



TESTIMONY BEFORE THE ASSEMBLY WATER, PARKS AND WILDLIFE COMMITTEE

The Sacramento Valley Water Management Program February 11, 2003

The Northern California Water Association (NCWA) appreciates the opportunity to testify today on the positive efforts that are now underway to implement the Sacramento Valley Water Management Program (Program). As we testified to the Committee at a joint hearing on February 26, 2002, the Program is a grassroots, collaborative effort to increase water supplies for farms, cities and the environment. Most notably, this regional program for the Sacramento Valley, which is built upon local partnerships in the Sacramento Valley, has also led to unprecedented collaboration with historically warring parties throughout California, including Southern California, the San Joaquin Valley, the Central Coast and certain parts of the Bay area.

NCWA represents seventy water suppliers and individual landowners that rely upon the waters of the Sacramento, Feather and Yuba rivers, smaller tributaries, and groundwater to irrigate nearly 890,000 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 Sacramento Valley Counties and the business leadership in the region.

To fully appreciate the significance of the Program and to set the stage for future implementation, we will first provide background on the Phase 8 Bay-Delta proceedings followed by a description of the Program and its importance as a regional strategy for Northern California.

BACKGROUND

A. The Phase 8 Bay-Delta Proceedings

The State Water Resources Control Board (SWRCB) for the past decade has been engaged in proceedings to determine the responsibility to meet water quality standards in the Sacramento-San Joaquin Delta (Delta). The SWRCB completed phases 1 through 7 of this proceeding (Decision 1641) and it then focused on 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, 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 Bay-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.

In light of these divergent positions, proceeding with Phase 8 would have involved 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, including the CALFED process. With this in mind, the SWRCB, upon the request of Sacramento Valley water users, DWR, the Bureau and export water users, agreed in April 2001 to defer the Phase 8 proceedings and instead to allow the parties an opportunity to develop a cooperative approach to increase water supplies and provide for environmental needs in the Sacramento Valley and throughout California.

B. The Short-Term Settlement Agreement

Building upon the earlier “Stay Agreement,” which led the SWRCB to defer the Phase 8 proceedings, the parties in December 2002 executed the “Short-Term Implementation Agreement” for the Program. More than forty water suppliers in the Sacramento Valley have executed the Short-Term Settlement Agreement (Agreement) (see attached list) and it has been executed by the Bureau; DWR; the United States Fish and Wildlife Service; the California Department of Fish and Game; the State Water Contractors representing agricultural and municipal water users in Southern California, the Central Coast and the San Joaquin Valley; and Contra-Costa Water District. As a result of the Agreement, the Phase 8 process was automatically dismissed by SWRCB order on January 31 and the parties are now beginning to implement the Program.

THE SACRAMENTO VALLEY WATER MANAGEMENT PROGRAM

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 are currently preparing a program environmental review and they will jointly seek public funds, including Proposition 50, to help implement many of these projects.

The Program will include workplans that together will comprise an integrated water management package that will do the following for Northern California.

- Protects Northern California Water Rights and Supplies

The Phase 8 proceedings were automatically dismissed by SWRCB order on January 31. As a result, DWR and the Bureau remain obligated under SWRCB order to meet the Delta water quality standards.

This means that Northern California water users can fully exercise their water rights, which benefits and protects every water user in Northern California upstream of the Bay-Delta. This also allows Northern California water users to immediately begin the management efforts that will be described below.

- Facilitates Groundwater Planning and Protections

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. Proposition 50 funding will be critical to advance this planning effort. Additionally, the Agreement and the workplans contain a strong commitment to groundwater monitoring and protections in every Program area.

- Provides for Unmet Demands in the Sacramento Valley

The Agreement recognizes that demands in the Sacramento Valley may vary and that certain demands will need to be provided for within the watershed and county of origin. This initially will focus on 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 in 2001. 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. The long-term workplan will explore other means by which additional unmet demands will be met.

- Provides for Water Use Efficiency Measures

System improvement projects proposed 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. Proposition 50 funding will be important to advance these programs.

- 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 Bureau in below normal, dry and critically dry years. These projects will also help assure that local water needs are met and, if so, water can be made available for export needs. This will include the conjunctive management of surface and groundwater and the re-operation of existing storage facilities. The Agreement calls for Northern California water users to implement projects with the capacity to produce 50,000 acre-feet (af) of water in 2003 that would not otherwise be available in the Sacramento River, 100,000 af in

2004 and 185,000 af in 2005. To begin this process, the Northern California water users will prepare an annual operating plan by March 1 for review by the other parties to the Agreement.

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

Sites reservoir will likely be 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

The Program 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. CALFED in its 2001 Annual Report recognized the importance of this Program as a regional solution:

“Regional strategies are also beginning to emerge. From the Sacramento Valley Water Management Program to water quality exchange programs in the Bay area and Southern California, local groups are developing collaborative, multi-purpose projects to meet their most pressing water needs.”

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. If you have any questions or would like additional information, please call David Guy at (916) 442-8333 or visit www.norcalwater.org.