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7 Carmichael Water District

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BEFORE THE

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CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

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12 HEARING ON THE MATTER OF
CALIFORNIA DEPARTMENT OF WATER
13 RESOURCES AND UNITED STATES
BUREAU OF RECLAMATION REQUEST
14 FOR A CHANGE IN POINT OF DIVERSION
FOR CALIFORNIA WATER FIX.

TESTIMONY OF STEVE NUGENT

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17 I, Steve Nugent, declare:

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I. INTRODUCTION

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20 I am the General Manager of Carmichael Water District (CWD). I have worked for
CWD consistently since 1994, starting out first as Production Supervisor (1994-1995). I
21 then served in the capacity of Assistant General Manager for eight years (1995-2003),
22 and then was promoted to General Manager on July 1, 2003, and have served in this
23 capacity since that time. Prior to my work most current service with CWD, I held
24 positions as a serviceman, pump operator, foreman and operations supervisor with
25 water districts and a private utility over a period of about 13 years.

26 I am a member of the Sacramento Water Works Association and American Water
27 Works Association. I have chaired several water industry committees, and have been a
28 presenter at many water industry conferences and continue to teach water distribution

1 and water treatment classes for operators.

2 **II. SUMMARY OF TESTIMONY**

3 I am familiar with the scope and extent of CWD's water rights and CWD's
4 beneficial use of water under its water rights. The purpose of my testimony is to identify,
5 provide a brief description of, and document the water rights held and claimed by CWD,
6 and that are subject to potential injury by the proposed California WaterFix Project.
7 CWD holds two water right licenses and one permit to divert water from the American
8 River, a tributary to the Sacramento River. This testimony is not intended to be an
9 exhaustive description of CWD's water rights, but includes the water rights that would be
10 subject to injury by the proposed California WaterFix project that is the subject of this
11 proceeding.

12 **III. CWD BACKGROUND**

13 The CWD is located in unincorporated Sacramento County and serves primarily
14 residential and commercial customers in the community of Carmichael. CWD is located
15 about ten miles east of downtown Sacramento along the north side of the American
16 River and has a long history of providing water for irrigation, municipal, and commercial
17 purposes. CWD was formed in 1916 to supply irrigation water for farming, but as the
18 community of Carmichael became more urbanized, CWD became predominantly an
19 urban water supplier. CWD is a public agency irrigation district operating pursuant to
20 Division 11 of the California Water Code (Wat. Code § 20500 *et seq.*). CWD covers an
21 area of approximately eight square miles and currently serves a population of 37,900
22 through approximately 11,050 residential connections and hundreds of non-residential
23 connections. A map depicting CWD's service area and other key features is included as
24 Exhibit CWD-8.

25 CWD's water supply comes from direct water diversions off of the American River.
26 These water diversions are conveyed to CWD's Bajamont Water Treatment Plant for
27 treatment and delivery throughout the CWD's potable water system. CWD also
28 maintains five (5) groundwater wells. As a practical matter, the discovery and continued

1 presence of groundwater contamination in and around CWD's service area originating
2 from the Aerojet/Rocketdyne Superfund Site on the opposite side of the American River
3 has resulted in CWD relying more on surface water. Exhibit CWD-9 is a map depicting
4 the extent of the groundwater contaminant plume. Groundwater is used to manage
5 surface supply shortfalls and handle system peaking needs. Water use has been
6 trending down in the CWD since the 12,500 acre-foot per year (af/yr) peak in 2006, as
7 growth within CWD has stabilized. In 2014, District-wide water use was reduced to
8 8,267 af/yr under a water rights curtailment and mandatory conservation.

9 IV. SCWA WATER SUPPLIES

10 A. License 1387

11 CWD primarily relies on its American River surface water supplies in order to
12 preserve its groundwater assets for dry conditions. CWD also uses reclaimed water
13 developed from Aerojet's Groundwater Extraction and Treatment (GET) facilities for
14 irrigation of Ancil Hoffman Golf Course. Collectively, all of these water assets make up
15 the CWD's water supply portfolio.

16 CWD's surface water supplies are secured through two licensed water rights and
17 one permitted water right. CWD diverts water under License 1387 to meet demands in
18 its service area. This water right license has a 1915 priority date for a water diversion of
19 15 cubic-feet per second (cfs) from January 1 to December 31 of each year from the
20 natural flow of the American River for domestic and irrigation uses within the boundaries
21 of the Carmichael Irrigation District (now Carmichael Water District). The total annual
22 diversion allowed under License 1387 equals approximately 10,859 af/yr. Exhibit CWD-
23 2 contains a true and correct copy of License 1387. Copies of Reports of Licensee, as
24 filed with the State Water Resources Control Board (SWRCB) and reflecting use under
25 this right for years 2011 through 2015, are included as Exhibit CWD-3.

26 The 1915 priority date is relatively senior in the overall picture of water rights in
27 California, thereby making License 1387 highly reliable, except during the most critical
28 dry years. On May 1, 2015, however, during the driest year in California's history – the

1 the SWRCB regularly granted extensions because CWD could demonstrate that it was
2 planning to use the entire supply identified in the permit at some point in the future. In
3 2005, however, the SWRCB determined that CWD had not adequately demonstrated
4 that it could apply all of the water under Permit 7356 to beneficial use by the year 2025
5 and denied CWD's request for a permit extension. In 2013, CWD staff met with the
6 SWRCB and requested that the SWRCB allow CWD to perfect the water right as much
7 as possible based upon the conditions prevailing in CWD in 2005. The CWD has
8 organized information to present to the SWRCB regarding beneficial use of the water.
9 Subsequent investigations indicate that CWD is using water under Permit 7356 in all
10 months of the year based on the "municipal use" beneficial use designation, the
11 expanded contamination of groundwater in CWD's service area, and CWD's peak hourly
12 needs¹ during the high demand months of June through September. Importantly, it is
13 likely that any license issued by the SWRCB will be conditioned with new terms – like
14 Term 91² – that will limit the availability of this water asset under certain hydrological and
15 regulatory conditions.

16 Given the documented groundwater contamination underlying CWD, surface
17 supplies from the American River remain critical to the CWD's longevity to (1) to make
18 up for supplies limited by the contamination; and (2) reduce hydrogeological gradients
19 that affect contaminant movement that an over-reliance on groundwater pumping might
20 create.

21 **V. INJURY TO CWD'S WATER RIGHTS**

22 As explained above, CWD holds two water right licenses and one permit for the
23 diversion of surface water from the American River. Based upon the expert work of and
24 testimony by MBK Engineers that has been submitted on behalf of the Sacramento

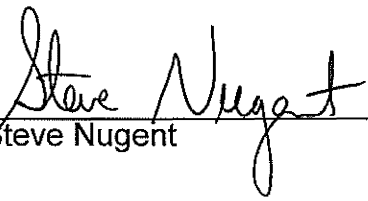
25 _____
26 ¹ Peak hourly conditions occur when CWD's water system is producing its maximum flow during the
highest hour of demand on CWD's water system.

27 ² Term 91 is declared by the SWRCB when it is determined that the State Water Project (SWP) and U.S.
28 Bureau of Reclamation's Central Valley Project (CVP) are required to release stored water in excess of
low natural flow to meet Sacramento Valley in-basin uses plus export demands.

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Valley Water Users, it is my understanding that the modeling conducted by Petitioners to determine whether the WaterFix Project would cause injury to CWD and other legal users of water, is inadequate to ultimately answer this question. In this respect, Petitioners have not met their burden of showing that the WaterFix Project will not cause injury to CWD and other legal uses of water.

I declare under penalty of perjury under the laws of the State of California that the facts recited above are true and correct. Executed on this 31st day of August 2016 in Sacramento, California.



Steve Nugent