

**SUPPLEMENT TO 2014 PETITION FOR TEMPORARY CHANGE TO CONSOLIDATE THE
SWP AND CVP AUTHORIZED PLACES OF USE**

California Department of Water Resources

Application Number 14443, Permit 16479

U.S. Bureau of Reclamation Permits for the Central Valley Project

Application Numbers: 23, 234, 1465, 5626, 5628, 5638, 9363, 9364, 9366, 9367, 9368, 13370, 13371, 15374, 15375, 15376, 15764, 16767, 16768, 17374, 17376

License Number 1986 and Permit Numbers: 11885, 11886, 12721, 11967, 11887, 12722, 12723, 12725, 12726, 12727, 11315, 11316, 11968, 11969, 11970, 12860, 11971, 11972, 11973, 12364

Requested Change

The Department of Water Resources (DWR) and the United States Bureau of Reclamation (Reclamation) request that the State Water Resources Control Board (SWRCB) modify the permits listed above to temporarily change the authorized place of use of (1) the above Reclamation permits to include the State Water Project (SWP) authorized place of use downstream of Harvey O. Banks Pumping Plant (Banks) as shown on the maps on file with the SWRCB, and (2) the above DWR permit to include the Central Valley Project (CVP) authorized place of use downstream of Jones Pumping Plant (Jones) as shown on the maps on file with the SWRCB and as shown on the attached maps. DWR and Reclamation request that the above changes become effective on May 1, 2014 and remain in effect for one year from the date of any order approving this petition. The changes will allow DWR and Reclamation to more effectively and efficiently utilize the operational flexibility of the combined SWP and CVP facilities and water supply south of Banks and Jones. The operation flexibility will, in turn, help minimize to some extent the severe impacts to water users south of the Delta caused by unavailability of adequate SWP and CVP Project water supplies in 2014. The requested changes will facilitate the delivery of available Project supplies south of the Delta¹ and maximize the beneficial use of available supplies within areas experiencing critical water supply shortages. Approval of the petition will not increase the quantity or alter the timing of diversions from the Delta or San Joaquin River.

¹ Available SWP and CVP supplies include approved 2014 allocations (if any) as well as any project water carried over from prior years.

Reason for the Requested Changes

California is entering its third straight year of below-average rainfall and very low snowmelt runoff. As a result of this continued aridity, reservoir levels throughout the state were already significantly below average in October at the beginning of the 2013/2014 water year. The low initial storage and historically dry conditions experienced since January 2013 have resulted in significant reductions in water supplies and will likely lead to critical water shortages in 2014. Because of the relentless dry pattern, on January 29, 2014 the DWR announced that no 2014 SWP supply would be allocated this year, which if the allocation cannot be increased over the course of the year due to an improvement in hydrology², this would represent the largest allocation deficiency for Municipal and Industrial SWP contractors on record. Reclamation will announce its water supply allocations in mid to late February. CVP contractors anticipate similar dramatic cuts in allocations.

Water supply conditions are currently classified as “Critical” for both the Sacramento and San Joaquin River basins. Forecasts for Water Year 2014 indicate it is likely to be one of the most severe drought years in California’s history. The current precipitation trend for both the Northern Sierra 8-station and Southern Sierra 5-station indices is nearly as dry as the two driest water years on record (1924 and 1977) as shown on the attached figures. Recent storms provided some additional supply, however not enough to relieve the severe water supply deficiencies, particularly for the SWP and CVP. Extremely low reservoir storage levels are forecasted for this year in Northern California, in some cases surpassing prior record low levels. Governor Brown declared a state of Emergency on January 17, 2014 citing the critically dry conditions in 2014 following two previous dry years. The Governor recognized the importance of maximizing the flexibility of the projects to allow exchanges of existing Project supplies in Directives 5 and 9 of the Proclamation, which provide in part:

5. The Water Board will immediately consider petitions requesting consolidation of the places of use of the State Water Project and Federal Central Valley Project, which would streamline water transfers and exchanges between water users within the areas of these two major water projects.

9. The Department of Water Resources and the Water Board will take actions necessary to make water immediately available, and, for purposes of carrying out directives 5 and 8, Water Code section 13247 and Division 13 (commencing with

² This Petition for Change will not affect the determination of the amount of SWP or CVP water available to allocate to Project contractors or divert from the Delta. Project allocations are based on a number of factors including hydrology, contractor demands, and regulatory restrictions. The opportunity for exchanges between SWP and CVP contractors is not considered in determining allocations or Delta export operations.

section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are suspended on the basis that strict compliance with them will prevent, hinder, or delay the mitigation of the effects of the emergency.

The requested change is necessary to help alleviate to some extent the impacts of the water shortages to users within the SWP and CVP service areas downstream of the Delta pumping facilities, and to facilitate the most efficient use of limited Project water that is available. The change will not result in the diversion of additional water from the Delta, a change in timing of diversions or the delivery of more water to any individual SWP or CVP contractor than has been delivered historically. Instead, the requested change will provide the operational flexibility the Projects need to get available supplies where they are needed most and in the most efficient manner possible.

Proposed Projects Requiring Change in Authorized Place of Use

All exchanges covered by this petition will occur south of the Delta and total amount of water transferred will not exceed 277,863 acre-feet. The following exchanges are proposed by SWP and CVP contractors south of the Delta to alleviate anticipated water supply shortages. In all cases the water supply of the receiving agency will not exceed historic deliveries.

CVP-SWP Exchange under a Consolidated Place of Use Petition to Facilitate Conveyance of Water to Santa Clara Valley Water District

Santa Clara Valley Water District (SCVWD) contracts for a water supply from both the SWP and CVP. The SWP water is delivered through the South Bay Aqueduct (SBA) and the CVP water is delivered from San Luis Reservoir through the San Felipe Division. In 2014 and 2015, there are several operational and maintenance issues that may require the delivery of the SCVWD's CVP or SWP supplies through an exchange. Up to 130,000 AF of the SCVWD's CVP and/or SWP supplies may be subject to these alternative conveyance approaches. The need for this flexibility is described in more detail below:

- Based on projected operating conditions, total storage in San Luis Reservoir may drop to levels that result in operational and/or water quality problems. When this occurs, SCVWD's pumping capacity through the San Felipe Division can be limited, potentially impacting the ability to meet district demands. In addition, low water levels can result in reduced water quality causing water treatment problems which could result in severe reductions in the quantity of CVP supplies conveyed through the San Felipe Division, as well as increased water treatment costs. Another issue is the aging infrastructure on the San Felipe Division, which could result in both planned and unplanned facility shutdowns for maintenance and repair. Both San Luis Reservoir water level issues and potential

infrastructure repairs may require delivery of SCVWD's CVP water through an exchange with the SWP. In addition, an exchange of CVP and SWP supplies in O'Neill will facilitate withdrawal of SCVWD's previously banked supplies from the Semitropic Water Storage bank. Reclamation and DWR are therefore requesting approval to exchange CVP and SWP water to allow SCVWD's CVP water to be pumped at Jones and delivered to DWR at O'Neill Forebay for use within the SWP service area south of O'Neill, and in exchange, an equal amount of SWP water would be pumped at Banks and delivered through the SBA. The proposed exchange would not increase the total amount of CVP or SWP water allocated to SCVWD by DWR or Reclamation.

- Planned and unplanned shutdowns on the SBA as well as within SCVWD's service area may prevent deliveries of SWP water through the SBA. Critical maintenance on the SBA is scheduled to take place in November 2014 in preparation for SCVWD's Anderson Dam seismic retrofit project. In addition, SCVWD's aging infrastructure may require unplanned shutdowns that limit the ability to receive SWP water through the SBA. Reclamation and DWR are requesting an exchange of CVP and SWP water to allow the delivery of SCVWD's SWP through an exchange with the CVP. SWP water would be pumped at Banks and delivered to the CVP at O'Neill Forebay for use within the CVP service area south of O'Neill. In exchange, an equal amount of CVP water would be pumped at Jones and delivered to SCVWD through the San Felipe Division. The proposed exchange would not increase the total amount of CVP or SWP water allocated to SCVWD by DWR or Reclamation.

The added flexibility provided by the proposed exchanges will allow SCVWD to manage operational and maintenance uncertainties on both the San Felipe Division and the SBA. Approval of the petition will allow the continued delivery of water to SCVWD and provide operational flexibility, thus minimizing negative impacts to the economy of the SCVWD service area, water levels within the region's groundwater basin, and local environmental resources.

Oak Flat Water District/Del Puerto Water District Exchange

Oak Flat Water District (OFWD), a SWP contractor, and Del Puerto Water District (DPWD), a CVP contractor, are adjacent districts located north of San Luis Reservoir in San Joaquin, Stanislaus and Merced Counties. The districts share common landowners. Landowners with water supplies from both projects have requested the ability to optimize the application of available supplies on their combined properties. The proposed exchange would allow the delivery of up to 1,000 af of the landowners' CVP supplies through SWP turnouts on the California Aqueduct to lands within DPWD, delivery of a portion of their CVP supply to lands within OFWD and delivery of a portion

of their SWP supplies through CVP turnouts on the Delta Mendota Canal to lands within DPWD. The proposed exchanges would result in no increase in total SWP or CVP allocations to either district.

In addition to the transfer above, OFWD and DPWD propose an even exchange to affect the delivery of up to 2,000 acre-feet of DPWD's CVP water. A portion of the lands within DPWD adjacent to OFWD are more efficiently served from OFWD's turnouts on the California Aqueduct. DPWD proposes to deliver a portion of its CVP supply to the lands adjacent to OFWD through an even exchange with the SWP. Up to 2,000 acre-feet of SWP water will be delivered through the OFWD turnouts on the California Aqueduct. An equal amount of CVP water will be delivered to the SWP at O'Neill forebay. The exchange will not result in any increase in pumping from the Delta by either the SWP or CVP. There will be no increase in total deliveries to DPWD.

Kern County Water Agency-Kern Tulare Water District Exchange

Kern County Water Agency (KCWA) is a SWP contractor with numerous member units within Kern County. Kern Tulare Water District (KTWD) is a CVP contractor located in Kern County with a contract for CVP water through the Cross Valley Canal (CVC). Due to limited capacity at Jones, conveyance of CVP-CVC water through SWP facilities is often required to affect deliveries to the CVC contractors. DWR and Reclamation have an agreement to pump CVC water at Banks for delivery to the CVC when operational capacity is available. As a result of projected hydrologic conditions and anticipated operational restrictions, it is possible there will be no ability to move CVC water through Jones or Banks until fall 2014. In order to assist KTWD in meeting peak irrigation demands this summer, KCWA is willing to provide up to 10,660 acre-feet of its SWP water to KTWD through the summer months. In exchange, KTWD is willing to provide an equivalent amount of CVP-CVC water to KCWA in the fall for delivery to KCWA member units. KTWD is within the SWP place of use, however several of the KCWA member units to receive the fall CVP water are outside the CVP place of use. The exchange will not result in an increase in allocations to either district.

Arvin-Edison WSD/Metropolitan Water District Program

Groundwater Banking:

Metropolitan Water District of Southern California (MWDSC) stores a portion of its SWP supply in the Arvin-Edison Water Storage District (AEWSD, a CVP contractor) groundwater banking facilities depending on annual allocations. When requested, AEWSD is obligated to return previously banked SWP water to MWDSC. In the absence of this proposed exchange, previously banked SWP water can only be recovered from AEWSD banking facilities through groundwater extraction. The expansion of the CVP place of use will allow AEWSD the option and flexibility to return

MWDSC's banked water through an exchange of its available CVP Delta/San Luis Reservoir, or Friant surface supplies (CVP water supplies). The exchange will allow AEWS D greater flexibility in the scheduling and use of its CVP supplies as well as a reduction in energy and costs associated with the groundwater extraction. The ability for AEWS D to return surface water through exchange would enhance the water quantity, water quality, and timing of water returned to MWDSC. CVP water supplied to MWDSC by AEWS D in lieu of extraction to recover previously stored SWP water will result in a balanced exchange or bucket-for-bucket (one-for-one) reduction of MWDSC's groundwater banking account with AEWS D. The exchange will occur only to the extent MWDSC has a positive bank account. Upon return of water to MWDSC, an equivalent amount of MWDSC's previously banked SWP water would transfer to AEWS D.

Regulation Program:

Additionally, the requested change in CPOU would allow AEWS D to deliver CVP water supplies to MWDSC first and receive back SWP water supplies in exchange at a later time. This program better facilitates the use of AEWS D CVP water supplies that have a limited opportunity for use under current CVP operations. AEWS D is interested in utilizing MWDSC's ability to take delivery of and use or store AEWS D's CVP water supplies and return SWP water supplies to AEWS D at a future time in order to enhance AEWS D's ability to match supply to grower demands. The ability to regulate water in this manner reduces the need to directly recharge and subsequently extract supplemental groundwater. This exchange mechanism would also be on a balanced exchange or bucket-for-bucket (one-for-one) basis.

Fall/Winter Supplies Exchange:

In the event that hydrologic conditions become wetter than expected later in the year (2014 fall or 2014/2015 winter), and AEWS D believes that there may be limited ability to carry over 2014 CVP water supplies in CVP reservoirs, AEWS D CVP water supplies would be delivered to MWDSC to reduce risk of spill and subsequent potential loss of water supplies. The CVP water will be delivered to MWDSC by exchange in San Luis Reservoir or directly into the California Aqueduct via the Friant Kern Canal and AEWS D facilities. MWD is willing to provide water management services to assist in regulating the available contract supplies.

MWDSC would receive AEWS D water prior to spill and at a later time, return a lesser amount (return 2 acre-feet for every 3 acre-feet regulated) to AEWS D. The unbalanced nature of the exchange reflects the compensation to MWDSC for their water management services, which would protect the water from spilling. In the absence of the exchange with MWDSC, AEWS D would attempt to avoid spilling the water by

delivering the available CVP contract supplies to groundwater banking programs within the AEWS D service area or other areas that are within the CVP place of use.

The benefits of the above proposed exchanges provide, among other things, offsets to the impacts to AEWS D of the San Joaquin River Restoration Program by increasing AEWS D's ability to efficiently use water supplies and by increasing the opportunities to complete the return of SJRRP releases to AEWS D. In addition, the exchange could result in a reduction in energy and costs associated with groundwater recharge and extraction.

The proposed exchanges would be up to a total of 100,000 acre-feet of CVP water supplies for all three programs described above.

CVP Delta supplies will be provided as stated above.

Friant Division CVP water will be provided directly via delivery from the Friant-Kern Canal and AEWS D's distribution system, including its connections to the California Aqueduct at Milepost 227 (Reach 14C) or via its capacity in the Cross Valley Canal to the California Aqueduct at Tupman/Milepost 238 (Reach 12E).

Kern County Water Agency to Westlands – Kern River Water

The Kern County Water Agency (Agency) proposes to deliver up to 25,000 acre-feet of its SWP water to lands within Westlands Water District (Westlands) to facilitate the delivery of previously stored CVP water in the Semitropic Water Storage District (Semitropic) and the Kern Water Bank (KWB) banking programs. Two landowners, Paramount Farming Company and Poso Creek Water Company, have agricultural operations in both the Agency and Westlands and have both a SWP and CVP contract supply. The landowners have banked CVP water in Semitropic and KWB. The landowners plan to recover up to 25,000 af of their previously stored CVP water. Delivery of the CVP water currently stored in Semitropic and KWB will be accomplished through exchange. The Agency will deliver up to 25,000 af of SWP water to Westlands turnouts on the joint use facilities. An equivalent amount of the landowners' water stored in Semitropic and KWB will be transferred to the Agency.

KCWA also proposes to provide up to 7,553 AF of its SWP water to WWD to facilitate the delivery of Kern River water rights water purchased by WWD. Up to 7,553 acre-feet of Nickel Kern River water rights water previously stored in Semitropic Water Storage District will be assigned to KCWA. The exchange will be a one for one exchange. The KCWA SWP Table A water will be delivered to WWD's turnouts in Reaches 4-7 of the joint-use San Luis Canal.

Department of Veteran Affairs – San Joaquin Valley National Cemetery

The Department of Veteran Affairs – San Joaquin Valley National Veterans Cemetery (Cemetery) contracts with Reclamation for 850 acre-feet of CVP supply. The CVP water cannot physically be delivered directly to the Cemetery when the use of Joint Point of Operations (JPOD) authorized under D1641 or the California Aqueduct-Delta Mendota Canal Intertie (Intertie) is not available. The Cemetery is located near Reach 2B on the California Aqueduct (north of O'Neill Forebay). The Consolidated Place of Use would allow DWR to deliver up to 850 af of SWP water to the Cemetery in exchange for an equivalent amount of CVP water delivered by Reclamation to DWR at O'Neill Forebay.

Musco Olive Products Inc.

Byron Bethany Irrigation District (BBID) contracts with Reclamation for a water supply from CVP. BBID provides up to 800 acre-feet per year under contract to, Musco Olive Product Inc. (Musco). Musco is not connected to BBID's distribution system. Neither BBID nor the CVP can physically convey CVP water to Musco when the use of Joint Point of Operations (JPOD) or the Intertie is not available. Musco is located near SWP Reach 2A on the California Aqueduct (north of O'Neill Forebay). The Consolidated Place of Use will allow DWR to deliver up to 800 acre-feet of SWP water to Musco for BBID in exchange for an equivalent amount of CVP water delivered by Reclamation to DWR at O'Neill Forebay.

Potential Additional Transfers/Exchanges

The above transfers include all the specific transfers anticipated as of the date of this petition. However, because of the dire water supply conditions, SWP and CVP contractors continue to explore all possible opportunities to retrieve previously stored Project supplies and optimize the delivery (quantity and timing) of their limited supplies from all available sources. DWR and Reclamation anticipate that as we move into the summer more needs and opportunities for exchanging SWP and CVP water may be developed. DWR and Reclamation request that any order approving this petition to consolidate the SWP and CVP places of use south of the Delta, include the approval of potential future projects that meet certain specific criteria. In order to allow the SWRCB to make the findings required by WC Section 1725, any project not specifically detailed above would be required to meet the following criteria:

1. The transfer or exchange would not result in any increase in the amount of water diverted from the Delta. The water to be exchanged would be part of any available Project allocations, water currently stored in San Luis Reservoir, or previously placed in groundwater storage south of the Delta.

2. The water to be exchanged or transferred would have been consumptively used or stored in the absence of the transfer.
3. The total quantity of water delivered to SWP or CVP contractors as a result of the change will not exceed historic average deliveries.
4. The transfer or exchange will not result in the net loss of San Joaquin River or Sacramento River flow.
5. The transfer or exchange will not result in an increase in saline drainage to the San Joaquin River.
6. Prior to initiating any transfer or exchange not specifically listed above, DWR or Reclamation will provide the SWRCB with a description of the proposed transfer or exchange for review and approval of a change in place of use.
7. DWR and Reclamation will develop, in coordination with SWRCB staff, a reporting plan that will account for all water transferred or exchanged under the provisions of any order approving the consolidated place of use. The reporting plan will include the parties to the transfer or exchange, how much water was transferred, how the water was made available, and the facilities required to affect the transfer.

General Information

The Amount of Water to be Transferred/Exchanged Would Have Been Consumptively Used or Stored in the Absence of the Transfer

Due to the historically dry conditions, available water supplies to south of Delta contractors are critically low. Many contractors will have critical unmet demands throughout the irrigation season even with the benefit of the exchanges facilitated by this petition. SWP and CVP contractors are evaluating every feasible option to minimize the damage to valuable permanent crops, including the removal of a portion of the existing acreage in order to devote their limited supplies to salvaging their remaining acreage. The projects proposed under this petition, including any potential future projects meeting the criteria outlined above, involve water that is part of the SWP and/or CVP contractors allocated supplies, was diverted to storage and rediverted from the Delta consistent with all applicable regulatory requirements, has been exported from the basin in which it was developed, and in light of the severe water supply shortages would clearly would be consumptively used or stored in the absence of the exchanges or transfers. The exchanges or transfers will allow agencies experiencing critical water supply restrictions to recover previously stored water, or optimize the beneficial use of their existing limited water supplies.

Analysis of Potential Changes in Streamflow, Water Quality, Timing of Diversions or Use, Return Flows, or Effects on Legal Users

The change in place of use requested by DWR and Reclamation will not result in any measurable changes to streamflow, water quality, timing of diversion or use, or return flows. There will be no impact to other legal users of water. The water to be transferred or exchanged is diverted out of the watershed from which it originates in conformance with the provisions of the respective DWR and Reclamation water rights permits governing those diversions. There are no other legal users downstream of the points of diversion that would be affected by the exchanges.

The quantity and timing of diversions from the Delta will not change. The delivery rates from San Luis Reservoir may be slightly different. The scheduling of the deliveries will be coordinated between DWR and Reclamation so as not to adversely impact any SWP or CVP contractor deliveries. Adequate capacity in the California Aqueduct and in the Delta Mendota Canal is available, and will not be adversely impacted as a result of the exchanges.

The exchanges will not result in a measurable change in quantity or quality of return flows. There will be no increase in either SWP or CVP allocations as a result of the proposed exchanges. There could be some shift in the timing of deliveries of SWP and CVP supplies. All the water to be exchanged is water that would have been consumptively used or stored in the absence of the exchanges. Exchanges similar to those proposed above were conducted in 2009, 2010, 2012, and 2013 consistent with the provisions of WR 2009-0033, WR 2010-0032-DWR, and the July 6, 2012 and July 1, 2013 SWRCB orders approving DWR and Reclamations' Petitions for Change to consolidate the authorized places of use of the SWP and CVP. No measureable effects on other legal users of water, fish and wildlife or the environment were noted from those transfers.

The Transfer Will Not Result in Unreasonable Impacts to Fish and Wildlife or the Environment

The change requested by DWR and Reclamation will not result in unreasonable impacts to fish and wildlife or the environment. The water was previously diverted out of the watershed from which it originates in conformance with the provisions of the respective DWR and Reclamation water rights permits governing those diversions. There will be no change in the pumping schedule or the amount of SWP or CVP water diverted at the Banks or Jones. Therefore, there will be no change in flow or water quality conditions in the Delta. The transfers and exchanges are conducted south of the Delta and will not affect pumping from the Delta. All the water to be exchanged is water that would have been consumptively used or stored in the absence of the exchanges.

The exchanges will not result in a measurable change in quantity or quality of return flows. There will be no increase in either SWP or CVP allocations as a result of the proposed exchanges. There could be some shift in the timing of deliveries of SWP and CVP supplies south of the Delta, however this will not affect streamflow.

Exchanges similar to those proposed above have been implemented in previous years by both DWR and Reclamation. No measureable affects on other legal users of water, fish and wildlife or the environment were noted from those transfers. For the above reasons, DWR and Reclamation believe the facts support a finding that approval of this Petition would not result in injury to other legal water users or unreasonable impacts to the environment.