

October 15, 2012

State Water Resources Control Board
Attn: Jeffrey Parks
P.O. Box 2000
Sacramento, CA 95812
Email: jparks@waterboards.ca.gov

Re: Pinecrest Lake Level Public Workshop

Dear Mr. Parks

The Tuolumne County Business Council would like to thank you and the other Water Board Staff members for conducting the Staff Workshop about potential changes to the Pinecrest Reservoir Lake Level Elevation Conditions in the water quality certification for Pacific Gas and Electric Company's Spring Gap-Stanislaus Hydroelectric Project, Federal Energy Regulatory Commission Project No. 2130 that was held Thursday October 4, 2012 at the Board of Supervisors Chambers in Sonora, CA.

Water availability is a critical component of our Tuolumne County economy as are recreation and tourism. Allowing flexibility for our County and key stakeholders to balance these components at the local level is also critical. In that Tuolumne County does not have any water rights to the over 5,517,000 acre feet of water storage in this area and has to rely on a water contract with PG&E for existing and future water needs exacerbates the details of the 30 year water quality certification for Pacific Gas and Electric Company's Spring Gap-Stanislaus Hydroelectric Project, Federal Energy Regulatory Commission Project No. 2130.

The key component of the certification is how the lake elevation of Pinecrest is managed when spill ceases in wet, dry and critical dry years and the related impacts on a number of factors. These factors would include the recreational enjoyment of Pinecrest and related tourism dollars, stream flows to address environmental issues, power generation and the current and future consumptive needs of Tuolumne County for residential, commercial, industrial, agricultural and other recreational needs. In wet years there does not seem to be much of an issue balancing these issues however, in dry years and in critical dry years there are many issues and impacts.

Based on our review of the information and discussions with Pinecrest businesses, TUD and public comments at the Staff Workshop our Business Council would like your staff to consider the following:

1. The end of spill from Pinecrest (end of spill lake level is at 5617) should be the most critical factor in determining the conditions of water allocation and lake level rather than the type of water year determined based on the flow into Melones Reservoir.
2. We feel the key parties that are impacted by the agreement (State Water Board, PG&E, Pinecrest recreation interests, TUD, County and City officials) could work together to determine and establish criteria for years that are impacted by an early end of spill. Depending on the yearly draw down curve that calculates the timing

of the end of spill and the current consumptive need of the County (which will vary over the 30 year agreement) the criteria could include but not be limited to the following:

- a. A modified two foot draw down of the lake after end of spill,
 - b. Reductions in the minimum cfs flows in the Pinecrest Reach, Philadelphia Ditch and Philadelphia Reach,
 - c. Tiered conservation measures for residential, commercial, industrial, agricultural and other recreational needs,
 - d. Mitigation measures for the beach, dock and buoyed swim area at Pinecrest Lake to reduce tourism impacts in years that early end of spill and consumptive needs with tiered conservation would warrant a lower lake level. This mitigation may require some modification to existing plans and documents in place for the operation of Pinecrest Lake.
3. The yearly lake elevation should not be based on the ability to request the State Water Board consider and possibly grant a PG&E request for a lower lake elevation. The uncertain nature of the request does not provide TUD or our County with adequate assurance of a water source for our yearly projected needs and the ability to service potential projects that are trying to get approvals under CEQA criteria. The projected “years of available supply” and “available supply” for planning approvals are different because one just calculates how long the Pinecrest source of water will last based on growth projections for residential, commercial, industrial, agricultural and other recreational needs and the other calculation has to determine a remaining allocation of water for additional project approvals after determining what available water has been allocated for other future growth. This is an important component and without the availability of TUD to plan for lower lake levels, with defined criteria, opposition groups will argue that adequate water does not exist to approve other proposed uses needed for the economic benefit and quality of life in Tuolumne County (see Attachment A letter below from CSERC that argues this point against approval of a project in Calaveras County).
4. The Water Quality Certification should clarify that PG&E would still have the opportunity to ask for modifications during the term of the Certification if extenuating circumstances warranted it.

These modifications will provide our County the ability to operate in the near term however we also feel it is imperative the TUD, Tuolumne County, the City of Sonora in conjunction with all the stake holders in our County take a more proactive approach to securing more midterm and long term water sources and rights.

Sincerely;

Ronald D Kopf
Executive Director
Tuolumne County Business Council

C. TUD, Tuolumne County, City of Sonora

Attachment A

Portion of April 28, 2011 Central Sierra Environmental Resource Center letter sent to Darcy Goulart, Planner III at the Calaveras County Government Center in objection to Castle and Cooke's Sawmill Lake Re-circulated EIR

HYDROLOGY AND WATER QUALITY

Water Supply

1. While the EIR discussion asserts that CCWD has sufficient water rights to serve the project, there is no discussion of potential impediments to expanding the existing agreement from the State Water Board for further river diversions. While the Water Supply Assessment does acknowledge that there is a degree of uncertainty as to the impacts of state and federal laws on future allocations, there is no discussion of this in the EIR. In reality, CCWD has already promised water for projects beyond the assured capacity of the District. The uncertainty of future water allocations for the Copperopolis area should be evaluated more closely and thoroughly in the EIR, given the current urban and agricultural demands on water throughout the state of California, combined with increasing concerns regarding flows to maintain sensitive fisheries, and a steadily decreasing Sierra Nevada snow pack.
2. The issue of water supply is of critical importance to the entire region and should be closely evaluated under the General Plan Update prior to approval of large scale developments such as this proposed project. The Water Supply Assessment notes that the SWRCB Order 97-05 requires the District to obtain an order from the SWRCB prior to delivering more than 6,000 afa in the Copper Cove service area. During debate over the already approved Oak Canyon Ranch development with its massive water demand, CCWD representatives assured county decision-makers that although they might not have enough water available currently to provide for full build-out of the Oak Canyon Ranch project, they were confident that they could get expanded water rights by showing the demand. Yet as has been proven often in the past, actions and decisions by the State Water Board cannot be consistently predicted when it comes to awarding additional water to a water district. Thus, there is no evidence that CCWD actually can guarantee that water will be available to provide not only for full build-out for all the development that CCWD has already promised to serve, but for the Sawmill Lake project at full build-out as well. Yet CCWD assumes that the SWRCB will grant them additional water supply from the Stanislaus River.

This is not the way that CEQA requires information to be ascertained. It is not sufficient for a water supply district to guess what the State Water Board will do in some still-to-be-determined time period on the matter of water rights for CCWD. Instead, CEQA requires that accurate information relative to environmental issues be provided. In this situation, given that CCWD has already promised to deliver water to an already approved massive Oak Canyon Ranch project as well as a host of other partially build out projects in the Copperopolis area, the EIR should fully acknowledge that CCWD does not at this time have assured capacity to provide all the water needed by Sawmill Lake at full build-out if all other projects move forward as planned. This is a significant impact that should further add to the County delaying any approval for such a big project. The EIR cannot rely upon a Water Supply Assessment that does not spell out fully what CCWD has already promised to supply to all previous developments.