

DEPARTMENT OF WATER RESOURCES

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JAN - 7 2000

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This follows up on my July 28, 1999 letter to Kirk Rodgers (copy enclosed) regarding impacts to the State Water Project water supplies in 1999 resulting from federal actions to protect delta smelt and anadromous fish. In that letter, I requested that the federal government repay the SWP for foregone water supplies. Despite some conversations among our staffs, we have never received a reply to this request. This letter reiterates that request, as well as, addresses questions raised by U.S. Fish and Wildlife Service staff regarding the nature of SWP Interruptible Water.

In April and May of last year, the SWP exports were reduced to assist with implementing (1) Central Valley Protection Improvement Act Section 3406 b(2) Delta Action #1, and (2) recommended export-to-Vernalis flow conditions contained in the biological opinion for delta smelt¹. Export restrictions were extended beyond May when the U.S. Fish and Wildlife Service recommended additional protection for delta smelt. In all, SWP exports were reduced by 324,000 acre-feet. Of this amount, the SWP managed to save about 112,000 acre-feet² by reducing releases from Oroville. Another 50,000 acre-feet were stored in Oroville when the Bureau of Reclamation released additional water down the Stanislaus River to improve conditions for steelhead. Water saved in upstream reservoirs will help reduce storage impacts if water year 2000 turns out to be dry, although it may not help with the current year's water supply allocation if it cannot be moved to and through the Delta. This does not factor in the unresolved curtailment that occurred last month when SWP exports were reduced by 183,000 acre-feet. That curtailment was necessary to protect water quality conditions in the Delta when the Delta Cross Channel gates were closed to protect emigrating spring-run chinook yearlings.

¹ We have consistently maintained that this is a voluntary, discretionary measure pursuant to the Delta Smelt Biological Opinion (page 19 attached) and that payback of resulting impacts is necessary.

² About 38,000 acre-feet were moved from Oroville into San Luis Reservoir during August and September.

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Once again, I am asking that you provide repayment for the reduction in SWP water supplies arising from our voluntary actions last year. Consistent with Governor Davis' November 16, 1999 letter to Interior Secretary Babbitt, failing to repay the SWP will impact our ability to cooperate with the Department of Interior in implementing the b(2) actions this year, in addition to other consequences. Presently, our water contractors have been allocated 50 percent of their contract entitlement for the current year. If it remains dry, the only means they will have to fill the gap between this initial allocation and their requested entitlement water is through payback of water by the federal government and use of Interruptible Water. Unfortunately, Interruptible Water cannot be made available to them now because federal Endangered Species Act and b(2) actions have delayed filling of the State share of San Luis Reservoir.

The components of Interruptible Water have been a part of our water supply contractual obligations for many years. Through the December 1, 1994 Monterey Agreement, various accounting methodologies, or water types, contained in the original water supply contracts were aggregated into a new water type, called Interruptible Water. Interruptible Water is made available to SWP customers when the water is not needed to fulfill contractors' scheduled deliveries, meet operational requirements, or meet storage goals for the current or following years. Interruptible Water has a high priority under the SWP water supply contracts. It is a predominant source of water during the wet winter months and is used to fill groundwater storage and offstream reservoirs in the SWP service area. It is also used to pre-irrigate croplands, preserving groundwater and local surface water supplies for later use during dry periods. Prior use of Interruptible Water by State Water Project contractors has allowed them to develop water supply flexibility which can be used for dry year purposes; this flexibility has also been offered for cooperative proposals to implement environmental programs. Loss of Interruptible Water reduces system flexibility and ability to participate in other programs.

Absent the curtailments last spring and the Delta Cross Channel gate closures this fall and winter, the State share of San Luis Reservoir would have been nearly full December 16, 1999 and the SWP would have begun delivering Interruptible Water supplies to our contractors at that time. The estimate of demand for Interruptible Water for the last half of December ranges from 1,100 cubic feet per second to 1,400 cubic feet per second. Current demand for Interruptible Water exceeds 3,000 cubic feet per second.

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The issues raised in this letter are important to the Department of Water Resources and DWR's water contractors. I look forward to your response and a quick and equitable resolution to these issues. If you have any questions concerning this matter, please call me at (916) 653-7007 or Steve Macaulay at (916) 653-6055.

Sincerely,


Thomas M. Hannigan
Director

Enclosures

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