

TESTIMONY OF KEVIN M. KAUFFMAN  
STOCKTON EAST WATER DISTRICT

BEFORE THE STATE WATER RESOURCES CONTROL BOARD

PUBLIC HEARING  
JULY 21-22, 2008

AUBURN DAM PROJECT  
North Fork American River and Knickerbocker Creek in  
Placer and El Dorado Counties

Proposed Revocation of Permits 16209, 16210, 16211 and 16212  
(Applications 18721, 18723, 21636 and 26137)

I am Kevin M. Kauffman, General Manager of Stockton East Water District ("Stockton East"). I have been the General Manager of Stockton East since 1999. I am a civil engineer registered in the State of California.

**History of Stockton East**

Stockton East was formed by a special action of the California Legislature in 1971. The legislature recognized serious problems with the Eastern San Joaquin County Groundwater Basin, from which the greater Stockton area obtains its water supply. The legislature stated:

The water supplies in the underground basin in the area of the Stockton East Water District are insufficient to meet the water demands of the area, and, because of the geologic conditions peculiar to the area and because excessive pumping has seriously depleted the underground water storage, there has been an intrusion of saline waters into the underground water basin causing serious water quality deterioration and the destruction of the usefulness of a portion of the underground water basin. Further excessive pumping, without proper management of the underground water basin and the provision of supplemental water supplies, is certain to destroy the usefulness of a major portion of the underground water basin and endanger the health and welfare of the district.

The Legislature also acknowledged that neither the urban area nor the agricultural area alone could solve the broad and complex problem, stating:

. . . it is necessary in order to accommodate the various interests within the district to provide special procedures to be observed by the district in its government and operation . . . unless all of such city and all of the Metropolitan Stockton Planning Area are within the district there will be

uneconomic duplications and inefficiencies and it will be more costly and more difficult to solve the grave and urgent water problems of the Stockton Metropolitan Area. . . .

The problems with the Eastern San Joaquin County groundwater basin are real. In 1967 the Department of Water Resources concluded that poor quality groundwater was moving into the Stockton area at a lateral rate of 140 to 150 feet per year. In 1980 the State concluded that the Eastern San Joaquin County Groundwater Basin was subject to critical conditions of overdraft, and acknowledged that:

. . . the adverse effects of overdraft include declining water levels that have included the movement of poor quality water from the Delta sediments eastward near the City of Stockton. Migration of these saline waters has severely impacted the utility of groundwater in the vicinity of Stockton. Wells have been abandoned and replacement water supplies have been obtained by drilling additional wells generally to the east. (Bulletin 118-80)

In 1985 the *Eastern San Joaquin County Groundwater Study* confirmed that groundwater levels were still declining, and reached the following conclusions:

- Water levels declined 1.7 feet per year during the period of 1947 to 1984.
- The saline front advanced inland approximately one mile between 1963 and 1983.
- If no additional surface water is imported into the service area and all increased demands are met from groundwater, the groundwater model indicated that water levels will decline to as much as 160 feet below sea level (up to 200 feet below the ground surface) and the saline front will advance approximately an additional two miles by the year 2020.

Since its organization, Stockton East has pursued its legislative charge of obtaining supplemental surface water supplies in order to lessen the demand for groundwater.

### **Surface Water Supplies**

Stockton East currently obtains supplemental surface water supplies from two sources. By contract with the United States Bureau of Reclamation (Reclamation), the District receives approximately 70,000-acre feet annually from New Hogan Reservoir on the Calaveras River in Calaveras County since about 1976. The estimated safe yield of the New Hogan Project is 84,100 acre feet annually. Through the same contract with Reclamation, Calaveras County Water District is entitled to a 45% allocation from the New Hogan Project, of which it currently uses only 4,000-acre feet annually. Pursuant to the

contract, Stockton East is authorized to utilize any water Calaveras County Water District cannot place to beneficial use and has consistently used approximately 70,000 acre feet annually when available.

Calaveras County projects their water demand to increase substantially in the coming years due to population growth, increased agricultural demands and groundwater recharge efforts. The increased use by Calaveras County Water District will drastically reduce the amount of water available to Stockton East. Additional supplemental surface water is needed to fill the void created by the decrease in Calaveras River water and the continued pumping of our critically overdrafted Basin.

Stockton East also obtains supplemental surface water supplies by contract with the Reclamation from New Melones Reservoir on the Stanislaus River. Water delivery facilities were constructed at an estimated cost of \$65 million dollars and have been in place since 1993, but the first deliveries were not made to the District until 1995. The District's contract is for 75,000-acre feet annually. Stockton East has had a difficult time obtaining water from Reclamation pursuant to its water supply contract from New Melones. Water allocations to the district from the project have been reduced because Reclamation has reallocated water from the project for fish and wildlife enhancement pursuant to the Central Valley Project Improvement Act, and for enhancement of the Bay-Delta Estuary pursuant to the Bay-Delta Accord. Stockton East believes these reallocations violate state and federal laws, and Stockton East has sued the United States for failure to deliver water pursuant to its contract.

Congress weighed in on this reallocation of Stanislaus River water when it passed HR 2828. HR 2828 (Public Law 108-361, signed October 25, 2004) contains important direction for the Secretary of the Interior and Reclamation regarding operation of New Melones Reservoir [SEWD-3]. HR 2828 requires not later than one year from the enactment, the Secretary must develop **and initiate implementation** of a program (Program) to meet all existing water quality standards and objectives for which the Central Valley Project (CVP) is responsible.

HR 2828 is clear in what should be included in the Program:

- Recirculation program to provide flow, reduce salinity concentrations and **reduce the reliance on New Melones Reservoir for meeting water**

**quality and fishery objectives through the use of excess capacity in export pumps and conveyance facilities.**

- Best Management Practices Plan that focus on reducing water quality impacts from discharges from wildlife refuges. The BMP plan is to be coordinated with other entities discharging water into the San Joaquin River to reduce salinity concentrations discharged into the River, including the timing of discharges to optimize their assimilation.

The purpose of the Program is to provide Interior with greater flexibility in meeting the existing standards **so as to reduce the demand on water from New Melones Reservoir used for that purpose and to assist the Secretary in meeting any obligations to CVP contractors from the New Melones project.**

HR 2828 directs the Secretary to update the New Melones operating plan to take into account the actions in HR 2828 that are designed to reduce the reliance on New Melones Reservoir for meeting the water quality and fishery flow objectives, and to ensure that actions to enhance fisheries in the Stanislaus River are based on the best available science. Since adoption in 2004, Reclamation has neither implemented a meaningful Program, nor moved forward with a Revised Plan of Operation for New Melones Reservoir.

### **American River Supplemental Water Supply**

Both San Joaquin County and Stockton East have looked to the American River as a major source of the water it needs to meet its critical surface water supply deficiency. In significant part, our reliance on American River water stems from numerous state and federal actions that have foreclosed other alternatives while always directing us to the American River. In the 1950s, four entities within San Joaquin County, including Stockton East, filed to appropriate water from the American River. In Decision 893, adopted on March 18, 1958, the then State Water Rights Board at the request of Reclamation denied those permits. The Board, in granting the permits to the Bureau of Reclamation for the Folsom Project, conditioned the permit to allow time for parties desiring water within Placer, Sacramento, and San Joaquin Counties to negotiate water supply contracts.

When the State Water Board decision 1356 issued on February 5, 1970, it conditionally approved Reclamation's application to appropriate water in connection with the Auburn-Folsom South Unit of the Central Valley Project (CVP) (Auburn Dam Project) and granted release from priority of state-filed application 7936 and 7937 in favor of the

Auburn Dam Project applications. The original Decision 1356 included condition 19 which stated in pertinent part:

Deliveries of water from the American River Division of the Central Valley Project shall be limited to deliveries for beneficial use within Placer, Sacramento, and San Joaquin Counties and shall not be made beyond the westerly or southerly boundaries thereof, except on a temporary basis, until the needs of those counties, present or prospective, are fully met, provided, however, that agreements in accordance with federal reclamation laws between permittee and parties desiring such service within said counties are executed by December 31, 1975...[Pg. 16]

Based on this Decision and the Auburn Dam Project authorization and various supporting reports, Reclamation furnished a draft contract to Stockton East to deliver American River water through the proposed Folsom South Canal down to San Joaquin County. Negotiations regarding these contracts resulted in Stockton East approving the contract for execution. [SEWD-2] It is our understanding that the contract was approved by the regional office of Reclamation and sent to Washington for approval, however the contract was never executed by Reclamation. It is our further understanding that the contract was not executed, due to a combination of circumstances and changing policies, not because Stockton East did not need the water, nor was it because Stockton East did not diligently pursue the contract.

## **Conclusion**

SEWD diligently negotiated and signed a contract for the delivery of American River water, but Reclamation failed to execute the agreement. Stockton East has a desperate need for additional supplemental surface water to cure the critically overdrafted Eastern San Joaquin groundwater basin. Stockton East is ready, willing and able to proceed with a project to bring American River water to San Joaquin County and place the water to beneficial use. Stockton East and San Joaquin County are clearly third party beneficiaries under the various State Water Board decisions authorizing the water right permits and it would be unfair to have these permits revoked without affording those entities that will actually use the water an opportunity to see if a project can be put together and funded to bring the water to San Joaquin County. Stockton East requests the State Water Board not revoke Reclamation's permits, and provide the parties sufficient time to attempt to

negotiate with Reclamation and other interests parties. We would propose a three (3) year period to negotiate, with annual updates provided to the State Water Board.