

**Testimony of United States Bureau of Reclamation  
Before  
State Water Resources Control Board  
At  
Hearing Regarding Consolidation of CVP and SWP Places of Use  
April 27, 2009**

My name is Ronald Milligan. I have been the Central Valley Project (CVP) Operations Manager for the Mid-Pacific Region of the Bureau of Reclamation (Reclamation) since November 2004.

I have a bachelor's degree with honors in civil engineering from California State University, Sacramento, and I direct the functions of Reclamation's Central Valley Operations Office, which includes operations forecasting; water supply allocation; river releases and flood control operations; and control and scheduling of power generation. My office coordinates the real-time system operations of the major CVP facilities. I also co-chair the Water Operations Management Team.

I have worked with Reclamation since November 1999. During this time, I have also served as the Mid-Pacific Region's Deputy Planning Officer, and was active in CALFED implementation and the Region's overall planning program. Before joining Reclamation, I worked for the U.S. Army Corps of Engineers starting in 1984, working as a civil engineer in the Sacramento District. I worked with hydrologic modeling, flood plain management, planning investigations, and reservoir operations within the Central Valley of California during my time at the Corps.

**Need For Consolidation of CVP and SWP Places of Use (CPOU)**

2009 has the potential to be one of the most severe drought years in California's recorded history. California is in its third straight year of below-average rainfall and low snowmelt runoff. Despite recent rainfall, reservoir levels throughout the state are still below average for the 2009/2010 water year. The dry conditions and low storage have resulted in significant reductions in water supplies throughout the state, including annual allocations to Project contractors. The California Data Exchange Center shows the storage levels for the following reservoirs (as of Tuesday, April 21):

<u>Reservoir</u>	<u>Level (TA-F)</u>	<u>Percent of 15 Year Average</u>
Shasta	3,005	77
Trinity	1,243	62
Oroville	2,084	72
Folsom	775	112
New Melones	1,275	86
San Luis	1,016	54

In response to California's third consecutive year of drought, Governor Schwarzenegger proclaimed a state of emergency on February 27, 2009. In the proclamation, the

Governor found that the drought conditions and water delivery limitations identified in the Executive Order and Emergency Proclamation issued by the Governor in 2008 still exist, and have worsened in this third year of drought, creating emergency conditions throughout the State of California. To combat the dire conditions, the Governor ordered immediate action to manage the crisis.

Reclamation believes that this petition furthers the directives of the Emergency Proclamation, Executive Order and the recently created Federal Drought Action Team (FDAT). The requested change is necessary to allow the Projects to help alleviate the impacts of the severe water shortages to users throughout California. Due to the combination of dry conditions and increased regulatory restrictions on the Projects, water transfers and exchanges are more important than ever. The consolidation of the Projects' places of use will provide an important tool that will help the Projects and water suppliers manage the water supplies that are currently available more effectively.

The change will not result in the delivery of more water to any water supplier than would have been delivered historically. Instead, the requested change will provide the Projects with operational flexibility that will allow DWR and USBR to assist in delivering water to areas with critical needs more efficiently. Precipitation in March and April has allowed Reclamation to update the allocation to CVP agricultural water service contractors south of the Delta to 10%; however, this historically low allocation is still limited by extremely dry conditions and regulatory and operational constraints.

As a result of these limited Project supplies, thousands of acres of agricultural land will be fallowed this year and cities across the state have imposed, or will soon impose, water rationing programs. Water transfers and exchanges can provide supplemental supplies to mitigate to some degree the devastating crop losses or risks to human health and safety, as well as the economic impacts caused by the ongoing drought. In sum, the combination of a critically dry year following two dry years, regulatory and operational constraints, and the resulting adverse environmental, economic, and social impacts of the drought (conditions described in the Governor's Emergency Proclamation) has created the need for the requested change.

## **CVP Projects Requiring CPOU**

### **1) Drought Water Bank**

The Drought Water Bank (Bank) will receive water from willing sellers, and distribute this water to parties who have provided funds to the Bank for purchase of this water. It is possible that CVP and/or SWP water may be provided to the Bank – approval of the CPOU petition will allow delivery of water from one Project to be delivered to a buyer in the other Project's place of use.

## **2) CVP-SWP Exchange to Facilitate Conveyance of Water to Santa Clara Valley Water District**

The proposed CPOU will allow Santa Clara Valley Water District (SCVWD) to increase SCVWD operational flexibility by allowing more of its water supplies to be conveyed through the South Bay Aqueduct, to compensate for potentially severe conveyance constraints on the San Felipe Division in 2009. Specifically, SCVWD CVP water would be pumped at Jones and delivered to DWR at O'Neill Forebay, in exchange for an equal amount of SWP project water pumped at Banks and delivered to SCVWD through the South Bay Aqueduct. This will allow SCVWD to avoid impacts to CVP deliveries due to San Luis "low point", and needed repairs to the Pacheco Pumping Plant regulating tank.

## **3) Kern County/Westlands Water District Exchange**

Another proposal requiring a CPOU involves the transfer of up to 13,486 acre-feet of SWP water from the Kern County Water Agency (KCWA) to Westlands Water District (WWD) to allow the return of WWD CVP supplies previously stored in Semitropic Groundwater Storage Bank for use during future drought periods. The proposed transfer will provide some critical relief for WWD but will replace only a small fraction of the reduction in 2009 CVP deliveries. Total deliveries to WWD will remain well below the 2000-2008 average.

## **4) Eastside CVP to Westside CVP Transfers and Exchanges**

The proposed CPOU will allow contractors within the Friant Division of the CVP (Eastside CVP) to transfer Friant Division CVP water supplies to CVP contractors within the San Luis Division, Delta Mendota Canal Division, San Felipe Division and the Mendota Pool Division of the CVP (Westside CVP). The consolidation of the places of use would allow CVP Westside water supplies to be delivered into all of the SWP service area to be exchanged for SWP water supplies that could be delivered to all of the CVP Friant Division service area.

## **5) Multi-Party Exchange**

An exchange program that includes Friant Division contractors' surface water and WWD ground water exchanged for surface water supplies from the SWP will require a CPOU. WWD will convey local ground water into the California Aqueduct for delivery within the SWP place of use to meet a portion of the State contractors' demands. Water from the Friant Division will be conveyed into the Cross Valley Canal and the Arvin Edison Intertie for subsequent delivery to SWP contractors via the California Aqueduct. These activities will occur concurrently to allow for blending with the groundwater pumped in by WWD for improved water quality. In addition, a negotiated amount of 2009 SWP Table "A" water will be stored in San Luis Reservoir in exchange for WWD's ground water and Friant Division surface water conveyed to the SWP contractors. The

Table A water stored in San Luis Reservoir will be for use within the CVP place of use by either the Friant Division or WWD. This exchange would all take place in 2009.

#### **6) Del Puerto WD/Oak Flat WD Transfers and Exchanges**

The Del Puerto Water District takes delivery of CVP water from the Delta-Mendota Canal. The Oak Flat Water District is a SWP contractor taking delivery of SWP water from the California Aqueduct. A CPOU would allow these districts and their common landowners to optimize the management of these limited water resources within and between the two districts.

#### **7) Semitropic WSD Groundwater Banking Project Returns**

Individual water users within WWD, the San Luis Water District (SLWD), and the City of Tracy (Tracy) have previously banked CVP, SWP and non-Project water supplies within purchased storage capacity of the Semitropic Water Storage District's (SWSD) Groundwater Banking Project. Given the shortage of CVP water supplies within WWD and SLWD, these water users would like to take delivery of this previously banked water for use within their CVP districts. A CPOU will make return of this banked water much easier, by facilitating the exchanges necessary to recovery of water banked within SWSD.

#### **8) Future Projects**

DWR and Reclamation anticipate that more projects requiring a CPOU will be developed as the year progresses. These projects will be conducted in accordance with the parameters listed in the petition.

#### **No Injury to Other Legal Users, Water Quality, or to Fish and Wildlife**

The change requested by DWR and Reclamation will not result in unreasonable impacts to fish and wildlife or water quality and will not result in injury to legal users of water for the following reasons:

- 1) This petition will not result in any increase in pumping; rather, it will allow for more efficient use of water already pumped;
- 2) All water exported at the SWP and CVP pumping plants will be pumped consistent with the criteria contained in D-1641, the biological opinions for the protection of Sacramento River spring-run and winter-run chinook salmon, Delta smelt, and steelhead;
- 3) Approval of this petition will not affect the compliance with the water quality objectives specified in D-1641, or any other orders adopted by the State Water Resources Control Board;

- 4) The total quantity of water delivered to SWP or CVP contractors as a result of the change will not exceed 2000-2008 average deliveries to any individual water user;
- 5) The petition will not result in a reduction in San Joaquin River flows or an increase in drainage to the San Joaquin River beyond that typically experienced;
- 6) In addition, approval of this petition will result in reductions in groundwater pumping in the San Joaquin River Basin that would occur absent this petition.

Approval of the CPOU petition will not create a new water right. No person or entity will gain the ability to appropriate water, and no present holder of a water right will be able to appropriate quantities of water over and above the present amount of their existing rights. The season of diversion will not change; the only change will be in the place of use, and that change will expire after two years.

### **Petition For CPOU Is In the Public Interest**

Approval of this petition will allow delivery of water to areas that are currently severely impacted by the ongoing drought. Consolidation of the places of use for the CVP and SWP will allow for the preservation of trees and vines that could otherwise perish due to a lack of water. In addition, delivery of water to more areas may make a positive difference in the severe unemployment situation in the San Joaquin Valley. The projects that are made possible by approval of this petition will make it easier to meet health and human safety standards for providers of Municipal and Industrial water.

### **Conclusion**

The ongoing drought in California requires that all agencies with the responsibility for managing California's water resources take all steps necessary to mitigate the effect of the drought to the maximum extent possible. Approval of the CPOU petition will make it possible for Reclamation to implement the projects listed in the petition (as well as other future projects), which will result in the delivery of water in the most efficient manner, will avoid long-term effects (such as the loss of trees and vines), and will have a positive impact on the economic effects caused by shortages of water. The merging of the CVP and SWP places of use will not create new water rights, will not unreasonably affect water quality, fish and wildlife, and other instream beneficial uses, and is definitely in the public interest. The projects listed in the CPOU petition (along with future projects) are in furtherance of the Governor's order to take immediate action to manage the crisis. For all the above reasons, Reclamation urges that the State Water Resources Control Board approve this petition.

This concludes my written testimony.