AG SERVICE CONTRACTORS

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July 22, 1996

Mr. Roger Patterson
Director, Mid-Pacific Region
U.S. Bureau of Reclamation
2800 Cottage Way
Sacramento, CA 95825

Mr. H. Dale Hall
Asst. Regional Director, Region 1
U.S. Fish and Wildlife Service
911 N.E. 11th Avenue
Portland, OR 97232

Re: Administrative Proposal for Urban Water Supply Reliability

Dear Mr. Patterson and Mr. Hall:

842 SIXTH STREET
SUITE 7
P.O. BOX 2157
LOS BANOS, CA
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209 826-9696
209 826-9698 FAX

The Agricultural Service Contractors of the San Luis & Delta-Mendota Water Authority thank-you for the opportunity to comment on the June 14, 1996 Administrative Proposal for Urban Water Supply Reliability.

Issues

A. What minimum level of reliability should be provided to urban water contractors?

USBR Proposal, (Paraphrased):

1. USBR will simplify the current draft Interim M&I water shortage policy to show the minimum level of reliability to be 75 percent of historic deliveries adjusted for growth.
2. An analysis will be done to quantify impacts of this policy and to explore possible mitigation measures before this policy is finalized.

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Ag Service Contractor Comments:

- Agriculture acknowledges and is sensitive to urban arguments of needed "minimum reliability".

- However, it is fundamental to the discussion to note and to acknowledge that any preference provided to Urban contractors is fundamentally a reallocation of Ag Service water supplies.

- Ag Service Contractors and the rural communities they serve are therefore understandably concerned about providing new "minimum levels" to urban contractors up and above what their contracts provide.

We concur with the USBR approach to show the minimum level of reliability to be 75% of historic deliveries adjusted for growth with the understanding that an analysis be done to quantify impacts and to explore mitigation measures prior to finalizing the policy.

The analysis/mitigation process is the key to success for this issue. We recommend that this process be initiated immediately by USBR, with appropriate direct stakeholder participation.

B. How should other water supplies developed by a contractor be considered/protected in urban shortage allocations?

USBR Proposal:

1. The decision by Reclamation on whether it considers other sources of water supply available to M&I Contractors depends on the overall water year type and operational constraints. USBR has discretion to drop the water allocations below 75% of historic usage.

2. USBR will work on a "contractor-by-contractor" basis to insure that USBR's policy does not encourage water use simply to increase historic use.

3. To encourage M&I contractors to firm up their existing supplies, a two-tier level of reliability could be established. The first tier would be given regardless of

supplies (a base tier), the second tier would be higher.

Ag Service Contractor Comments:

- It is important that the Urban Reliability Policy doesn't discourage the development of other supplemental urban supplies.

- The Policy should provide incentives for contractors to use non CVP supplies in times of CVP shortages, (or disincentives to use CVP supplies when other water is available).

We concur that USBR should have the discretion to drop the water allocations below 75% of historic usage under certain circumstances and that the USBR should work on a "contractor-by-contractor" basis to discourage water use simply to increase historic use.

We generally agree with the two tier approach and are willing to work with the USBR and other stakeholders to develop such an approach.

We suggest that the same forum developed to review impacts/mitigation may be the appropriate forum to discuss the two tiered approach.

C. What should be the reliability of water converted or transferred from irrigation to M&I use?

USBR Proposal:

To maintain the same shortage criteria as was applicable to the water before the transfer or conversion occurred.

Ag Service Contractor Comments:

We agree with the USBR proposal, (and emerging stakeholder consensus).

Summary of Comments

USBR should simplify its interim policy of providing 75% of historic deliveries adjusted for growth.

USBR should immediately initiate an "Analysis/Mitigation Process" which will:

a) include all appropriate stakeholders;
b) quantify impacts and explore mitigation measures;
c) review/develop the "two tier" approach.

Thank-you for this opportunity. SLDMWA Ag Service Contractors remain committed to working with the USBR and urban interests in developing a fair, balanced urban reliability policy.

Sincerely,

Daniel G. Nelson