

FEB 22 1999

MP-410
WTR-4.00

To: All Central Valley Project (CVP) Interim Renewal Irrigation Contractors
All CVP Irrigation Contractors Subject to Binding Agreement

Subject: Update on Informational Needs, Water Needs Analysis, Long-term CVP Contract
Renewal

Dear Agricultural Water Contractor:

This letter **updates Reclamation's December 30, 1998, request for information** from the irrigation contractors. Reclamation has decided to modify both the request for information and the deadline as a result of further development of the water needs assessment approach done in response to issues raised by a number of agricultural stakeholders. **The new overall deadline is March 19, 1999.**

BACKGROUND

The request for information is made to satisfy the following three needs:

1. Current water demand and supply information (base year is 1995) is needed to provide a description of the existing conditions for the environmental document.
2. A determination that historical water deliveries constitute past beneficial use of water is a contractual prerequisite before negotiations for long-term contract renewals can begin.
3. Estimates of future beneficial use of water and non-CVP supplies are needed for both the environmental document and as a starting point for negotiations.

Following is a brief description of the comparative analyses done in an effort to address issues raised by agricultural stakeholders:

Two approaches for calculating past beneficial use of agricultural water were compared for a number of representative districts. First, the water demand methodology described on Reclamation's website was used to calculate the average past beneficial use of agricultural water based on 19 years of historical crop information. Then, the average of 19 years of historical

water deliveries was compared to this calculated average past beneficial use. For the representative districts, the calculated beneficial use exceeded deliveries confirming the past beneficial use of CVP supplies as well as non-CVP supplies. Although the results of this analysis meet Need 2 described above, the results are not necessarily descriptive of current conditions (Need 1 above). The second approach tested involved using information from the contractors' Water Management Plans to determine past beneficial use for the snapshot year used in the respective Water Management Plan and water supplies and demands reflective of current conditions. The conclusion of the comparative analyses is that the information in the Water Management Plans is sufficient to meet Needs 1 and 2 described above, although the information may need to be updated to be reflective of 1995 conditions. A concern was expressed that all districts within a particular region need to use the same snapshot year for the evaluation of past beneficial use. Otherwise, in aggregating water demand information on a regional basis, we might be adding "apples and oranges." The suggested regions for the water needs assessment are described in the next paragraph.

In addition, agricultural stakeholders suggested an alternative approach to a district-by-district evaluation of future water demands and future non-CVP supplies in an effort to determine the need for CVP water. Because of the complexities involved in trying to depict intraregional transfers and use/generation of return flows on a district-by-district basis, a regional approach has been adopted for ascertaining the need for CVP agricultural water in the year 2025. The identified regional need for CVP water will still need to be disaggregated to the district level to provide a starting point for negotiating long-term CVP water contracts with each individual irrigation contractor. The regions identified for these analyses include:

American:	American River Division
Delta:	Delta Division combined with West San Joaquin Division, but no Contra Costa Unit
Contra Costa:	Contra Costa Unit
Stanislaus:	East Side Division
Friant:	Friant Division combined with Hidden Unit, Buchanan Unit, and Cross Valley Canal
Sacramento:	Sacramento River Division combined with Trinity River and Shasta Divisions
San Felipe:	San Felipe Division

Attachment 1 contains a list of all CVP contractors, organized by division/unit, eligible to participate in the long-term CVP contract renewal process. It should be emphasized that the Municipal and Industrial (M&I) only contractors are not part of these regional analyses. M&I contractors will receive a separate letter.

REVISED REQUEST FOR INFORMATION

Water Demand and Supply Information Requested from Individual Irrigation Contractors to be Used in the Environmental Document

If the information contained in your district's Water Management Plan is reasonably representative of current (year 1995) conditions, please verify that we can use your Water Management Plan for this purpose, in writing, by March 5, 1999. Otherwise, please update the information using the format indicated in the examples provided in Attachment 2. Attachment 2 depicts specific information from the contractors' Water Management Plans for a number of representative districts that is needed for the water needs assessment.

For those contractors who are exempt from preparing Water Management Plans, or whose plans do not reflect year 1995 conditions; there is an alternative to providing the water demand information in the format of Attachment 2. If you would like us to calculate your year 1995 agricultural water demand using the agricultural water demand methodology shown on Reclamation's website, please provide us with a tabulation of crops and associated acres for this year. However, you also will need to provide us an itemization of your non-CVP supplies for year 1995. These may include ground-water pumping, conjunctive use with ground water and/or other surface water supplies.

Information Requested from Individual Irrigation Contractors to be Used to Confirm Past Beneficial Use

The snapshot year used in the preparation of a significant number of the contractors' Water Management Plans was 1989. This year was chosen because most contractors received full delivery of their requested water supplies and the total annual precipitation for most CVP regions was in the normal range. For this reason, Reclamation intends to use the information from those Water Management Plans with a snapshot year of 1989 to calculate past beneficial use of agricultural water for the American, Delta, Contra Costa, Sacramento, and San Felipe regions, as defined above. Since 1989 was a drought year in the Friant region and no project water deliveries were made in that year to East Side Division contractors, 1996 is the snapshot year selected to calculate past beneficial use for the Friant and Stanislaus regions. If your Water Management Plan provides information for the appropriate snapshot year for your region, you do not have to provide us with any additional information. If not, you have the following options:

1. Provide us crop acreage, crop water needs, effective precipitation and conveyance loss information for the appropriate snapshot year using the format in Attachment 2; **or**
2. Provide us a tabulation of crops and associated acres for the appropriate snapshot year to allow Reclamation to calculate net crop water needs.

Future Water Demand Information Requested from Individual Irrigation Contractors

For our analyses of future beneficial use of water, please provide us with your best estimate of the crops and associated acreages that you believe will be grown in your district in the year 2025 timeframe. Please use the format indicated in Attachment B to the December 30, 1998, letter. Again, as stated in that letter, if some of the assumptions in the agricultural water demand methodology, such as those for the average on-farm irrigation efficiency, are not achievable in your district, please provide us with your best assumption and any associated documentation.

Future Water Supply Information Requested by Region

In order for the regional approach for determining future CVP needs to be successful, a contact person for each of the regions needs to be identified. The information needed for each region includes best estimates for the year 2025 timeframe of the following types of non-CVP supplies both for normal and dry year conditions (If it is necessary to provide wet year information to provide a complete picture of the regional water balance, please do so):

1. Amount of ground-water pumping to meet agricultural water needs; this amount should not exceed safe yield, except possibly in cases where the ground-water basin is being operated in a conjunctive use mode. For a basin not in overdraft, a safe yield number may not be available. If this is the case, a reasonable estimate of future ground-water pumping may be the sum of historical ground-water pumping plus ground-water pumping associated with any planned wells.
2. Details of conjunctive use operations, if any, identifying surface water supplies used for recharge in a normal year and replaced with ground water during dry year conditions;
3. Surface water supplies available through contracts, water rights, into-basin transfers, and/or any other mechanisms;
4. Any out-of-basin transfers that reduce supplies available to meet the region's water supplies.

Crop Verification Still Requested, but With a Longer Deadline

We are still requesting that the districts verify the crop information sent out as Attachment A to the December 30, 1998, letter. Although, this information is now **not** critical to the water needs assessments, it is still very important that we have accurate crop records for our periodic reports to Congress. Our 1994 through 1997 crop records will be sent out for your review after March 19, 1999. Please provide us with all revisions to our crop records by June 30, 1999.

RECLAMATION ASSISTANCE FOR THIS EFFORT

The following area office staff are available to assist contractors with the "Request for Information" contained in this letter and to work with the contractors in each region to identify their overall contact for each region. Mr. Don Bultema of the Northern California Area Office in Willows has responsibility for the Sacramento River, Shasta, and Trinity River Divisions and can be reached at (530) 934-7069, or (530) 934-1361 (TDD 934-7089). Mr. Cecil Lesley of the Central California Area Office in Folsom has responsibility for the American River and East Side Divisions and can be reached at (916) 989-7221 (TDD 989-7285). Mr. Buddy Smith of the South-Central Area Office in Tracy has responsibility for the Delta, San Felipe, and West San Joaquin Divisions including the Contra Costa Unit and can be reached at (209) 836-6279 (TDD 836-6280). Mr. Jon Anderson of the South-Central California Area Office in Fresno has responsibility for the Friant Division, Cross Valley Canal, Buchanan Unit, and Hidden Unit and can be reached at (559) 487-5041 (TDD 487-5933).

If you have general questions related to the water needs assessment component of the long-term CVP contract renewal process or would like to discuss other alternative approaches to completing the water needs assessment, please call Ms. Mary Johannis at (916) 978-5202 (TDD 978-5608).

Sincerely,

/s/Robert F. Stackhouse

Robert F. Stackhouse
Regional Resources Manager

Attachments

- cc: Mr. Greg Wang
Central Valley Project Water Association
1521 I Street
Sacramento CA 95814
(w/att)
- bc: MP-120 (Davis, Candlish), 220 (Howard), 221 (Turner), 410 (Prillwitz, Slavin),
440 (Tegelman, Draglia, Colella), 450 (Zander), 700 (Johannis, Thomas)
CC-931 (Lesley), NC-441 (Bultema), SCC-440 (Anderson), TO-440 (Smith)
(ea w/att)

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To: All Central Valley Project (CVP) Interim Renewal Municipal and Industrial (M&I) Contractors
All CVP M&I Contractors Subject to Binding Agreement

Subject: Update on Informational Needs, Water Needs Analysis, Long-term CVP Contract Renewal

Dear Urban Water Contractor:

This letter is intended to clarify Reclamation's December 30, 1998, request for information from M&I contractors. Reclamation has decided to modify both the request for information and the deadline as a result of further refinement of the agricultural water needs assessment methodology. Although the methodology changes do not affect M&I contractors, decisions made with respect to specific years for which information is requested do affect the request for information from you. **The new overall deadline is March 19, 1999.**

BACKGROUND

The request for information is made to satisfy the following three needs:

1. Current water demand and supply information (base year is 1995) is needed to provide a description of the existing conditions for the environmental document.
2. A determination that historical water deliveries constitute past beneficial use of water is a contractual prerequisite before negotiations for long-term contract renewals can begin.
3. Estimates of future beneficial use of water and non-CVP supplies are needed for both the environmental document and as a starting point for negotiations.

Discussions with agricultural stakeholders surfaced the concern that water demand information that is reasonably representative of year 1995 conditions for the environmental document may not be reasonably representative of past beneficial use of CVP supplies because of decreased CVP deliveries to, and consequent modifications of district operations in, certain areas after 1992. Therefore, in a separate letter to the CVP agricultural contractors, these contractors are being asked to provide information to demonstrate past beneficial use of water for the snapshot years of 1989 or 1996, depending on location of the district. In many cases, the contractors will not need to physically provide additional information, but just verify that the information

contained in their Water Management Plans is reflective of past beneficial use and/or current (year 1995) conditions. In order to ensure consistency in the environmental documents and the water needs analyses, a revised information request is also being sent to you, Reclamation's M&I contractors.

REVISED REQUEST FOR INFORMATION

Water Demand and Supply Information Requested from Individual M&I Contractors to be Used in the Environmental Document

If the information contained in your district's Water Management Plan and/or your current Integrated Resource Plan is reasonably representative of current (year 1995) conditions, please verify that we can use your Water Management Plan, or Integrated Resource Plan for this purpose, in writing, by March 5, 1999. If the Integrated Resource Plan contains the requested information, please send it to us with information corresponding to the requested information in Attachments D, E, and F of Reclamation's December 30, 1998, letter highlighted. Otherwise, please send us year 1995 information in the format of these attachments.

Information Requested from Individual Irrigation Contractors to be Used to Confirm Past Beneficial Use

The snapshot year used in the preparation of a significant number of the contractors' Water Management Plans was 1989. This year was chosen because most contractors received full delivery of their requested water supplies and the total annual precipitation for most CVP regions was in the normal range. For this reason, 1989 is the year selected to calculate past beneficial use of M&I water for the American, Delta, Contra Costa, Sacramento, and San Felipe regions, as defined below. Since 1989 was a drought year in the Friant region and no project water deliveries were made in that year to East Side Division contractors, 1996 is the snapshot year selected to calculate past beneficial use for the Friant and Stanislaus regions. Following is a description of the regions referenced above:

American:	American River Division
Delta:	Division combined with West San Joaquin Division, but no Contra Costa Unit
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San Felipe:	San Felipe Division

Attachment 1 contains a list of all CVP contractors, organized by division/unit, eligible to participate in the long-term contract renewal process.

If the information contained in your district's Water Management Plan and/or your current Integrated Resource Plan is reasonably representative of the selected snapshot year for which past beneficial use is to be calculated, please verify that we can use your Water Management Plan, or Integrated Resource Plan, for this purpose, in writing, by March 5, 1999. If the Integrated Resource Plan contains the requested information, please send it to us with information corresponding to the requested information in Attachment D of Reclamation's December 30, 1998, letter highlighted. Otherwise, please send us year 1989, or year 1996, information in the format of Attachment D.

ANSWERS TO FREQUENTLY ASKED QUESTIONS

After reviewing comments from a number of M&I contractors on the proposed methodology for water needs analyses that was sent out on December 1, 1998, it is evident that there are questions common to most M&I contractors. The next paragraphs provide Reclamation's responses to these questions. It is hoped that the combination of this letter and the availability of staff assistance to individual contractors will facilitate your preparation of the requested information.

Can a contractor submit current Integrated Resource Plans in place of the proposed Reclamation report format?

Yes, submittal of your Integrated Resource Plans is acceptable as long as the information is reflective of 1995 or 1989/1996 conditions and the appropriate sections are highlighted, emphasizing the data that is necessary for Reclamation to make a determination of demands and supplies.

Can a contractor use different per capita figures, landscape coefficients, estimated system losses, commercial, industrial and/or institutional data, or other variables that are different than those Reclamation has provided?

The numbers proposed by Reclamation are based on CALFED documents, Department of Water Resources documents, or other recognized sources. If a contractor proposes other numbers or variables, sufficient documentation must be provided to support the changes. In any event, improvements in water use efficiency should be expected over the planning period approximately in proportion to those specified in Reclamation's methodology.

Can a contractor include "other beneficial uses" such as recreation and local environment?

Yes, beneficial uses other than those included in Reclamation's methodology can be included in the analysis, if these uses are adequately documented by the contractor.

What if a contractor simply does not have the data requested by Reclamation (such as landscape acreage, which requires significant funding, time and effort to gather and analyze)?

At a minimum, all M&I contractors need to provide recent historical (year 1995 and 1989/1996) and projected M&I water demands.

For historical demand, a breakdown into the residential, nonresidential and distribution system demand components is needed. In addition, a breakdown of residential demand into combined interior and exterior per capita usage and population served is needed. It would be helpful if nonresidential demand could be separated into commercial, industrial and institutional components with some description of those components; however, at a minimum, a qualitative description of nonresidential demands is required. Some description of the distribution system demand is also required with as much quantification as possible.

For M&I water demands projected for the year 2025 timeframe, each contractor should incorporate into the analysis the effect of Best Management Practices on increased efficiencies. For example, these increased efficiencies could result in lower per capita usage figures and/or lower distribution system demands. If you do not project increased efficiencies for your district, you need to provide an explanation why increased efficiencies are not possible.

Can a district be exempted from performing this water needs analysis?

No.

Will Reclamation consider the difference between dry year and average year demands?

As indicated in the December 30, 1998, letter, we are requesting both water demand and supply projections for the year 2025 timeframe. Please provide this information both for normal year and dry year conditions.

I hope this Question and Answer format is helpful. If you have any general questions regarding the water needs assessment component of the long-term CVP contract renewal process, please call Ms. Mary Johannis at (916) 978-5202 (TDD 978-5608). If you have specific questions, would like to request assistance, or require additional information, please contact Ms. Marsha Prillwitz at (916) 978-5213 (TDD 978-5608).

Sincerely,

/s/Robert F. Stackhouse

Robert F. Stackhouse
Regional Resources Manager

Attachment

cc: Mr. Greg Wang
Central Valley Project Water Association
1521 I Street
Sacramento CA 95814
(w/o att)

bc: MP-120 (Davis, Candlish), 220 (Howard), 221 (Turner), 410 (Prillwitz, Slavin),
440 (Tegelman, Draglia, Colella), 450 (Zander), 700 (Johannis, Thomas)
CC-931 (Lesley), NC-441 (Bultema), SCC-440 (Anderson), TO-440 (Smith)
(ea w/o att)