



April 27, 2009

State Water Resources Control Board
1001 I Street, 14th Floor
Sacramento, CA 95814

Re: Policy Statement Supporting the Petition Requesting a Change in the Place of Use for Certain Water Rights of the Department of Water Resources and the United States Bureau of Reclamation

Ladies and Gentlemen:

The Friant Water Authority (FWA) and Friant Water Users Authority (FWUA) are in full support of the petition before the State Water Resources Control Board to temporarily consolidate the place of use for certain water rights held by the Department of Water Resources (DWR) and the U. S. Bureau of Reclamation (USBR). The proposed change will allow DWR, USBR and their contractors to more effectively and efficiently utilize the operational flexibility available in the combined SWP, CVP and local water conveyance and delivery systems to manage the limited water supplies available in the current water year. The proposed change is also necessary to accomplish the directives of Governor Schwarzenegger's proclamation of a state of emergency related to California's current severe water shortage. More specifically, approval of the proposed change will allow water service contractors in the Central Valley Project's Friant Division to facilitate water supply enhancement actions that will assist growers on the west side of the San Joaquin Valley who currently have only 10% of their contracted water supplies.

The Friant Water Authority, Friant Water Users Authority and Friant Division

Both of our agencies are joint powers authorities formed under California law. The FWA is composed of 19 member agencies that receive water deliveries from the 152-mile-long Friant-Kern Canal in portions of Kern, Tulare, Kings and Fresno counties. The FWUA includes 20 member agencies (in portions of Madera, Fresno, Kings, Tulare and Kern counties) that contract with the U.S. Bureau of Reclamation for water from the Friant Division of the CVP. In total, there are 28 agencies – districts, cities, communities and counties – with Reclamation contracts for Friant water and eight agencies that contract for a supply of CVP water from the Delta delivered through the Cross Valley Canal in Kern County.

The Friant Division service area includes approximately one million acres of the world's most productive farmland. It ranges along the central and southern San Joaquin Valley's East Side from southern Merced County to the foot of the Tehachapi Mountains in Kern County. The Friant service area annually produces about \$4 billion in gross agricultural production. Friant water supports and sustains a tremendous variety of crops. The majority of the area is dedicated

to permanent plantings of grapes, nuts, tree fruit and citrus. A significant amount of row and field crops is produced within the Friant Division and the region leads the nation in dairy production.

The Friant service area's agricultural variety and productivity are extraordinary in their scope and value. What makes the region even more unique is its ability to achieve this diverse and internationally important production on small family farms that average approximately 100 acres in size. The approximately 15,000 Friant Division farmers, most of whom operate small family ranching operations, are known for their highly efficient use of irrigation water. In addition, the irrigation and water districts that contract with the USBR for Friant and Cross Valley water have developed sophisticated management, conservation and conjunctive use programs to make the best possible use of often limited water supplies.

Friant's Dependence Upon the San Joaquin River Exchange Contractors

Among the Friant Division's unique characteristics is reliance upon historic water rights and a substitute supply of water used for deliveries to the original San Joaquin River water rights holders. The majority of the water rights to the San Joaquin River allowing for the diversion of water at Friant Dam were obtained by the USBR in the 1930s through purchase and exchange agreements with individuals and entities that held those rights at the time the Friant Division was developed. The single largest of these agreements requires annual delivery of 840,000 acre-feet of water to agencies within the central San Joaquin Valley near Mendota (commonly referred to as the Exchange Contractors). Thus, the Friant Division is dependent upon other features of the CVP, including Shasta Dam, San Luis Reservoir, the Tracy Pumping Plant and the Delta-Mendota Canal, to facilitate this required exchange – the same facilities relied upon by the San Luis and Delta Mendota Unit CVP contractors. If for some reason the USBR is unable to meet the demands of the Exchange Contract out of Delta export supplies, the Exchange Contract provides for water to be released from Friant Dam to meet Exchange Contractor demands.

Even though, on an annual water supply basis, the Friant Division is operationally separate from the balance of the CVP, the current Delta pumping restrictions and natural drought conditions at one point this year created a strong likelihood that the USBR would be compelled this year to make a "call" on the historic San Joaquin River water rights with releases from Friant Dam in order to meet water supply obligations to the Exchange Contractors. Such a situation has never occurred since the Friant Division became operational in 1944, but nearly occurred this year. It has only been within the last two weeks that it has become clear to the USBR that water supply conditions and projected exports will be at a sufficient level to avoid using San Joaquin River water to meet the Exchange Contractor needs. Prior to this recent determination regarding Exchange Contractor supplies, Friant and the USBR were exploring methods of avoiding excessive losses in the San Joaquin River by exchanging Friant water with State Water Contractors in a manner similar to the exchange described below.

Justification for Granting of the DWR-USBR Petition

As described in the petition, one of the potential projects requiring a change in the place of use of CVP and SWP water would include transfers or exchanges of Friant Division CVP water to benefit CVP contractors on the west side of the San Joaquin Valley. The water supply available to Friant contractors is currently at 100% of the Class 1 contracted supplies. (Class 1 water is the first 800 TAF of water available to contractors.) While this quantity is approximately 60% of long term average supplies, it provides enough flexibility for some Friant districts to provide assistance to west side CVP contractors. An exchange currently being pursued would involve discharges of Friant supplies into the California Aqueduct as a means of mitigating water quality from discharges of groundwater into the Aqueduct within Westlands Water District (WWD). The Friant CVP water would be physically delivered to various locations within the SWP place of use and SWP water would be left in San Luis Reservoir for later delivery to WWD or return to participating Friant district via exchanges through the Tulare Lake Basin or direct delivery through the Cross Valley Canal and an intertie to the Friant Kern Canal. Water would be returned to the Friant service area either this year or the 2010 water year, depending on the needs of the participating districts.

The net effect of the exchange would be increased water supplies to Westlands growers and a slight augmentation of supplies to SWP and Friant contractors as compensation for facilitating the exchange. The proposed exchange would result in no net loss of water to the Friant service area and would, therefore, have no impact to the environment or other legal users of water. The exchange would provide other benefits including delayed drawdown of San Luis Reservoir and a demonstration of potential means of returning future San Joaquin River Restoration Flows that may be recovered for recirculation back to Friant and a more efficient means of providing Exchange Contractor water supplies from Friant should such a situation occur in the future.

The FWA and FWUA believe the circumstances as described by the DWR and USBR petition, the supporting testimony and this letter sufficiently demonstrated the public benefit of the proposed change as well as the lack of impacts to either the environment or other legal users of water. Our agencies, therefore, respectfully request that the State Water Board approve the subject petition to temporarily consolidate the place of use for certain water rights held by the DWR and the USBR.

Sincerely,



Ronald D. Jacobsma
FWA General Manager
FWUA Consulting General Manager