



State Water Resources Control Board



Division of Water Rights

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Alan C. Lloyd, Ph.D.
Agency Secretary

Arnold Schwarzenegger
Governor

JUN 29 2005

In Reply Refer to A030531

Mr. Mark J. Madison
Director of Municipal Utilities
City of Stockton
2500 Navy Drive
Stockton, CA 95206-1191

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Dear Mr. Madison:

REQUEST FOR BIFURCATION OF APPLICATION 30531 – SAN JOAQUIN RIVER IN SAN JOAQUIN COUNTY

On April 18, 1996, the City of Stockton (City) submitted Application 30531 to the State Water Resources Control Board's (State Water Board) Division of Water Rights (Division) for a water right permit to appropriate up to 125,900 acre-feet/year (afa) from the San Joaquin River for municipal and industrial uses. Pursuant to Application 30531, the City is proposing to develop the Delta Water Supply Project (DWSP) as a new supplemental water supply for the City's metropolitan area. Although Application 30531 addresses long-term planning through 2050, the City will use only 33,600 afa in the initial Phase I of the DWSP, which is expected to be in full use by 2015.

On April 29, 2005, the City issued its Draft Program Environmental Impact Report on the Stockton Delta Water Supply Project (DPEIR). In the DPEIR, the City provides only project-level impact and mitigation analysis for the initial 33,600 afa Phase I of the DWSP, and program-level analysis for future expansion phases of the DWSP, up to the 125,900 afa requested under Application 30531.

During a meeting held with City staff on May 20, 2005, Division staff expressed concerns that the State Water Board could not issue a permit on the entire project proposed under A030531, because the City's DPEIR does not evaluate the entire project on a project-level basis. While the City's DPEIR describes and evaluates Phase I on a project-level basis, subsequent phases are evaluated on a programmatic level. Division staff advised the City that project-level CEQA review is required before a water right permit can be issued for the full amount requested under A030531. Consequently, the State Water Board can only use the City's DPEIR to analyze the environmental effects of issuing a water right permit for the initial 33,600 afa applied for under Application 30531 (Phase I). The City will be required to produce additional project-level CEQA documentation before a water right permit is issued for the balance of 92,300 afa applied for under Application 30531.

Division staff also advised the City that three options are available to address the City's current phased approach to project development; 1) the City can conduct project-level analysis for the full 125, 900 afa of water currently applied for under Application 30531, 2) the City can request a

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Mr. Mark J. Madison

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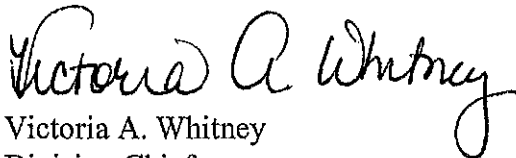
split of Application 30531 into two or more applications covering the anticipated phases of development, or 3) the City can continue forward with A030531 with no further analysis, which will result in a permit being issued only for 33,600 afa (Phase I)...future phases will necessitate additional filings of applications for water right permits.

On June 1, 2005, the Division received the City's request to bifurcate water right Application 30531. In response to the City's request, Application 30531 shall be split into two applications: Application 30531A and Application 30531B. Under Application 30531A the annual amount of water applied for shall be limited to 317 cubic feet per second (cfs), not to exceed 33,600 afa, and all components of Application 30531 related to Points of Diversion, Place of Use and Purpose of Use shall remain unchanged. Under Application 30531B, the annual amount of water applied for shall be limited to 317 cubic feet per second (cfs), not to exceed 92,300 afa, and all components of Application 30531 related to Points of Diversion, Place of Use and Purpose of Use shall remain unchanged.

After final resolution of the remaining protest against Application 30531 and after the City certifies its DPEIR, the Division will initiate final administrative processing of a permit issued pursuant to Application 30531A. Application 30531B will remain unpermitted and subject to applicable annual pending application fees set by the State Water Board. As noted in your request for bifurcation, any future proposed changes to Points of Diversion, Place of Use and Purpose of Use under any permit issued pursuant to Application 30531A and under pending Application A030531B will require additional public noticing in accordance with the provisions of the Water Code.

If you have any questions, please contact Ernest Mona of my staff at (916) 341-5359.

Sincerely,



Victoria A. Whitney
Division Chief

cc: Arthur F. Godwin
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