

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

**IN THE MATTER OF LICENSE 2685 (APPLICATION 1224)
MERCED IRRIGATION DISTRICT**

**AMENDED ORDER APPROVING TEMPORARY CHANGE
IN PLACE OF USE AND TRANSFER
OF 20,000 ACRE-FEET OF WATER**

SOURCE: Merced River

COUNTY: Mariposa and Merced

BY THE DEPUTY DIRECTOR FOR WATER RIGHTS:

1.0 SUBSTANCE OF PETITION

On July 7, 2017, the Merced Irrigation District (MID) filed with the State Water Resources Control Board (State Water Board), Division of Water Rights (Division) a Petition for Temporary Change pursuant to Water Code sections 1725 through 1732. Pursuant to the petition, MID seeks to transfer up to 20,000 acre-feet (af) of water for use upon lands near the boundaries of Merced's authorized place of use. Le Grand-Athlone Water District, Lone Tree Mutual Water Company, East Side Water District, Chowchilla Water District, and the lands in an area known as Merced's Sphere of Influence Lands (SOI Lands), collectively "Transferees", are all located in Merced County. Temporary changes under Water Code section 1725 may be effective for a period of up to one year.

This Order includes a revision to Condition 7 of the Order issued August 25, 2017, shown in strikethrough text.

1.1 Description of the Transfer. MID proposes to transfer up to 20,000 af of stored water under its License 2685 to irrigate land that is currently not included as a place of use under the license. MID is petitioning to increase the place of use covered by License 2685 (Application 1224) in order to supply previously stored surface water for use on Transferees' land. The majority of the SOI Lands have historically received surface water from MID during years that MID's Board of Directors determines water is available under MID's pre-1914 appropriative right claims, provided that adequate natural flow is available from the Merced River. During months when surface water is not available under the pre-1914 appropriative right claims for delivery to the SOI Lands, the individual landowners meet their demands through alternate supplies, such as groundwater. The landowners in the nearby water districts would also meet demands through alternate supplies.

The Sustainable Groundwater Management Act directs the Department of Water Resources to develop groundwater basin priorities and identify groundwater basins and subbasins in conditions of critical overdraft. The proposed additional place of use overlies the Merced Subbasin and the Turlock Subbasin which have been identified as critically overdrafted and high-priority, respectively. The proposed transfer may help recharge and alleviate overdraft in portions of the subbasins by using the transferred surface water for irrigation in lieu of groundwater pumping.

In 2007 and 2011, MID petitioned and received approval from the Division for a temporary water transfer to deliver surface water to SOI Lands under License 2685. In 2016, MID petitioned to deliver surface water to SOI Lands as well as provide surface water supplies to the portions of Le Grand-Athlone Water District, Lone Tree Mutual Water Company, East Side Water District, San Luis Canal

Company, and Chowchilla Water District located in Merced County. This 2017 petition was filed by MID to authorize temporary deliveries of surface water to transferees within Merced County and the SOI Lands similarly to 2016.

In the absence of the proposed temporary change, the 20,000 af of water would remain in storage within Lake McClure pursuant to MID's License 2685.

1.2 Place of Use Under the Proposed Transfer. The Transferees' Lands (as shown on a map submitted with the petition titled *Merced Irrigation District - Proposed Addition to Place of Use* dated July 7, 2017) will be temporarily added to the place of use of License 2685. The proposed place of use encompasses the boundaries of Le Grand-Athlone Water District, Lone Tree Mutual Water Company, East Side Water District, Chowchilla Water District, and the individual parcels comprising the SOI Lands located within Merced County. The proposed addition to the place of use totals 219,740 acres.

1.3 Water Available for Transfer. MID proposes to deliver previously stored surface water to the Transferees. The quantity of surface water proposed to be delivered by MID to the Transferees will be made available by releases of up to 20,000 af from existing reservoir storage. This transfer of previously stored surface water will involve the delivery of water to Transferees and refill of the reservoir, which normally occurs during periods of high runoff. Under the proposed transfer, releases of stored water would be increased compared to conditions in the absence of the proposed temporary transfer.

1.4 Refill Criteria. The transfer consists of water currently stored in Lake McClure. Refill criteria developed in coordination with the Department of Water Resources (DWR) and the U.S. Bureau of Reclamation (Reclamation) are required to ensure that future refill of the reservoir space made available in Lake McClure from this transfer does not adversely impact the State Water Project (SWP) or the Central Valley Project (CVP). The refill criteria provide for an accounting of refill of Lake McClure resulting from the proposed transfer. Pursuant to the criteria, any refill occurring during balanced conditions in the Delta is subject to repayment to DWR and Reclamation according to a schedule agreed to by MID, DWR, and Reclamation.

2.0 BACKGROUND

2.1 Substance of MID's License.

Original Water Rights under License 2685

License 2685 was issued to MID on August 11, 1944, pursuant to Application 1224. License 2685 allows the direct diversion of 1,500 cubic feet per second (cfs) of water from the Merced River from about March 1 through about October 31 of each year. License 2685 also allows the diversion from the Merced River to storage of 266,400 af per annum (afa) from about October 1 of each year to about July 1 of the succeeding year.

The point of diversion is at the New Exchequer Dam on Lake McClure. There are also two points of rediversion downstream of New Exchequer Dam – Merced Falls Diversion Dam for the North Side Canal and Crocker-Huffman Diversion Dam for the Main Canal. Water rediverted through the North Side Canal and the Main Canal is used for irrigation and domestic purposes on 164,395 gross acres within the boundaries of MID.

Modified Water Rights under License 2685

Effective February 16, 1995, License 2685 was modified from its original conditions to allow the direct diversion of 5,000 afa of water from the Merced River at a rate not to exceed 7 cfs from November 1 of each year to February 29 of the following year for municipal use in the Mariposa Town Planning Area. Storage under License 2685 is reduced in the amount of water diverted to the Mariposa Town Planning Area, up to 1,667 afa. Combined maximum direct diversion and storage under License 2685

cannot exceed 345,440 afa. The point of diversion for the water delivered to the Mariposa Town Planning Area is located approximately 40 miles upstream of New Exchequer Dam.

License 2685 was further amended effective June 20, 2003 to include an additional point of rediversion and modify the place of use resulting from MID's consolidation with the El Nido Irrigation District. The new point of rediversion downstream of New Exchequer Dam is on Duck Slough. Water rediverted through Duck Slough is used for irrigation purposes on 9,418.6 acres within the boundaries of El Nido Irrigation District.

3.0 PUBLIC NOTICE AND COMMENT ON THE PROPOSED TRANSFER

Public notice of the petition for temporary change was provided July 17, 2017 on the Division's internet site, via regular mail and email to interested parties on July 19, 2017, and by publication in the Merced Sun-Star on July 20, 2017. Timely comments regarding the proposed temporary change were submitted by Reclamation. These comments and the State Water Board's response are briefly summarized below.

3.1 Comments from Reclamation. Reclamation states that a refill agreement is necessary in order for the proposed temporary change to not adversely impact the water rights or operations of the SWP or CVP. Reclamation requests the Petitioner enter into a reservoir refill agreement containing conditions, criteria and procedures that ensure that SWP or CVP operations and water rights are not adversely impacted by future refill following the release of transfer water. The agreement must protect SWP and CVP water rights and operations from injury regarding Reclamation's ability to meet all applicable water quality standards cited in Permits 16597, 20245, and 16600 (Applications 14858A, 14858B, and 19304, respectively) for New Melones Reservoir pertaining to the San Joaquin River and Sacramento-San Joaquin Delta Estuary. The agreement will also protect Reclamation's water right Permits 11315, 11316, 11967, 11969, 11971, 11973, 12364, 12721, 12722, 12723, 12727, 12860, and 15149 (Applications 13370, 13371, 5628, 15374, 15375, 16767, 17374, 5626, 9363, 9364, 15764, 9368, and 21542) and operations for the Jones Pumping Plant.

State Water Board's Response: As stated in Section 1.4 of this Order, refill criteria are needed to ensure that the refill of Lake McClure resulting from the proposed temporary change does not adversely impact operations and/or water rights of the SWP or CVP. This Order requires MID to comply with the refill criteria.

4.0 REQUIRED FINDINGS OF FACT

4.1 Availability of Water for Transfer. Before approving a temporary change due to a transfer or exchange of water pursuant to Chapter 10.5 of part 2 of Division 2 of the Water Code, the State Water Board must find that the transfer would only involve the amount of water that would have been consumptively used or stored by the permittee or licensee in the absence of the proposed temporary change or conserved pursuant to Section 1011. (Wat. Code, §§ 1725, 1726.) Water Code section 1725 defines "consumptively used" to mean "the amount of water which has been consumed through use by evapotranspiration, has percolated underground, or has been otherwise removed from use in the downstream water supply as a result of direct diversion." The water proposed for transfer is currently stored in Lake McClure pursuant to the terms of License 2685. The petition states that in the absence of the proposed change, the 20,000 af of water proposed for transfer would remain in storage in Lake McClure and this quantity would be pumped at individual groundwater wells for use within the SOI Lands and alternate sources to the other Transferees. Under License 2685, MID can both directly divert and collect water to storage. MID will not provide water by direct diversion under License 2685 to the Transferees.

In light of the above, I find in accordance with Water Code section 1726, subdivision (e) that the proposed transfer involves only an amount of water that would have been stored in the absence of the proposed temporary change.

4.2 No Injury to Other Legal Users of Water. Before approving a temporary change due to a transfer or exchange of water pursuant to Article 1 of Chapter 10.5 of Part 2 of Division 2 of the Water Code, the State Water Board must find that the transfer would not injure any legal user of the water during any potential hydrologic condition that the Board determines is likely to occur during the proposed change, through significant changes in water quantity, water quality, timing of diversion or use, consumptive use of the water, or reduction in return flows. (Wat. Code §1727, subd. (b)(1).) This Order requires MID to comply with refill criteria to ensure that future refill of the reservoir space made available in Lake McClure from this transfer does not adversely impact the SWP or CVP.

MID has indicated it has sufficient supply to continue the same surface water deliveries to its existing customers with or without the proposed temporary water transfer. In addition, MID is required to release water to meet its other existing downstream commitments and requirements below the inlet to its Main Canal; this approval does not change those obligations. Therefore, there will be no downstream change of the streamflow, water quality, timing of diversion, return flows, effects on legal users of water, or change in the purposes of use authorized by License 2685 during the period of the proposed temporary transfer.

In light of the above, I find in accordance with Water Code section 1727, subdivision (b)(1) that the proposed temporary transfer will not injure any legal user of the water.

4.3 No Unreasonable Effect on Fish, Wildlife, or Other Instream Beneficial Uses. Water Code section 1729 exempts temporary changes involving transfer of water from the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000, et seq.). However, the State Water Board may approve a temporary change due to a transfer of water only if it determines that the proposed temporary change would not unreasonably affect fish, wildlife, or other instream beneficial uses. (Wat. Code, § 1727, subd. (b)(2).)

The overall impact of this transfer will be to temporarily increase flows in a portion of the Merced River. This will correspondingly decrease storage in Lake McClure by the same volume of water. In general, reservoir storage transfers result in incremental increase in instream flows between MID's point of diversion and the location where the water is removed from the stream system. The increase in flows is not anticipated to be harmful to instream resources, provided that the transfer water does not cause instream temperatures to increase to harmful levels and also does not result in other impacts such as false fish attraction flows to streams not suited for fish rearing. No information is available that suggests the transfer flows will contribute to false fish attraction flows or significantly change stream temperatures.

The transfer will deplete reservoir storage, thus it is appropriate to consider if the transfer would preclude MID from fully meeting its required instream flows such as the minimum instream flows pursuant to License 2685, the Federal Energy Regulatory Commission (FERC) License (2179-043), and the Davis-Grunsky Contract. MID is required to meet these commitments with or without the transfer, and it has provided supplemental information to support their assertion that they will have sufficient supply to do so.

Lake McClure is currently at 90 percent capacity (920,955 af as of August 16) which is well above the minimum pool of 115,000 af. Absent the proposed transfer, storage in Lake McClure at the end of the irrigation season, October 31, is projected to be approximately 674,600 af.

In light of this supplemental information, and in context of the transfer of 20,000 af consisting of a small portion of the overall current storage in Lake McClure, there appears to be no evidence indicating that minimum pool levels will not be maintained during the period of the transfer.

In light of the above, I find in accordance with Water Code section 1727, subdivision (b)(2) that the proposed transfer will not unreasonably affect fish, wildlife or other instream beneficial uses.

5.0 STATE WATER BOARD DELEGATION OF AUTHORITY

On June 5, 2012, the State Water Board adopted Resolution 2012-0029, delegating to the Deputy Director for Water Rights the authority to act on petitions for temporary change if the State Water Board does not hold a hearing. This Order is adopted pursuant to the delegation of authority in Section 4.4.2 of Resolution 2012-0029.

6.0 CALIFORNIA'S ONGOING DROUGHT CONDITIONS SOUTH OF DELTA

6.1 Governor's Executive Orders

This Order is consistent with the Governor's Executive Order B-21-13 issued on May 20, 2013 for the purpose of expediting review and processing of water transfers in accordance with the Water Code. The State Water Board and DWR are directed to make all efforts to coordinate with relevant federal agencies, water districts, and water agencies to expedite the review and approval of water transfers in California.

California has endured a severe multi-year drought. Despite improved 2016-2017 winter precipitation in many parts of the state, the effects of the drought still persist in areas of the Central Valley, and some parts of Southern California. On April 7, 2017 the Governor issued an Executive Order B-40-17 that declared the end of the Drought State of Emergency for all counties throughout California except the counties of Fresno, Kings, Tulare, and Tuolumne.

7.0 CONCLUSIONS

The State Water Board has adequate information in its files to make the evaluation required by Water Code section 1727; and therefore I find as follows:

1. The proposed temporary change will not injure any legal user of the water.
2. The proposed temporary change will not unreasonably affect fish, wildlife, or other instream beneficial uses.
3. The proposed transfer involves only an amount of water that would have been consumptively used or stored in the absence of the temporary change.

ORDER

NOW, THEREFORE, IT IS ORDERED that the petition filed for temporary change in the place of use under License 2685 (Application 1224) of MID for the transfer of 20,000 af of water to the Transferees is approved.

All existing terms and conditions of License 2685 remain in effect, except as temporarily amended by the following provisions:

1. The transfer is limited to the period commencing on August 25, 2017 and continuing for one year.
2. Only water previously stored in Lake McClure may be transferred. Water shall not be provided to the Transferees by direct diversion.
3. The place of use under License 2685 is temporarily expanded to include the Transferees' Lands as follows: Irrigation of a net area of 219,740 acres as shown on a map titled *Merced Irrigation District – Proposed Addition to Place of Use* dated July 7, 2017, filed with the Division.
4. Refill criteria shall be developed for the 2017 water transfer between MID and the Transferees by October 15, 2017, subject to approval by DWR and Reclamation. The refill criteria shall govern the conditions under which refill of the water released pursuant to this Order occurs, including the

conditions under which refill impacts may accrue and how MID shall rectify any impacts. At the conclusion of refilling water in Lake McClure for the water released pursuant to this Order, if a refill impact has occurred, MID shall release the amount of water identified in the refill criteria to DWR and Reclamation in a manner and on a schedule agreed to between MID, DWR, and Reclamation. Any release required pursuant to this paragraph shall be conducted in a manner that does not injure any legal user of water and does not unreasonably affect fish, wildlife, or other instream beneficial uses.

5. Within 90 days of completion of the transfer, the Licensee shall provide to the Deputy Director for Water Rights a report describing the transfer authorized by this Order. The report shall include the following information:
 - a. The quantity of water (in af) and identification of the specific place(s) of use and crops irrigated within Transferees' Lands pursuant to Condition 2 of this Order; and
 - b. The daily average rate of water that is released from Lake McClure pursuant to this Order.
6. Licensee shall provide a report to the Deputy Director for Water Rights by September 1, 2018 describing its refill of the transferred amount of water pursuant to this Order. For periods of refill or refill impacts, including any releases made by the Licensee to address a refill impact, the report shall include the daily values for these periods. If reservoir refill or releases for refill impacts are not complete by September 1, 2018, subsequent reports shall be submitted by September 1 of each year until completion. This report shall include a discussion of any measures taken to ensure that releases made to satisfy refill criteria pursuant to Condition 4 were conducted in a manner that did not injure any legal user of water and did not unreasonably affect fish, wildlife, or other instream beneficial uses.
7. MID shall comply with the License 2685 instream flow requirements ~~as well as all terms and conditions of its Clean Water Act 401 Water Quality Certification and FERC License~~ at all times while transferring water pursuant to this Order.
8. Pursuant to Water Code sections 100 and 275 and the common law public trust doctrine, all rights and privileges under this transfer and temporary change Order, including method of diversion, method of use, and quantity of water diverted are subject to the continuing authority of the State Water Board in accordance with law and in the interest of public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water. The continuing authority of the State Water Board also may be exercised by imposing specific requirements over and above those contained in the Order to minimize waste of water and to meet reasonable water requirements without unreasonable draft on the source.
9. This Order does not authorize any act that results in the taking of a threatened or endangered species or any act that is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. sections 1531 to 1544). If a "take" will result from any act authorized under this temporary transfer, the Licensee shall obtain authorization for any incidental take prior to commencing transfer of water. Licensee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the temporary transfer authorized under this Order.
10. The Deputy Director for Water Rights reserves jurisdiction to supervise the transfer, exchange and use of water under this Order, and to coordinate or modify terms and conditions, for the protection of vested rights, fish, wildlife, instream beneficial uses and the public interest as future conditions may warrant.

STATE WATER RESOURCES CONTROL BOARD

ORIGINAL SIGNED BY:

Leslie F. Grober, Deputy Director
Division of Water Rights

Dated: AUG 31 2017