by MID to Belridge will be made available by releases of up to 20,000 af from existing reservoir storage. This transfer of previously stored surface water will involve the delivery of water to Belridge and refill of the reservoir, which normally occurs during periods of high runoff. Under the proposed transfer, releases of stored water would be increased compared to conditions in the absence of the proposed temporary transfer.

2.4 Refill Criteria

The transfer consists of water currently stored in Lake McClure. Refill criteria developed in coordination with the Department of Water Resources (DWR) and the U.S. Bureau of Reclamation (Reclamation) are required to ensure that future refill of the reservoir space made available in Lake McClure from this transfer does not adversely impact the SWP or the Central Valley Project (CVP). The refill criteria provide for an accounting of refill of Lake McClure resulting from the proposed transfer. Pursuant to the criteria, any refill occurring during balanced conditions in the Delta is subject to repayment to DWR and Reclamation, according to a schedule agreed to by MID, DWR, and Reclamation.

3.0 PUBLIC NOTICE AND COMMENTS ON THE PROPOSED TEMPORARY CHANGE

On May 24, 2018, public notice of the petition for temporary change was provided by posting on the Division's website, via regular mail, by email to interested parties, and by publication in the Merced Sun-Star. Timely comments regarding the proposed temporary change were submitted by Reclamation, Mr. Michael Gibson, and the Buena Vista Rancheria. These comments and the State Water Board's responses are briefly summarized below.

3.1 Comments of Reclamation

Reclamation states that a refill agreement is necessary for the proposed temporary change to not adversely impact the water rights or operations of the SWP or CVP. Reclamation requests the Petitioner enter into a reservoir refill agreement containing conditions, criteria, and procedures that ensure that SWP or CVP operations and water rights are not adversely impacted by future refill following the release of transfer water. The agreement must protect SWP and CVP water rights and operations from injury regarding Reclamation's ability to meet all applicable water quality standards cited in Permits 16597, 20245, and 16600 (Applications 14858A, 14858B, and 19304, respectively) for New Melones Reservoir pertaining to the San Joaquin River and Sacramento-San Joaquin Delta Estuary. The agreement will also protect Reclamation's water right Permits 11315, 11316, 11967, 11968, 11969, 11971, 11973, 12364, 12721, 12722, 12723, 12727, 12860, and 15149 (Applications 13370, 13371, 5628, 15374, 15375, 16767, 17374, 17376, 5626, 9363, 9364, 9368, 15764, and 21542), and operations for the Jones Pumping Plant.

State Water Board Response:

As stated in Section 2.4 of this Order, refill criteria are needed to ensure that the refill of Lake McClure resulting from the proposed temporary change does not adversely impact operations or water rights of the SWP or CVP. This Order requires MID to comply with the refill criteria.

3.2 Comments of Mr. Michael Gibson

On June 25, 2018, Mr. Gibson, a farmer and water rights holder on the Merced River, objected to the transfer via email and stated that MID should leave the transfer water in storage for times of drought that may occur in the future. He also suggested that the Division increase its standards on water districts such as MID to put more emphasis on water retention than profits from temporary water transfers.

State Water Board Response:

Water transferred to Belridge should be used efficiently and in compliance with its adopted 2015 update to the 2012 Agricultural Water Management Plan. MID has also indicated there is adequate storage in Lake McClure should drought conditions return. Lake McClure is currently at approximately 84 percent capacity (859,526 af as of July 11), which is well above the minimum pool of 115,000 af, and 137 percent of the historical July monthly average storage. Absent the proposed transfer, storage in Lake McClure on October 31 (the end of the irrigation season), is projected to be approximately 550,000 af. Therefore, even with the transfer, as well as the previously approved 20,000 af transfer from MID to Sphere of Influence Lands, et al., storage in Lake McClure at the end of the irrigation season will be maintained at 510,000 af.

3.3 Comments of Buena Vista Rancheria

On June 25, 2018, Ms. Miller of the Buena Vista Rancheria recommended via email that the transfer to Belridge not occur. She expressed concern that pumping at Banks and San Luis Reservoir for delivery to a location south the Delta would deplete surface water needed for groundwater replenishment in the Merced River watershed and San Joaquin River Basin. She suggested that a water source north of the Delta be used for the transfer instead.

State Water Board Response:

The proposed temporary transfer by MID is for water that would have otherwise been stored in Lake McClure. Therefore, groundwater pumping within the Merced River watershed overlying the groundwater basin would not be any different without the transfer. By approving the transfer, additional water will flow down the Merced River thence the San Joaquin River, thence the Delta, thus in part contributing to indirect groundwater recharge within the Merced River and San Joaquin River watersheds. The groundwater basin in Merced County is also required to be managed pursuant to the 2014 Sustainable Groundwater Management Act. MID and its partners have formed the Merced Irrigation-Urban Groundwater Sustainability Agency and are currently developing a Groundwater Sustainability Plan by January 31, 2020, which will identify the methods that will be utilized to reach sustainability in the groundwater basin.

4.0 COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Water Code section 1729 exempts petitions for temporary changes involving a transfer of water from the requirements of the California Environmental Quality Act. The State Water Board will issue a Notice of Exemption for this project.

5.0 CRITERIA FOR APPROVING THE PROPOSED TEMPORARY CHANGES

Pursuant to Water Code section 1725, “a permittee or licensee may temporarily change the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights if the transfer would involve only the amount of water that would have been consumptively used or stored by the permittee or licensee in the absence of the proposed temporary change, would not injure any legal user of the water, and would not unreasonably affect fish, wildlife, or other instream beneficial uses.” (Wat. Code, § 1725.)

The State Water Board shall approve a temporary change involving the transfer of water under Water Code section 1725 et seq., if it determines that a preponderance of the evidence shows both of the following:

- a. The proposed change would not injure any legal user of the water, during any potential hydrologic condition that the State Water Board determines is likely to occur during the proposed change, through significant changes in water quantity, water quality, timing of diversion or use, consumptive use of water or return flows.
- b. The proposed change would not unreasonably affect fish, wildlife, or other instream beneficial uses.

(Wat. Code, § 1727, subd. (b).)

In addition, the proposed change must involve only the amount of water that would have been consumptively used or stored in the absence of the temporary change. (*Id.*, § 1726, subd.(e).)

Temporary changes pursuant to Water Code section 1725 may be effective for a period of up to one year from the date of approval. (Wat. Code, § 1728.) The one-year period does not include any time required for monitoring, reporting, or mitigation before or after the temporary change is carried out.” (*Ibid.*)

The State Water Board also has an independent obligation to consider the effect of the proposed project on public trust resources and to protect those resources where feasible. (*National Audubon Society v. Superior Court* (1983) 33 Cal.3d 419.) The State Water Board considers the evaluation of public trust resources as part of its evaluation of impacts to fish, wildlife, or other instream beneficial uses under Water Code section 1727, subdivision (b)(2).

6.0 REQUIRED FINDINGS OF FACT

6.1 Availability of Water for Transfer

Before approving a temporary change due to a transfer or exchange of water pursuant to Chapter 10.5 of part 2 of Division 2 of the Water Code, the State Water Board must find that the transfer would only involve the amount of water that would have been consumptively used or stored by the permittee or licensee in the absence of the proposed temporary change or conserved pursuant to Section 1011. (Wat. Code, §§ 1725, 1726.) Water Code section 1725 defines “consumptively used” to mean “the amount of water which has been consumed through use by evapotranspiration, has percolated underground, or has been otherwise removed from use in the downstream water supply as a result of direct diversion.” The water proposed for transfer is currently stored in Lake McClure pursuant to the terms of License 2685. The petition states that in the absence of the proposed change, the 20,000 af of water proposed for transfer would remain in storage in Lake McClure. Under License 2685, MID can both directly divert and collect water to storage. MID would not provide water by direct diversion under License 2685 to Belridge.

In light of the above, I find in accordance with Water Code section 1726, subdivision (e) that the proposed transfer involves only an amount of water that would have been stored in the absence of the proposed temporary change.

6.2 No Injury to Other Legal Users of the Water

Before approving a temporary change due to a transfer or exchange of water pursuant to Article 1 of Chapter 10.5 of Part 2 of Division 2 of the Water Code, the State Water Board must find that the transfer would not injure any legal user of the water during any potential hydrologic condition that the Board determines is likely to occur during the proposed change, through significant changes in water quantity, water quality, timing of diversion or use, consumptive use of the water, or reduction in return flows. (Wat. Code §1727, subd. (b)(1).) This Order requires MID to comply with refill criteria to ensure that future refill of the reservoir space made available in Lake McClure from this transfer does not adversely impact the SWP or CVP.

MID has indicated it has sufficient supply to continue the same surface water deliveries to its existing customers with or without the proposed temporary water transfer. In addition, MID is required to release water to meet its other existing downstream commitments and requirements below the inlet to its Main Canal; this approval does not change those obligations. Therefore, there will be no downstream effects on legal users of water during the period of the proposed temporary transfer.

In light of the above, I find in accordance with Water Code section 1727, subdivision (b)(1) that the proposed temporary transfer will not injure any legal user of the water.

6.3 No Unreasonable Effect on Fish, Wildlife, or Other Instream Beneficial Uses

Water Code section 1729 exempts temporary changes involving transfer of water from the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000, et seq.). However, the State Water Board may approve a temporary change due to a transfer of water only if it determines that the proposed temporary change would not unreasonably affect fish, wildlife, or other instream beneficial uses. (Wat. Code, § 1727, subd. (b)(2).)

The overall impact of this transfer will be to temporarily increase flows in a portion of the Merced River. This will correspondingly decrease storage in Lake McClure by the same volume of water. In general, reservoir storage transfers result in an incremental increase in instream flows between MID’s point of diversion and the location where the water is removed from the stream system. The increase in flows is not anticipated to be harmful to instream resources, provided that the transfer water does not cause

instream temperatures to increase to harmful levels and does not result in other impacts such as false fish attraction flows to streams not suited for fish rearing. No information is available that suggests the transfer flows will contribute to false fish attraction flows or significantly change stream temperatures.

The transfer will deplete reservoir storage; thus it is appropriate to consider if the transfer would preclude MID from fully meeting its required instream flows such as the minimum instream flows pursuant to License 2685, the Federal Energy Regulatory Commission (FERC) License (2179-043), and the Davis-Grunsky Contract. MID is required to meet these commitments with or without the transfer.

Lake McClure is currently at 84 percent capacity (859,526 af as of July 11), which is well above the minimum pool of 115,000 af. Absent the proposed transfer, storage in Lake McClure on October 31 (the end of the irrigation season), is projected to be approximately 550,000 af. With this transfer and the other previously approved 20,000 af MID transfer to Sphere of Influence Lands, et al., storage in Lake McClure at the end of the irrigation should be maintained at 510,000 af.

In light of this supplemental information, and in context of the current and recently approved transfers of 20,000 af mentioned above, each consisting of a small portion of the overall current storage in Lake McClure, there appears to be no evidence indicating that minimum pool levels will not be maintained during the period of the transfer.

In light of the above, I find in accordance with Water Code section 1727, subdivision (b)(2) that the proposed transfer will not unreasonably affect fish, wildlife or other instream beneficial uses.

7.0 STATE WATER BOARD'S DELEGATION OF AUTHORITY

On June 5, 2012, the State Water Board adopted Resolution 2012-0029, delegating to the Deputy Director for Water Rights the authority to act on petitions for temporary change if the State Water Board does not hold a hearing. This Order is adopted pursuant to the delegation of authority in Section 4.4.2 of Resolution 2012-0029.

8.0 CONCLUSIONS

The State Water Board has adequate information in its files to make the evaluation required by Water Code section 1727; and therefore, I find as follows:

1. The proposed transfer involves only an amount of water that would have been consumptively used or stored in the absence of the temporary change.
2. The proposed temporary change will not injure any legal user of the water.
3. The proposed temporary change will not unreasonably affect fish, wildlife, or other instream beneficial uses.

ORDER

NOW, THEREFORE, IT IS ORDERED that the petition filed for temporary change in the place of use and points of diversion under License 2685 (Application 1224) of MID for the transfer of 20,000 af of water to Belridge is approved.

All existing terms and conditions of License 2685 remain in effect, except as temporarily amended by the following provisions:

1. The transfer is limited to the period commencing on date of Order issuance and continuing through September 30, 2018.

2. Only water previously stored in Lake McClure may be transferred. Water shall not be provided to Belridge by direct diversion.
3. The place of use under License 2685 is temporarily expanded to include Belridge's service area to the extent it is contained within a portion of the SWP service area, as shown on Map 1878-2 on file with the Division under Application 5630.
4. The following points of rediversion shall be temporarily added to License 2685. The water diverted at these facilities is limited to the quantities made available as transfer water, as specified above:
 - a. Banks Pumping Plant via the Clifton Court Forebay – North 2,126,440 feet and East 6,256,425 feet, California Coordinate System, Zone 3, NAD 83, being within the NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Projected Section 20, T1S, R4E, MDB&M.
 - b. San Luis Reservoir – North 1,845,103 feet, East 6,393,569 feet, California Coordinate System, Zone 3, NAD 83, being within the SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Projected Section 15, T10S, R8E, MDB&M.
5. Rediversion of water at Banks Pumping Plant and San Luis Reservoir is subject to compliance by the operators with the objectives currently required of DWR and Reclamation set forth in Tables 1, 2, and 3 on pages 181-187 of D-1641, or any future State Water Board order or decision implementing Bay-Delta water quality objectives at those points of diversion/rediversion, including compliance with the various plans required under D-1641. Rediversion of water is also subject to compliance by DWR and Reclamation with all applicable Biological Opinions and court orders, and any other conditions imposed by other regulatory agencies applicable to these operations.

Rediversion of water at the Banks Pumping Plant and San Luis Reservoir is also subject to compliance with any State Water Board Orders establishing temporary or interim operating conditions during the transfer period, except if the State Water Board has specifically exempted conveyance of transfer water from the Order.
6. During the period of the transfer, MID shall comply with applicable terms and conditions imposed by other regulatory agencies. This Order shall not be construed as authorizing the violation of any agreement entered into by MID.
7. A refill criteria agreement shall be developed for the water transfer by October 15, 2018, subject to approval by DWR and Reclamation. The refill criteria shall govern the conditions under which refill of the water released pursuant to this Order occurs, including the conditions under which refill impacts may accrue and how MID shall rectify any impacts. At the conclusion of refilling water in Lake McClure for the water released pursuant to this Order, if a refill impact has occurred, MID shall release the amount of water identified in the refill criteria to DWR and Reclamation in a manner and on a schedule agreed to between MID, DWR, and Reclamation. Any release required pursuant to this paragraph shall be conducted in a manner that does not injure any legal user of water and does not unreasonably affect fish, wildlife, or other instream beneficial uses.
8. Within 90 days of completion of the transfer, the Licensee shall provide to the Deputy Director for Water Rights a report describing the transfer authorized by this Order. The report shall include the following information:
 - a. The quantity of water (in af) and identification of the specific place(s) of use and crops irrigated within Belridge's service area pursuant to Condition 2 of this Order, and
 - b. The daily average rate of water that is released from Lake McClure pursuant to this Order.

9. Licensee shall provide a report to the Deputy Director, Division of Water Rights by September 1, 2019 describing its refill of the transferred amount of water pursuant to this Order. For periods of refill or refill impacts, including any releases made by the Licensee to address a refill impact, the report shall include the daily values for these periods. If reservoir refill or releases for refill impacts are not complete by September 1, 2019, subsequent reports shall be submitted by September 1 of each year until completion. This report shall include a discussion of any measures taken to ensure that releases made to satisfy refill criteria pursuant to Condition 7 were conducted in a manner that did not injure any legal user of water and did not unreasonably affect fish, wildlife, or other instream beneficial uses.
10. MID shall comply with the License 2685 instream flow requirements at all times while transferring water pursuant to this Order.
11. Pursuant to Water Code sections 100 and 275 and the common law public trust doctrine, all rights and privileges under this transfer and temporary change Order, including method of diversion, method of use, and quantity of water diverted are subject to the continuing authority of the State Water Board in accordance with law and in the interest of public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water. The continuing authority of the State Water Board also may be exercised by imposing specific requirements over and above those contained in the Order to minimize waste of water and to meet reasonable water requirements without unreasonable draft on the source.
12. This Order does not authorize any act that results in the taking of a threatened or endangered species or any act that is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. sections 1531 to 1544). If a "take" will result from any act authorized under this temporary transfer, the Licensee shall obtain authorization for any incidental take prior to commencing transfer of water. Licensee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the temporary transfer authorized under this Order.
13. The State Water Board reserves jurisdiction to supervise the transfer, exchange and use of water under this Order, and to coordinate or modify terms and conditions, for the protection of vested rights, fish, wildlife, instream beneficial uses, and the public interest as future conditions may warrant.

STATE WATER RESOURCES CONTROL BOARD

ORIGINAL SIGNED BY:

Erik Ekdahl, Deputy Director
Division of Water Rights

Dated: JUL 23 2018