



**TESTIMONY BEFORE THE SENATE AGRICULTURE AND WATER RESOURCES
COMMITTEE AND THE ASSEMBLY WATER, PARKS AND WILDLIFE COMMITTEE**

**The Sacramento Valley Water Management Agreement
February 26, 2002**

The Northern California Water Association (NCWA) appreciates the opportunity to testify today on the Sacramento Valley Water Management Agreement (SVWMA) and to discuss the opportunity that we now have to dismiss the Bay-Delta (Phase 8) water rights proceedings before the State Water Resources Control Board (SWRCB).

NCWA represents sixty-eight water suppliers and individual landowners that rely upon the waters of the Sacramento, Feather and Yuba rivers, smaller tributaries, and groundwater to irrigate nearly 870,000 acres of farmland in California's Sacramento Valley. Many of our members also provide water supplies to state and federal wildlife refuges, and much of this land serves as important seasonal wetlands for migrating waterfowl, shorebirds and other wildlife. We also represent local governments and the business leadership in the region.

BACKGROUND

The SWRCB for the past several years has been engaged in proceedings to determine the responsibility to meet water quality standards in the Sacramento-San Joaquin Delta (Delta). The SWRCB has completed phases 1 through 7 of this proceeding (Decision 1641) and it is now focused upon Phase 8 involving the Sacramento River and its tributaries. In this proceeding, the Department of Water Resources (DWR) and the Bureau of Reclamation (Bureau), as operators of the state and federal export projects, have claimed that certain water right holders in the Sacramento Valley must cease diversions or release water from storage to help meet water quality standards in the delta. The Sacramento Valley water users we represent strongly believe that their water use has not contributed to any water quality problems in the Delta and, as senior water right holders and water users within the watershed and counties of origin, they are not in any way responsible for meeting these standards.

Despite our confident position, proceeding with Phase 8 would involve highly adversarial administrative hearings and litigation that could last for more than a decade. Importantly, these proceedings would distract and likely prevent any progress toward meeting the water supply needs in California. With this in mind, Sacramento Valley water users, DWR, the Bureau and export water

users last year agreed to defer the Phase 8 proceedings and instead to develop a cooperative approach to increase water supplies and provide for environmental needs in the Sacramento Valley and throughout California. This agreement is known as the SVWMA. As a result, the SWRCB on April 26, 2000, after a series of public hearings, issued an order to postpone the Phase 8 proceedings and, if we are successful over the next eight months to advance this program, the Phase 8 proceedings will automatically be dismissed on October 26, 2002. The SWRCB held a public workshop on September 20, 2001 to receive a progress report by the parties.

THE AGREEMENT

To implement the SVWMA, Northern California water districts and companies have proposed more than fifty projects that will be part of both short and long-term workplans that are being developed by a team of leading hydrologists and engineers. Unlike many past efforts, local water users have proposed these workplan projects and they will be managed and controlled by the local interests without interference from DWR or the Bureau. Additionally, the parties will jointly seek public funds to help implement many of these projects.

A requirement in the SVWMA was that the parties reach agreement on the short-term workplan by the end of last year. Negotiators for Sacramento Valley water users, export water users and several state and federal agencies, on December 14, 2001 agreed to principles for such a short-term agreement. We are now more specifically developing the short-term agreement that will guide this program for the next ten years and will lead to Phase 8 dismissal later this year. If we are successful in reaching agreement, the agreement and the workplans together will comprise an integrated package that will do the following for Northern California.

- Protects Northern California Water Rights and Supplies

As previously mentioned, the Phase 8 proceedings will be automatically dismissed late this year. Under the agreement, DWR and the Bureau remain obligated under SWRCB order to meet the Delta water quality standards. As a result, Northern California water users can fully exercise their water rights. This benefits and protects every water user in Northern California upstream of the Bay-Delta.

- Facilitates Groundwater Planning

The foundation for the workplans is a commitment to conduct local groundwater studies and monitoring throughout the Sacramento Valley to protect Northern California's groundwater resources. This includes groundwater-planning projects proposed by local agencies seeking funding under AB 303, the Local Groundwater Management Assistance Act of 2000.

- Provides for Unmet Demands in the Sacramento Valley

The agreement and workplans call for certain specified unmet demands to be met in the Sacramento Valley. Initially, this includes an assignment of additional CVP water supplies for use along the Tehama-Colusa Canal on the western side of the Sacramento Valley, where water contractors have received as little as 25% of their supplies in 1991 and 1992 and only 60% of supplies last year. There are also assurances that Feather River supplies can be fully utilized in the Sutter Bypass/Butte Slough region on the east side of the Valley.

- Provides for Water Use Efficiency Measures

System improvement projects by local water suppliers, which are largely water use efficiency measures, will be implemented to provide environmental benefits and operations and maintenance benefits for local water suppliers to more fully and efficiently use water throughout the Sacramento Valley.

- Develops Local Water Management Projects for Local Use and for Water Quality Control Plan Relief

Locally developed and managed water projects located throughout the Sacramento Valley will be implemented to provide water quality control plan relief for DWR and the BOR and to help assure that local water needs are met. This will include the conjunctive management of surface and groundwater and the re-operation of existing storage facilities.

- Sites Reservoir as an Integral Part of the Long-Term Program

Sites reservoir is an integral part of the long-term program to meet local needs in the Sacramento Valley, to help meet water quality objectives in the Delta, and to provide water for export or environmental purposes. DWR, the Bureau and local partners in the Sacramento Valley are currently conducting the environmental review and feasibility studies for north of delta offstream storage.

A REGIONAL STRATEGY FOR THE SACRAMENTO VALLEY

In addition to ultimately dismissing the Phase 8 process, the SVWMA provides the foundation for a regional strategy to ensure that local water needs are fully met in the Sacramento Valley while helping to improve water supplies throughout the state. California history has shown that solutions to water problems in the state have been most successful at the local and regional level. The integrated water management program described above, which includes fish passage improvements, groundwater management, water conservation and efficiency, water transfers and exchanges, flood protection, watershed management and environmental improvements, is an exciting example of a regional solution for the Sacramento Valley, but it can only be implemented with state and federal leadership empowering local interests to take the actions necessary for these programs to succeed.

To fully empower these regional solutions also requires state and federal funding and the regulatory streamlining necessary to implement these programs. We look forward to working with the Legislature in the efforts that will be necessary to empower regional solutions like this integrated water management program and to help provide the funding that will be necessary to successfully implement this program.