

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *IX. A.

Urgent

Routine

AGENDA DATE May 24, 2011

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval for the Board of Supervisors to Sign a Letter of Support of the Relicensing of the Don Pedro Project by the Modesto and Turlock Irrigation Districts

STAFF RECOMMENDATIONS:

Authorize the Board of Supervisors to sign a letter of support of the Relicensing of the Don Pedro Project by the Modesto and Turlock Irrigation Districts.

Contact person: Richard W. Robinson, CEO

Telephone: 525-4305

FISCAL IMPACT:

There is no fiscal impact associated with this item.

BOARD ACTION AS FOLLOWS:

No. 2011-325

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

This Item was removed from the consent calendar for discussion and consideration.

MOTION: Amended the Letter of Support to strike out the text "The Don Pedro Project was fully funded by the communities that receive its benefits; no money came from State or Federal funds. As such," located in paragraph 7, and to strike out the text "The scope of the project is best defined by the current Project Area." located in paragraph 8; and, authorized the Board of Supervisors to sign the Letter of Support as amended.

ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk

File No.



BOARD OF SUPERVISORS

William O'Brien, 1st District
Vito Chiesa, 2nd District
Terry Withrow, 3rd District
Dick Monteith, 4th District
Jim DeMartini, 5th District

1010 10th Street, Suite 6500
Modesto, CA 95354
Phone: 209.525.4494 Fax: 209.525.4410

See Amended Letter

May 24, 2011

Chairman Jon Wellinghoff
Federal Energy Regulatory Commission
888 First Street
Washington, DC 20426

Re: Don Pedro Project: FERC 2299

Dear Chairman Wellinghoff and Commissioners,

The Stanislaus County Board of Supervisors strongly supports the relicensing of the Don Pedro Project by the Modesto and Turlock Irrigation Districts. We urge FERC to ensure, throughout the relicensing process, that balanced consideration is given to protecting the communities served by the Project and the health of the River. We also encourage FERC to issue a license in a timely manner on terms in accordance with the application filed by the Districts.

The Don Pedro Project is an immensely valuable asset to all of the communities it serves. Water from Don Pedro is the lifeblood of valley agriculture. It also provides drinking water to tens of thousands of residents, while preserving our groundwater resources. Don Pedro allows our communities to enjoy a reliable, affordable, clean source of power. These are only a few of its many benefits. Stories are told about the time when the River would run so dry that you could literally walk across the river bed. Thanks to Don Pedro this is no longer the case.

We are the most productive agricultural region in the nation. Agriculture is a 2 billion dollar industry in Stanislaus County, employing tens of thousands of people on the farms and in agricultural support industries. The food we grow feeds millions of people in California and around the world. If we are deprived of the water our agricultural economy depends on, valuable crops are lost, land is fallowed, farm workers are unemployed, manufacturers processing the food grown on farms are out of business and California's largest export is diminished. We all feel the impact.

Our agricultural practices also help recharge the groundwater basins, improving water quality throughout the area. These groundwater benefits are bolstered by the use of Don Pedro's clean healthy water to serve the City of Modesto and nearby communities. Before the Modesto Regional Water Treatment Plant was constructed, water tables were dangerously low, the quality of our well water was diminishing and the cost of treating water was escalating. The surface water from Don Pedro has addressed many of these problems, and improved conditions in the land and River.

In keeping with the beneficial uses of water from Don Pedro we would like to mitigate some of our groundwater issues with expanded conjunctive use of surface water from Don Pedro in other areas,

See Amended Letter

including Ceres, Turlock and the west side. This is really the only way that thousands of residents can have a safe drinking water supply.

We all know California needs more surface water supply. The numbers are stark in this regard. In 1950, California had 133 million acre feet of storage capacity behind dams serving a population of just over 10 million people. Today, California has 160 million acre feet of storage capacity, serving over 37 million people. Since 1950 we have increased our population by 285%, and our storage capacity by less 20%.

MID and TID had great foresight in developing a self-sustaining system for our communities. The Don Pedro Project was fully funded by the communities that receive its benefits; no money came from State or Federal funds. As such, consideration must be given to the economic condition of these communities as the effect of the license terms could deprive them of the benefits they paid for. Our communities are some of the most economically challenged in California. Stanislaus County consistently ranks near the top in national statistics on unemployment, and home foreclosures, and at the bottom on economic achievement. A 2005 study by the Congressional Research Service ranked the San Joaquin valley, which includes Stanislaus County, as trailing the nation in most positive social indicators, and leading in the negative measurements. In fact, this study has led many to conclude that the valley is the new Appalachia, in a reference drawn to the rankings of that area when President Johnson first declared the war on poverty in 1964.

It is important that MID and TID mitigate impacts caused by Don Pedro, as it has operated the last 50 years. However, our community as the owners of Don Pedro cannot be held responsible for mitigating the cumulative problems found throughout the watershed or made to bear the burden of restoring the watershed single-handed. Requests to extend FERC's purview to the San Joaquin River, the Sacramento-San Joaquin Delta and the ocean, should be tempered. The scope of the project is best defined by the current Project Area.

Don Pedro offers our best tool to preserve agriculture, to provide healthy drinking water and environmental enhancements to our diverse, underemployed, growing and young population. It is an essential tool for the continued health and development of our communities. It has worked well for many years, providing water, power, recreational, flood control and agricultural water to our area.

Please take our concerns due consideration and issue MID and TID a new license for the Don Pedro Project in accordance with the terms and conditions of their request.

Sincerely,

Supervisor Dick Monteith

Supervisor William O'Brien

Supervisor Vito Chiesa

Supervisor Terry Withrow

Supervisor Jim DeMartini



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AMENDED LETTER

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Sincerely,



Chairman Dick Monteith
District 4



Vice-Chairman William O'Brien
District 1



Supervisor Vito Chiesa
District 2



Supervisor Terry Withrow
District 3



Supervisor Jim DeMartini
District 5

Leg A

Item IX. A., Stanislaus County Board of Supervisors meeting on May 24, 2011

A letter of support for relicensing of Don Pedro Project.

Comments by Bob Hackamack, PO Box 1886, Twain Harte CA 95383, bhackamack@frontier.com speaking for the Tuolumne River Trust.

Through the relicensing of Don Pedro Project, the Tuolumne River Trust would like you to build on the water and power benefits that the project provides to improve the Tuolumne River for fish, wildlife, county parks and all Stanislaus County residents. We believe that the project can be operated in a better way to support a healthy and clean river, provide excellent recreational opportunities close to the homes of hundreds of thousands of residents in central California, and be a source of community pride for generations into the future while continuing to meet water and power demands for those it currently serves. We are encouraging the Modesto and Turlock Irrigation Districts to take a careful look at how the project is operated while evaluating solutions that will allow the project to provide even more benefits for Stanislaus County.

The draft letter has a couple of statements that seem to promote a balanced approach to the relicensing. For example, in the first paragraph it states, "we urge...that balanced consideration is given to protecting the communities served by the Project and the health of the River." However, the letter predominantly advocates that the Federal Energy Regulatory Commission issue a new license that does not consider operational changes to improve the river. We encourage the board to consider an alternative letter that presents a more balanced approach to relicensing.

Beyond the general outcome advocated in the letter, there are several specific items that are problematic in the letter. First, the letter contains a false statement in the second paragraph on the second page, where it states, "the Don Pedro Project was fully funded by communities that receive its benefits; no money came from State or Federal funds."

In fact, \$12,964,000 for the project was provided through State and Federal funding. The "Fourth Agreement between the City and County of San Francisco and the Turlock Irrigation District and the Modesto Irrigation District," dated June 1966, shows that the actual amount paid by the Federal government was \$5,464,000 and the amount paid by the State was \$7,500,000 through Davis-Grunsky Act funds. These figures are corroborated by MID's history of the project, *The Greening of Paradise Valley*. The combined \$12,964,000 in Federal-State

funding represents approximately 12% of the total project cost, with San Francisco paying \$47,380,000 about 44% of the project cost, TID providing about 30%, and MID providing about 14%. It is important for your letter to recognize Federal, State and Bay Area contributions because the Federal and State taxpayers do have a real stake in how this project is operated.

Second, in the third paragraph from the end, the letter states "it is important that MID and TID mitigate impacts caused by Don Pedro, as it has operated for the last 50 years." This statement alone is strong. However, the letter continues, "our community as the owners of Don Pedro cannot be held responsible for mitigating the cumulative problems found throughout the watershed or made to bear the burden of restoring the watershed single-handed. Requests to extend FERC's purview to the San Joaquin River, the Sacramento-San Joaquin Delta and the ocean, should be tempered. The scope of the project is best defined by the current Project Area." This view would short-change Stanislaus County.

We agree with the opening sentence of that paragraph that states that the Districts mitigate impacts caused by Don Pedro. It is also undeniable that the 60% of the water that is currently withdrawn from the river will have impacts far downstream, indeed, all the way to the ocean. While it is unreasonable to expect the districts to mitigate every problem found throughout the watershed, we believe it is fair that they do their share to alleviate the impacts caused by the project.

Finally, in the first paragraph on the second page, the letter makes an argument about the need for more surface water based on the amount of water storage in the 1950's compared to the amount of storage today. The argument is based on several bad assumptions, most importantly that per capita storage demands are the same today as in the 1950's. Clearly they are not. Technology has greatly improved water management through efficiency, reuse, recycling, state water project conveyance to as far as San Diego and other approaches. We believe that fully implementing modern water management approaches will free up more than enough water to ensure that farmers are able to continue growing crops, residents will continue to have clean, safe drinking water, and the rivers can support greater numbers of fish, wildlife, benefits to county parks, fishing and boating access.

You are the most influential spokesmen for all the people of Stanislaus County. I urge you to withhold approval today and instead redraft this letter to be accurate and to be more inclusive of benefits this project can provide in Stanislaus County during the next 50 years.