April 30, 2020

RE: Notice of Public Comment Period for an out-of-county groundwater substitution water transfer

To Whom It May Concern;

The Colusa County Groundwater Commission hereby notifies you that the Sycamore Mutual Water Company in Colusa County has requested a permit to transfer a maximum of 5,000 acre feet of water through a groundwater substitution water transfer to San Luis and Delta-Mendota Water Authority, outside of the county. Groundwater substitution transfers occur when sellers choose to pump groundwater in lieu of diverting surface water supplies, thereby making the surface water available for transfer.

A 30-day public comment period for this proposed out-of-county groundwater substitution water transfer begins on May 1, 2020 and will close at 5:00 pm on May 30, 2020. Following the close of the public comment period, the Colusa County Groundwater Commission will hold a public hearing on this matter where you would also have the opportunity to provide any comments.

The transfer permit request letter is attached and the environmental documentation can be found online at the links below:

All documents: https://www.usbr.gov/mp/nepa/nepa_project_details.php?Project_ID=18361

All written comments are due by 5:00 pm on May 30, 2020. Comments should be sent to:

Email: mfahey@countyofcolusa.com

Mail: Colusa County Groundwater Commission
C/O: Mary Fahey, Colusa County Water Resources Manager
100 Sunrise Blvd., Suite A
Colusa, CA 95932
April 14, 2020

Colusa Groundwater Authority
100 Sunrise Blvd. – Suite A
Colusa, CA 95932
Attn: Mary Fahey

RE: Sycamore Mutual Water Company – 2020 Water Transfer Permit

Dear Mary,

On behalf of the Sycamore Mutual Water Company’s (SMWC) Water Transfer Committee, we are writing seeking a permit for our proposed groundwater substitution water transfer this summer.

In 2015, SMWC participated in a groundwater substitution transfer with the Tehama-Colusa Canal Authority (TCCA). This year we have been in close contact with Jeff Sutton, General Manager of the TCCA, informing him that we would like to transfer 5,000 ac-ft via groundwater substitution; however, to the extent TCCA does not elect to purchase the water, we plan to transfer the balance to the San Luis – Delta Mendota Water Authority (Authority).

We recognize that water transfers, both through groundwater substitution and out-of-basin, are potentially controversial, so we appreciate your consideration of the following reasoning for our proposed transfer.

**History and Water Rights**
The SMWC is located along the Sacramento River, just south of the City of Colusa. SMWC was created in 2007 to hold and administer the water rights of the historic Davis Home Ranch (est. 1857). SMWC is owned by the various landowners of the 8,400-acre footprint, including Davis Ranches, which remains the largest owner within SMWC. Rice was first cultivated on the Davis Home Ranch in approximately 1919, and it remains the primary crop grown in SMWC today.

SMWC has a right to divert up to 31,800 ac-ft of water from the Sacramento River from April to November in accordance with a Sacramento River Settlement Contract (“Contract”) executed with the United States Bureau of Reclamation (Bureau). Those Contracts settled the various water rights that various properties and districts had to divert water from the Sacramento River that predated the Bureau’s construction of Shasta Dam. The Bureau settled with the various
diverters in 1964 and the Contracts were issued. Water in SMWC’s Contract is divided between Base Supply and Project Water, as defined in the Contract. SMWC annually diverts around 25,000 ac-ft of water from the Sacramento River, of which approximately 1/3 is deemed Project Water under the Contract. Typically, only surface water from the river is utilized in SMWC; over the past 10 years SMWC has diverted more than 200,000 ac-ft of surface water for the SMWC landowners during the growing season, with additional water diverted in the winter under riparian rights. This has obviously resulted in a net benefit to groundwater levels in the basin underlying SMWC’s service area.

River Water Cost and Reliability
SMWC’s Base Supply under its Contract is diverted without any charge paid to the Bureau, while the Project Water diversions are subject to various Bureau charges. Over the years, the Project Water has become relatively expensive, especially during the drought, because only the Central Valley Project (CVP) water users that receive water pay the charges. In 2014 and 2015, TCMA as well as the largest Bureau contractors located south of the Delta, including Westlands Water District, had a zero allocation from the CVP, which means a portion of their costs were born by those contractors that did receive water. Because of this factor and other factors, the Bureau cost for Project Water is somewhat unpredictable, and while the typical cost is around $30 per ac-ft, during the drought the cost increased to closer to $100 per ac-ft.

The Bureau charges for Project Water are the largest operational expense of SMWC. In order to maintain the Project Water portion of the Contract, it costs from $250,000 to $400,000 annually, or about a 30% to 40% of SMWC’s annual budget, just for the ability to divert that Project Water.

In addition to the expense, surface water diversions are becoming more uncertain; there have been ongoing lawsuits since the Settlement Contracts were renewed in 2005. If the Contracts were impaired or invalidated as a result of this litigation, SMWC would have to go back utilizing one of the state water right licenses and Riparian Claims and could lose the ability to divert the Project Water under its Contract.

In addition, the physical management of the Sacramento River flows during a drought can make river water inaccessible to SMWC with its current diversion infrastructure. This is yet another concern for SMWC as it makes long-term plans for operation.

Groundwater Development
Several groundwater wells were developed by Davis ranchers in the 1960’s as a backup water supply to the surface water system. After the establishment of SMWC, the current Davis Ranches ownership also developed several additional groundwater wells as part of their long-term goals and to ensure compliance with any future groundwater regulation.

Over the past ten years, groundwater has only been used by SMWC in 2015 to offset Project Water which was transferred to TCMA. In that year, around 5,000 acre-feet of groundwater was
pumped, there were no reported adverse effects by the pumping, and the water table fully recovered within one season. Currently, SMWC's cost of pumping groundwater is less than the total cost of paying for the Project Water (which includes the lift cost), making Project Water the most expensive water SMWC has available for use.

Operating on a very tight budget, SMWC assesses its landowners in order to cover the cost of maintaining and exercising its surface water rights, maintaining water delivery infrastructure, and ensuring adequate financial resources to address current and future challenges to SMWC's water rights. Like most similar "rice" districts that pump water from the Sacramento River, SMWC is charging rates which are approaching the maximum that a rice budget has the ability to pay.

Proposal
SMWC submits that it is in everybody's best interest for SMWC to continue to divert the maximum amount of surface water in most years; however, with the rising cost of maintaining our aging infrastructure, increased costs to protect its water rights, and the pressures that permanent crops bring to the area, SMWC is proposing the groundwater substitution transfer. This type of transfer is beneficial to both SMWC and Colusa County for the following reasons:

1. Generates income to help maintain SMWC's infrastructure and keeps water more affordable for its water users;
2. Maintains rights and access to both the surface and groundwater for all parties involved;
3. Allows for the groundwater to be pumped at the lowest spot in the basin at a reduced pumping cost (bottom of the Valley);
4. The westside of the Valley, where the groundwater levels continue to drop and more and more pressure is put on the system with the planting of permanent crops, benefits from surface water delivered through the TCCA canal;
5. Application of surface water on the Westside allows for greater possibility of groundwater recharge, since it decreases the heavy demand on groundwater pumping to supply orchards with water;
6. Bolsters a collaborative partnership between water users and commodity groups;
7. Demonstrates/satisfies SGMA's requirement of sustaining the basin in a balanced state by banking water to recharge the depleted groundwater (reduces subsidence issues);
8. Sets a precedent in the County allowing surface water districts to sell the surface water to others if it is first offered to the TCCA.

SMWC will be working with MBK Engineers to satisfy the technical requirements of the County's permit approval process including any potential impacts to the aquifer. Assuming we are approved for a permit, MBK will be ensuring we follow the rigorous reporting measures set forth by the Bureau/DWR for all water transfers, including monitoring neighboring groundwater levels and implementing a mitigation plan if we discover any adverse effects during the process. These records will be submitted to the Bureau/DWR in accordance with their requirements for all water transfers.
We appreciate your review and consideration of this proposal.

Sycamore Mutual Water Company

Daniel W. Griffith, Manager

Heidi Vinsonhaler, President

Jake Kalfsbeck, Director

Frank Rogers, Director

Don Traynham, Member

Walt Seaver, Member

Mark Kirsten, Member
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Legend

- Proposed Groundwater Production Wells/Monitoring Wells
- DWR Active Groundwater Monitoring Wells
- Sycamore Mutual Water Company Boundary
- Primary Approval Zone (0 - 1 mile from Sacramento River; 0 - 1/2 mile from Colusa Drain)
- Secondary Approval Zone (1 - 2 miles from Sacramento River; 1/2 - 1 mile from Colusa Drain)

Notes:
- Aerial - 2016 NAIP
- Quads - USGS 1:24,000
- Approval Zones - DRAFT Map Groundwater Substitution Well Approval Areas from DWR 03/06/2002