

11/14 Workshop on Colorado River

STATE WATER RESOURCES
CONTROL BOARD

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SACRAMENTO

Statement of

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To

The State Water Resources Control Board

For the Public Workshop

On

The California Colorado River Water Use Plan
and Related California Water Supply Issues

November 14, 2001

Mr. Chairman and members of the Board, I am Maureen Stapleton, General Manager of the San Diego County Water Authority. I appreciate the opportunity to discuss the status and current progress in implementing California's Colorado River Water Use Plan (California Plan) on behalf of Southern California's major users of Colorado River water. The Metropolitan Water District of Southern California (MWD), the Coachella Valley Water District (CVWD), Imperial Irrigation District (IID) and the San Diego County Water Authority (SDCWA), which I will refer to collectively as the "Agencies" -- have progressed considerably in a unified and cooperative effort to ensure that California can live within its basic apportionment of Colorado River water established by the Law of the River.

I am including letters from representatives of the Colorado River basin states stating both their support and concern for the implementation of the California Plan. These letters relate specifically to a Congressional bill that would address federal issues, but also convey the states' support for the California Plan. I respectfully request that these written statements be made part of the hearing record.

The Colorado River is a vital water resource for California, supporting a tremendous agricultural industry and over 17 million residents in one of the most economically productive regions of the world, including the cities of Los Angeles and San Diego. The state has a Colorado River basic annual apportionment of 4.4 million acre-feet per year. But for many years California has used over 5 million acre-feet per year, relying on system surpluses and the apportioned but unused waters of Arizona and Nevada. California's reliance on water above its basic apportionment has long been of great concern to the other Colorado River Basin states and Mexico. In recent years, Arizona and Nevada have begun using their full apportionments, and dry weather has diminished opportunities for system surpluses. California now has no alternative but to reduce its reliance on the river.

The magnitude of our joint effort is extraordinary. We are reducing California's use of Colorado River water by about 800,000 acre-feet per year and must still continue to meet the region's water needs. This reduction is equivalent to the amount of water used annually by more than 5 million people in Southern California. Due to the junior priority of the urban coastal plain, about 700,000 acre-feet per year of the river's surplus has been used to fill MWD's Colorado River Aqueduct. This represents between 33 and 40% of MWD's entire water supply. It is vital, therefore, that we find a way to fill the aqueduct and stay within the 4.4 million acre foot apportionment. Unless California can eliminate its reliance on surplus and live within its basic apportionment through agricultural to urban water transfers and other actions, the Southern California urban coastal plain will face massive water shortages.

The solution to this unprecedented challenge is made possible through the California Plan, which has been formulated by the Colorado River Board of California. The Board is a state agency charged with protecting the interests of California and its citizens and agencies regarding the river, and consists of members appointed by the Governor from the Department of Water Resources, the Department of Fish and Game, California water agencies using river water, and the public. The California Plan includes programs to conserve agricultural water and transfer it for urban uses, as well as groundwater storage and conjunctive use projects, and other water management programs. Implementation of the Plan will permit California to

live within its 4.4 million acre-foot apportionment, and the Agencies have been working since the Plan began to take shape in the late 1990's toward that goal.

Progress to Date

California is at a crucial juncture in terms of implementing the California Plan. To date, the Agencies have successfully fast-tracked a wide range of complex legal agreements and environmental documents needed to implement the Plan. In October 1999, the Agencies negotiated the *Key Terms For Quantification Settlement Among the State of California, IID, CVWD and MWD* (Key Terms), which describe a Quantification Settlement Agreement (QSA) through which the Agencies will settle longstanding differences and transfer hundreds of thousands of acre-feet of river water each year from the agricultural to urban sectors. The largest of the QSA transfers is the transfer of up to 200,000 acre-feet per year from the IID to SDCWA. A petition for approval of this transfer is now pending before your Board.

The following is a list of the major accomplishments (including program and project implementation) to date that either relate to the California Plan or aid in its effectiveness and implementation:

- December 1988 - IID/MWD Water Conservation and Use of Conserved Water and the associated 1989 Approval Agreement
- April 1998 - Water Conservation and Transfer Agreement between IID and SDCWA
- August 1998 - Water Exchange Agreement between SDCWA and MWD
- September 1998 - State funding of \$235 million for canal lining and conjunctive use elements of the California Colorado River Water Use Plan
- October 1999 - Key Terms for Quantification Settlement Agreement Among the State of California, IID, CVWD and MWD (a prerequisite for Secretarial approval of transfers)
- November 1999 - Secretary of the Interior Final Rule on Offstream Storage of Colorado River Water (Interstate Banking)
- May 2000 - Issuance of draft California Colorado River Water Use Plan (a prerequisite for Secretarial Colorado River Interim Surplus Guidelines)
- December 2000 - Public release of the draft QSA by QSA parties
- January 2001 - United States Fish & Wildlife Service Biological Opinion for interim Surplus Guidelines and river impacts of the QSA
- January 2001 - Record of Decision Colorado River Interim Surplus Guidelines

- May 2001 - Interim Surplus Guidelines Agreement between Arizona and MWD
- Draft Interim Surplus Guidelines Agreement between Southern Nevada Water Authority and MWD
- Quantification Settlement Agreement (QSA) and related environmental reviews and negotiations
- Proposed Land Management, Crop Rotation, Water Supply Program between PVID and MWD
- Draft Coachella Valley Water Management Plan
- All American Canal and Coachella Canal lining projects environmental reviews, state funding and construction agreements
- Drafts of the QSA and all related legal documents
- MWD, in cooperation with others, has initiated development of potential River water storage and conjunctive use programs in:
 - Hayfield Valley
 - Chuckwalla Valley
 - Cadiz Valley
 - Lower Coachella Valley
 - Arizona

The Agencies have already spent millions of dollars formulating and securing approval for vital components of the California Plan, and will commit billions of dollars to implement the Plan's various water conservation, transfer, and storage projects and programs. In addition, the State of California has appropriated \$235 million for canal lining and groundwater projects in furtherance of the California Plan. The Plan will be complemented by efforts to aggressively promote additional water conservation, water reuse, and local water supply development within the service area boundaries of each agency.

While progress so far has been dramatic, we know that the California Plan cannot be achieved unless the QSA and its related water transfers are implemented. The QSA Key Terms identified 12 specific conditions that need to be satisfied or waived prior to execution of the QSA and related documents. These conditions include completing related environmental reviews, implementing interim surplus guidelines, implementing an inadvertent overrun and pay back program relative to Colorado River water consumptive use, completing the SWRCB water transfer petition review process, and obtaining conserved water and a means to deliver the water for the San Luis Rey Indian Water Rights Settlement Act. Almost all of the conditions have been or are achievable within the required time frame for executing the QSA and related documents. The remaining challenges, and the critical path for satisfaction of the conditions, are the successful completion of the environmental

reviews and the subsequent SWRCB water transfer petition review process for the IID/SDCWA and the IID/CVWD/MWD water transfers.

California Plan – Implementation Timeline

California was given the time necessary to implement the water conservation and transfers when the Secretary of Interior, the River's water master, adopted the Interim Surplus Guidelines (Guidelines) in January 2001. The Guidelines are essentially rules for operating Lake Mead that allow California to receive additional surplus water for 15 years, or until 2016. During this interim period, California must implement the necessary water transfers and other programs to eliminate its reliance on guaranteed surplus. California has already received great benefit from the Guidelines, receiving enough water this calendar year to maintain a full Colorado River Aqueduct for urban water use. The Guidelines are contingent, however, upon California's successful completion of certain deadlines and milestones. The federal government, at the behest of other states with Colorado River apportionments, has insisted on these conditions to ensure that California actually makes steady progress toward its goal.

The first critical deadline that must be met is the execution of the Quantification Settlement Agreement (QSA) by December 31, 2002. The Guidelines specifically provide that unless the QSA is executed by that date, the surplus provisions that benefit Southern California will be suspended until such time as California completes all required actions and complies with reductions in water use reflected in the Guidelines. This is the single most important issue facing us today. If the QSA is not executed by this deadline, the additional surplus water provided under the Guidelines could be revoked as early as calendar year 2003, resulting in the loss of up to 700,000 acre feet per year of water to urban southern California. Loss of the surplus at that point would likely result in serious economic disruption, renewal of controversy among the Agencies, and an unraveling of the California Plan. Because the IID/SDCWA is an indispensable element of the QSA, SWRCB action on the transfer petition must occur before the QSA can be implemented.

SWRCB Actions

Mr. Chairman, I believe there is a recognition, and rightfully so, that the State of California has a large stake in the California Plan and QSA, and shares with us a responsibility to effect their implementation. Unless we can maintain a full Colorado River Aqueduct within our 4.4 million acre-foot apportionment, the resulting water shortages would have a devastating effect on the economy and force southern California to look elsewhere, most likely to the State Water Project, to make up the lost water.

We sincerely appreciate the efforts of this Board and its staff to move the permit approval process forward, and understand that a hearing on the IID/SDCWA transfer cannot occur until the Draft Environmental Impact Report for the project is published. I want you to know that

we are devoting all the time and effort possible to complete the Draft EIR, and expect that it will be released next month. What we ask of this Board is to stand ready to move the petition forward at the earliest opportunity so that we can meet the deadline imposed on us under the Interim Surplus Guidelines. Representatives of our agencies have discussed ways to expedite the process with your staff, and we believe that the means exist to finalize a permit decision in accordance with law and regulation within the required time frame.

In concluding, I would like to restate the Agencies' commitment to executing the QSA, maintaining the Colorado River Interim Surplus Guidelines for the full interim period, and implementing the California Plan to allow California to live within its basic apportionment. And finally, we want to express our appreciation for the opportunity to appear before the Board today to discuss these very important matters. We look forward to addressing any questions you may have.