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San Juan Water District

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June 30, 2008

Attention Jean McCue
Division of Water Rights
State Water Resources Control Board
P.O. Box 2000
Sacramento, CA 95812-2000

Subject: Auburn Dam Proposed Revocation Hearing

Dear Ms. McCue:

Thank you for providing the opportunity for San Juan Water District to submit the attached policy statement on the Auburn Dam Proposed Revocation Hearing; SWRCB Public Hearing on the Proposed Revocation of Permits 16209, 16210, 16211, and 16212, Auburn Folsom South Unit of the CVP. Please include this policy statement as part of the administrative record for this hearing.

San Juan Water District strongly encourages the SWRCB to reconsider the revocation of the water rights permits for the Auburn Dam. California needs to develop additional surface water storage facilities, and not reduce the opportunities to develop new storage facilities, as part of a comprehensive plan (including improved water use efficiency, conjunctive use of surface and groundwater supplies, and other measures).

Should you have any questions on the attached Policy Statement, do not hesitate to contact me at 916-791-0115.

Sincerely,

Shauna Lorange
General Manager

STATE WATER RESOURCES CONTROL BOARD
SACRAMENTO
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DIV OF WATER RIGHTS
SACRAMENTO

Re: Policy Statement of San Juan Water District; SWRCB Public Hearing on Proposed Revocation of Permits 16209, 16210, 16211 and 16212 (Applications 18721, 18723, 21636 and 21637), Auburn-Folsom South Unit of the CVP ("Auburn Dam Project")

San Juan Water District ("San Juan") presents this policy statement regarding the proposed revocation of the Auburn Dam Project water right permits that have been issued to the United States Bureau of Reclamation ("Reclamation"). San Juan is a public agency and provides municipal water service to over 150,000 customers in Sacramento and Placer Counties, including wholesale water service to portions of the City of Folsom, and to Citrus Height Water District, Fair Oaks Water District and Orange Vale Water Company. In addition, San Juan diverts and treats surface water supplies delivered from Folsom Reservoir for Sacramento Suburban Water District as an integral part of Sacramento Suburban's surface water/groundwater conjunctive use program in northern Sacramento County.

Overview

The SWRCB's proposal to consider the revocation of the water right permits for the Auburn Dam Project is untimely, at best. The SWRCB should determine it is not in the public interest to proceed with this hearing. For the reasons set forth below, this is not the time to take away potential water supply and flood control options:

- American River water supplies are currently not adequately reliable to meet this region's vital water supply and environmental needs
- local and federal agencies responsible for flood protection have determined that there is an inadequate level of flood protection on the American River
- there are numerous in-basin and out-of basin activities and proposed actions that could significantly further reduce water supplies necessary for this region
- the California Department of Water Resources has estimated that a third of the Sierra's snowpack could be lost as a result of climate change, which will require California to reassess the adequacy of its current water storage facilities for both water supply and flood protection purposes
- California needs to develop additional surface water storage facilities, and not reduce the opportunities to develop new storage facilities, as part of a comprehensive plan (including improved water use efficiency, conjunctive use of surface and groundwater supplies, and other measures)
- there is no compelling reason to revoke these permits because there are no competing applications currently pending for the water supplies under the Auburn Dam Project water right permits, and any such competing application would face the same issues associated with the development of the Auburn Dam Project

In the event that the SWRCB determines to proceed with the hearing and then determines to revoke the Auburn Dam Project water right permits, however, the SWRCB should preserve the ability to utilize state-filed application nos. 7936 and 7937 (the priority of which was released in favor of the water right permits for the Auburn Dam

Project) for future use to meet water supply needs (including those within the American River Division) within the affected watershed of origin.

In-basin Actions Affecting American River Water Supply Reliability

San Juan owns the most-senior pre-1914 water rights on the North Fork American River, and has contractual water entitlements from Placer County Water Agency's Middle Fork American River Project and from the Central Valley Project, all of which are delivered from Folsom Reservoir. San Juan shares Folsom Reservoir diversion and conveyance capacity entitlements with the City of Folsom and the City of Roseville. Reclamation is currently not able to assure the reliability of CVP water supplies to meet CVP water service contract entitlements within the American River Division.

San Juan and its wholesale water supply contractors are developing and implementing a program to conjunctively use surface water supplies and groundwater supplies to enhance the availability of groundwater as a dry-year water supply and as a water supply when Folsom Reservoir diversion and conveyance facilities are not fully available (e.g., during maintenance and unscheduled outages). The availability of groundwater supplies through this conjunctive use program will depend on the continued availability of surface water supplies.

San Juan is fully-metered and has an active water use efficiency program in its service area, and in the region in collaboration with other regional water suppliers through the Regional Water Authority, which has resulted in significant reductions in water use. For example, San Juan's water usage in 1987 was approximately 57,989 acre-feet, and San Juan's water usage in 2006 was 54,600 acre-feet.

San Juan is a founding participant in and a signatory to the January 2000 Water Forum Agreement, which has the coequal objectives to provide a reliable and safe water supply for the region's economic health and planned development to the year 2030 and to preserve the fishery, wildlife, recreational and aesthetic values of the lower American River. San Juan has vigorously supported the efforts of the Water Forum to implement a revised flow management standard for the lower American River that will provide adequate levels of protection for its natural resources. The reliability of surface water supplies for release from Folsom Reservoir is a critical element in meeting the coequal objectives of the Water Forum Agreement, including implementing a revised flow management standard.

Reclamation, the United States Army Corps of Engineers, the Sacramento Area Flood Control Agency and other interested parties are evaluating the proposed Folsom Dam Reoperation Project to improve downstream flood protection because they believe that the current operation of Folsom Reservoir for flood protection is inadequate. Implementation of the reoperation project, however, could result in decreasing water supply reliability in order to increase flood protection. San Juan and other American River Division CVP contractors are involved in this process to evaluate these water supply reliability impacts and ways to avoid them.

The foregoing are examples of San Juan's interest in Folsom Reservoir and the American River. Adequate and reliable water supplies from Folsom Reservoir and for protection of lower American River natural resources are vital for meeting the consumptive and nonconsumptive needs of this region. Reclamation, the United States Army Corps of Engineers and the Sacramento Area Flood Control Agency have determined that additional flood protection is needed on the American River. The loss of lives and the billions of dollars of damages caused by levee failures in Louisiana and Iowa remind us of the importance of storage facilities as a key element of flood protection.

Other Actions Affecting American River Water Supply Reliability

There are numerous additional actions, however, that could affect the reliability of water supplies from Folsom Reservoir. There is a water supply reliability and ecosystem crisis in the Sacramento-San Joaquin Delta. The Governor's Delta Vision Blue Ribbon Task Force November 2007 Vision Report calls for: "increased regional self-sufficiency in water supplies, more conjunctive uses, integrated water system management;" and a requirement for "reduce diversions-- or changes in patterns and timing of those diversions upstream, within the Delta, and exported from the Delta-- at critical times." The SWRCB's May 12, 2008 comment letter to Delta Vision states and that the SWRCB has the regulatory authority to require water right holders to provide water supplies to meet the water supply and environmental needs of the Delta. To the extent these types up proposals are implemented to address the Delta crisis, they could result in a further reduction of the surface water supplies available for this region.

The SWRCB's most-recent series of Delta water quality and water right hearings (which resulted in the issuance of Decision 1641) included a Phase 8 that would have determined whether water right holders upstream of the Delta had an obligation to release water supplies to assist in meeting Delta water quality standards. Phase 8 was dismissed as result of an agreement among Sacramento Valley water right holders and export interest (including Reclamation, DWR and CVP and SWP contractors) under which Sacramento Valley water right holders agreed to make water supplies available for Delta uses. The SWRCB's 2008 Draft Strategic Workplan for the Delta includes an element for the comprehensive review of water rights to protect Delta uses and the public trust. It follows (and consistent with the SWRCB's comment letter to Delta Vision, referred to in the preceding paragraph) that implementation of the workplan could result in water right proceedings that require Sacramento Valley water right holders to forgo water supplies that are determined to be needed to meet Delta water supply and environmental needs.

DWR's July 2006 *Technical Memorandum Report on Progress on Incorporating Climate Change into Management of California's Water Resources* concludes that climate change could have significant adverse impacts on California's water supplies and flood protection. For example, the report states (at page 4-16) that, as result of climate change, there will be much more surface water runoff in the winter when it is not needed, and much less in the spring and summer when it is needed. Chapter 6-5 (at page 6-31)

summarizes potential impacts from climate change to flood control, and concludes that peak runoff from a storm event could more than double with a five degree Celsius increase in mean atmospheric temperatures. A logical conclusion from this report is that more surface water storage (not less) would be needed to address water supply and flood protection impacts that would be caused by climate change.

Judge Wanger's May 2, 2008 order in *Pacific Coast Federation of Fisherman's Associations v. Gutierrez* regarding the adequacy of a Biological Opinion on the impacts of the operation of the Central Valley Project and the State Water Project on salmonid species indicates that Shasta Reservoir might need to be operated with higher carryover storage quantities in order to provide colder water to meet temperature requirements for the protection of winter run salmon on the upper Sacramento River. This change in operations of Shasta Reservoir could require additional water releases from Folsom Reservoir, further exacerbating the water supply reliability problems on the lower American River.