



Topic: **Reservoir Committee Agenda Item 3-1** **2020 April 17**

Subject: **Wheeler Ridge-Maricopa WSD Request for Water Rights Coverage**

Requested Action:

Review and comment on the letter received from participating member Wheeler Ridge-Maricopa Water Storage District (Wheeler Ridge) requesting a broad water right place of use commitment from the Project.

Detailed Description/Background:

Wheeler Ridge is requesting that the Sites Reservoir Project's water right place of use be broadened with the suggestion of using seven of the ten hydrologic regions. The attached Figure 1.3 from the 2017 Draft EIR/EIS represents the study areas currently envisioned for the project which overlaps with the CVP and SWP place of use. Wheeler Ridge would like the broadest place of use possible without impacting the project to enhance the affordability for its customers. The Wheeler Ridge letter request is attached.

Staff has not conducted a thorough analysis of the suggestion, but cursory review indicates pros and cons as follows:

Pros: a broader place of use creates more opportunities for future water transfers to address water shortage over a larger area and adds to the flexibility of the Project. There could be scale efficiencies in cost and time in providing wider coverage if adding the areas does not bring opposition and slow the process.

Cons: introducing greater uncertainty in an already difficult and uncertain water right process could be a significant risk to schedule and cost of the Project. Controversy over water rights is known to already exist in many of the expanded areas. There would be additional cost for environmental documentation and legal support which are difficult to estimate at this time.

The current plan for place of use coverage does not preclude Wheeler Ridge or any other participating member from pursuing water transfers of Sites Project water outside of the Sites place of use in the future. To do so would require that the member work with the Authority to conduct the appropriate analysis and complete the necessary permitting and approval process. The timing for such a process would occur after the water rights for Sites are completed to avoid impacting the Project.

The Chair and the Executive Director have met with Wheeler Ridge's representative and discussed the request. Wheeler Ridge has clarified they do not expect any action by the Committee at this time.

Prior Action:

None.

Fiscal Impact/Funding Source:

A technical and legal review of this matter was not anticipated in the approved work plan and would not be initiated without the Committee's approval.

Staff Contact:

Jerry Brown

Attachments:

Attachment A: Wheeler Ridge Letter Request

Attachment B: Figure 1.3 of the Sites Reservoir Project 2017 Draft EIR/EIS

RESOLUTION NO. (draft)
PLACE OF USE FOR SITES RESERVOIR WATER SUPPLIES

WHEREAS, the Sites Project Authority and its Reservoir Project Committee are jointly developing the Sites Reservoir Project;

WHEREAS, Sites Reservoir will provide water supply benefits for its Members in accordance with their financial support, and environmental water supply benefits to the State of California in accordance with its financial support;

WHEREAS, water supply flexibility, and particularly the ability to deliver that supply to different areas from time to time, is important to members to help justify their financial support of the Sites Project, and to maximize the Sites Project benefits to California's residents, businesses, and environment;

WHEREAS, California's physical and institutional water infrastructure would allow delivery of Sites water, directly or by exchange, to lands and waters within the following Hydrologic Regions as defined by the California Department of Water Resources (e.g. in the California Water Plan - Update 2018): ~~North Coast, North Lahontan~~, Sacramento River, San Francisco Bay, Central Coast, San Joaquin River, Tulare Lake, South Coast, South Lahontan, and Colorado River;

WHEREAS, due to regulations restricting both surface water diversions (e.g. for fishery protections) and groundwater pumping (to comply with the Sustainable Groundwater Management Act), many areas of the state are losing water supplies and need to replace those supplies in order to continue beneficial uses of water to support agriculture, industry, commercial and residential purposes;

WHEREAS, the Sites Project can to some degree mitigate these losses to these areas;

WHEREAS, the Governor's Executive Order N-10-19 outlines a plan for a water resilience portfolio to provide reliability and resiliency to statewide water supplies, and the Sites Reservoir was identified as a priority project that supports the goals of the portfolio;

WHEREAS, in order to provide the greatest resiliency and flexibility for beneficial use of Sites water supplies as conditions change in the future, including from climate change, it is desirable to provide for the broadest current and future geographic distribution of said supplies; and

WHEREAS, it is anticipated the Sites Project will submit a water rights Application to the State Water Resources Control Board in 2022, and said application will describe the proposed place-of-use for Sites water supplies.

NOW, THEREFORE, IT IS RESOLVED that, for the reasons cited above, the place-of-use for the Application and for CEQA/NEPA analyses shall be the Hydrologic Regions cited herein.

From: Rob Kunde <rkunde@wrmsd.com>

Date: Tuesday, March 31, 2020 at 2:17 PM

To: "tbettner@gcid.net" <tbettner@gcid.net>

Cc: Jerry Brown <jbrown@sitesproject.org>, Jim Watson <jwatson@sitesproject.org>, "jjohnswater@gmail.com" <jjohnswater@gmail.com>, "DRuiz@westsidewd.com" <DRuiz@westsidewd.com>

Subject: Sites - Proposed Policy on the Place of Use for the Water Rights Application

To: Thad Bettner, Chair, Sites Reservoir Project Committee

From: Robert Kunde, Member, Sites Reservoir Project Committee (for Wheeler Ridge-Maricopa Water Storage District)

At a meeting with the Wheeler Ridge landowner funders in January 2020, I reviewed the Affordability Matrix (as it was known at that time) with them. The result was water that was really expensive for ag (I thought too expensive). Each landowner advised they would be willing to fund the next Phase if there were some assurance that the Place of Use (POU) for Sites water would be as broad as possible i.e. not just the Sites funding Members boundaries or even the CVP/SWP POU.

To this end, I have drafted the attached Resolution that, if adopted, would establish that Sites would seek such a broad POU in its SWRCB permit application. I will send a map by separate email. Without such Resolution or equivalent, Wheeler Ridge may have no funders for the next Phase. If such Resolution was adopted in April, it could be included in the Home Board package, or not.

I understand that Sites cannot dictate terms to the SWRCB, but the additional flexibility would add to the value of the Sites Project for Members in that Sites water transfers (temporary or permanent) in the future would be permitted almost anywhere it could be physically delivered or delivered by exchange. Such flexibility for expensive assets is especially important for agriculture so as to be able to respond to changing crop market conditions.

Dan Ruiz was supportive of this idea when I spoke to him about it.

I took the liberty of discussing the idea with Jerry Johns. He said the broad POU would be more challenging than a combined CVP/SWP POU for Sites, but it could be (but is not certain to be) possible with the SWRCB.

I request this matter be considered in some form at the April Reservoir Project Committee for possible adoption by the Reservoir Project Committee and/or the Sites Project Authority.

I welcome questions, comments or concerns.

Robert J. Kunde, P.E.

Retired Annuitant

Wheeler Ridge-Maricopa Water Storage District

12109 Highway 166, Bakersfield, CA 93313

cell: 661-345-3719 email: rkunde@wrmsd.com

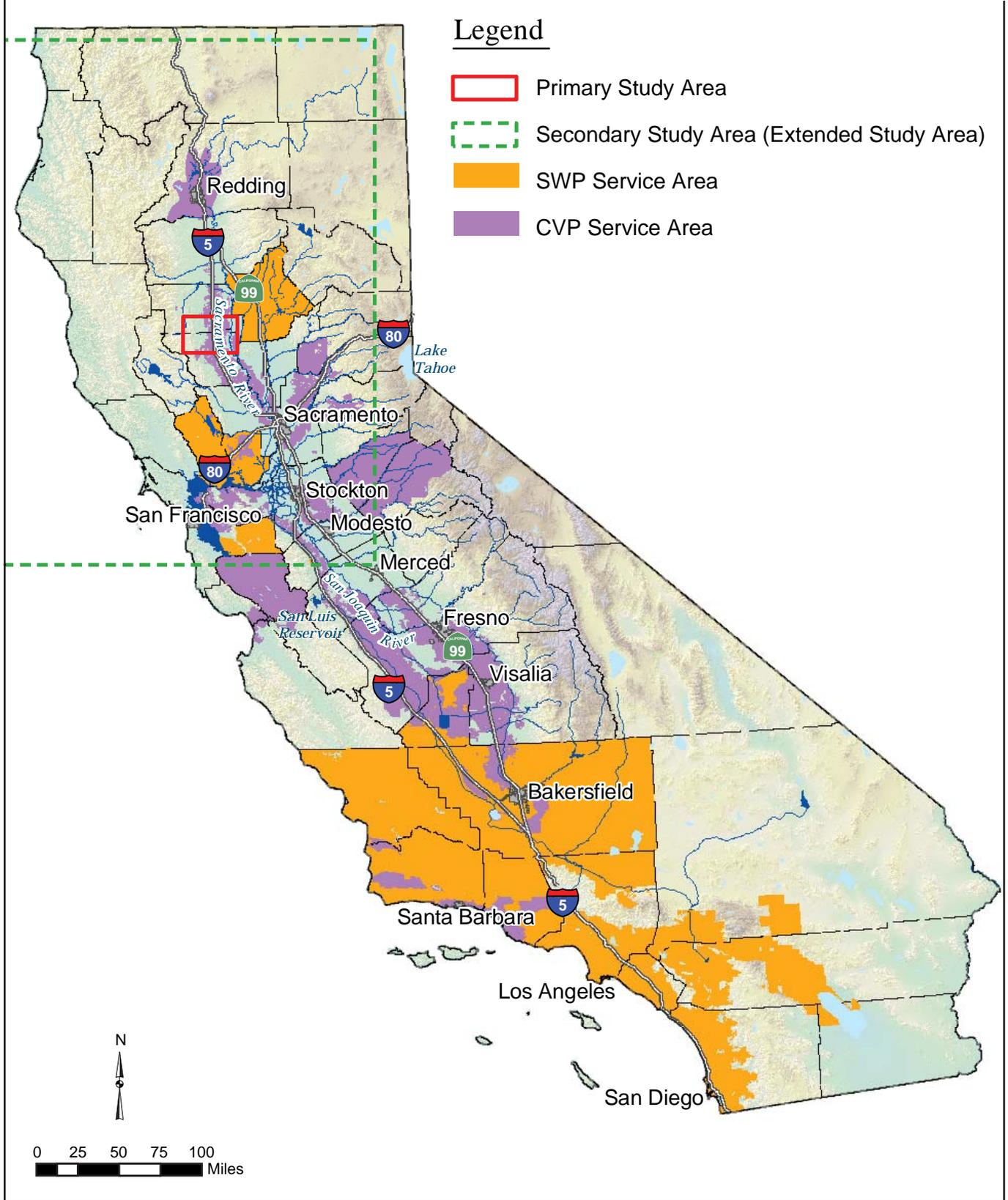


FIGURE 1-3
Primary, Secondary, and
Extended Study Areas
Sites Reservoir Project EIR/EIS