



CITY OF SACRAMENTO

42

DEPARTMENT OF LAW

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DEPUTY CITY ATTORNEYS

March 27, 1980

Honorable City Council
Council Chamber
City Hall
Sacramento, California 95814

RE: H.R. 4223 (Edwards), and Act to add
certain segments of the Stanislaus
River as a component of the National
Wild & Scenic River System

Members in Session:

SUMMARY

The effect of this bill, copy of which is appended as Attachment A, and which is presently pending before the House Committee on Interior and Insular Affairs, would be to prevent filling of the New Melones Dam on the Stanislaus River, thereby preventing the inundation of an upstream nine-mile section of the river.

BACKGROUND INFORMATION

Friends of the River, represented by Mark Dubois and others requested City endorsement of H.R. 4223. The matter was referred by the City Council to the Law & Legislation Committee for review, and it was placed on the committee's regular agenda for March 20, 1980.

The minutes of that meeting are appended as Attachment B, as a summary of the presentations made by the various interests present.

Appended also are the following attachments:

Attachment C: material submitted by Friends of the River.

Attachment D: material submitted by Friends of New Melones.

Attachment E: material submitted by the Department of Water
& Power Resources

FILED
Office of the City Clerk

APR 1 1980

March 27, 1980

Attachment F: material submitted by A. W. Murray, a private consulting engineer.

At present, the California Water Resources Board has limited filling of the dam beyond the 808 foot mark, until all of the dam's water capacity when full is sold under contracts. The California Legislature is considering overruling the Board with two separate measures: AB 2164 (Waters) and AJR 58 (Waters).

COMMITTEE POSITION

After closing the public hearing, the two committee members stated their position as follows:

Councilman Pope stated that the City should take no position on the matter.

Councilman Fisher stated that the City should oppose HR 4223, and recommend filling the dam, but that as a second choice he would favor not taking any position on the matter.

FINANCIAL DATA

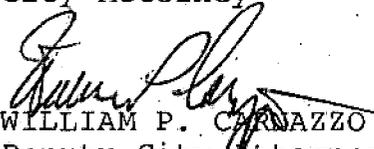
The measure appears to have no direct financial impact upon the City itself. A representative from Sacramento Municipal Utility District testified that power costs to City users would decrease, due to the fact that C.V.P. would not be required to purchase as much higher-cost power from other entities. Apparently any such savings would be passed on to the consumer.

RECOMMENDATION

None.

Very truly yours,

JAMES P. JACKSON
City Attorney


WILLIAM P. CIARAZZO
Deputy City Attorney

WPC:mb

96TH CONGRESS
1ST SESSION

H. R. 4223

To amend the Wild and Scenic Rivers Act by designating certain segments of the Stanislaus River in California as a component of the National Wild and Scenic River System.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1979

Mr. EDWARDS of California (for himself, Mr. STARK, Mr. McCLOSKEY, Mr. BEILENSEN, Mr. DELLUMS, Mr. VAN DEERLIN, and Mr. MILLER of California) introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

A BILL

To amend the Wild and Scenic Rivers Act by designating certain segments of the Stanislaus River in California as a component of the National Wild and Scenic River System.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 3(a) of the Wild and Scenic Rivers Act (16
4 U.S.C. 1273(a)) is amended by inserting the following new
5 paragraph after paragraph (23):

6 "(24) STANISLAUS, CALIFORNIA.—The segment from
7 Camp Nine downstream to Parrots Ferry; the South Fork

1 from its headwaters to its confluence with the main stem; and
2 Rose Creek from its headwaters to its confluence with the
3 main stem; to be administered by the Secretary of the Interi-
4 or. The Secretary shall take such action as is required under
5 subsection (b) of this section within one year from the date of
6 enactment of this paragraph. The development plan prepared
7 under such subsection (b) shall contain such provisions as
8 may be necessary to protect and enhance the unique geologi-
9 cal, scenic, esthetic, historical, archeological, scientific, wild-
10 life, and recreational values of the river segments designated
11 by this paragraph. Notwithstanding any other provisions of
12 law, any project managed by any department or agency of
13 the United States or licensed by the Federal Energy Regula-
14 tory Commission on any portion of the river segments desig-
15 nated under this paragraph shall be managed in a manner
16 consistent with the protection and enhancement of the values
17 of such segments as specified in this paragraph.”



Sacramento City Council

ATTACHMENT B

CITY HALL
915 I STREET
SACRAMENTO, CALIFORNIA 95814
PHONE (916) 449-5409

**COUNCIL COMMITTEE ON
LAW & LEGISLATION**

BLAINE H. FISHER
Chairman
LLOYD G. CONNELLY
DOUGLAS N. POPE
JOHN ROBERTS

WILLIAM P. CARNAZZO
Legislative Representative
449-5346

SYNOPSIS OF MEETING

March 20, 1980

4:00 P.M.

Present were Committee members Chairman Blaine Fisher and Douglas Pope.

1. Street Vendor Ordinance - Proposed Amendments

Continued at the request of John Roberts to April 10, 1980.

2. Bills:

- (1) AB 1986 (Hayes) and AB 2046 (Perin) - re Drug Paraphenalia

It was recommended that these bills which control sale of drug paraphenalia to minors be supported.

- (2) AB 2131 (Goggin) - Stolen Property

Provides for cumbersome hearing and determination procedure for determination of ownership of stolen property held by police. It was recommended that this bill be opposed on the basis of cost.

- (3) AB 1286 (Ayala) - Juvenile Court Law

It was recommended that this bill be supported. It would make funds available from the state to cities for law enforcement to solve crime and delinquency problems.

- (4) SB 1293, SB 1294 (Montoya), SB 1302 (Foran) and AB 2176 (Deddeh) - Air Quality

Tokuo Masuda, City Planning Department, explained these bills, which involve two basic measures. The first of these would establish a motor vehicle inspection and maintenance program and modify or eliminate the State's vehicular emission standards. This would

minimize the impact of any new vehicular inspection program (MVIMP) by modifying or eliminating an existing air quality improvement program. The City and Regional Air Quality Plans are based upon implementation of both programs in order to attain air quality standards by 1987. Thus, if the effectiveness of the State's emission standards are reduced, additional air quality improvements programs will have to be implemented.

Secondly, there is a question as to the proper location of testing stations - centralized or decentralized. There is a major difference between the various legislative proposals as to where the inspections would be performed: at a smaller number of centralized stations which would only perform inspections, or at a larger number of stations which could perform both inspections and remedial measures.

Tokuo Masuda indicated that the City cannot recommend support at this time for a specific bill, as all data is not yet available. However, it is recommended that City reaffirm its support of an annual State vehicular inspection program, and oppose any modification of the State vehicular emission standards which would result in a net increase in vehicular emissions. He recommended that the City support a centralized inspection system, as it would assure improved inspection controls and eliminate potential conflict of having inspections and remedial repairs performed by the same party.

The Planning Department has prepared a draft resolution which this committee recommended be presented to Council.

Chairman Fisher indicated that the following portion of meeting would be taped.

3. HR 4223 - Stanislaus River Bill
FRIENDS OF THE RIVER
(1) Megan Eymann
2627 G Street, Sacramento

Introduced resolution.

Discussed the assets of the Stanislaus River: its proximity to Sacramento and the Bay Area, amazing white water, caves, etc., but in particular the advantages for handicapped people to experience rafting, and with whom she has made many trips. Friends of the River propose that the upper 9 miles of the Stanislaus River be left wild and scenic as proposed in HR 4223. They are looking for a letter of endorsement from this committee.

FRIENDS OF THE NEW MELONES

- (1) Mr. Kramer
343 E. Main Street, Stockton

Advocated filling the reservoir. Discussed the amount of money taxpayers have paid out to construct dam which is complete and sitting there. To adopt HR 4223 would severely limit storage and result in almost total loss of taxpayers' money spent on dam construction. Further, energy generation would be minimal or nonexistent due to inability to generate a power head. Flood control, delta water quality improvement plans, as well as downstream restoration projects would be eliminated. He would like to have the committee send a letter to Congressman or subcommittee on National Parks opposing the bill in its present form, or as embodied in any omnibus bill, as being contrary to the interest of this city, county and general area.

- (2) John L. Hertle, Dairy Farmer
4355 Gates Road, Modesto
Representing Stanislaus River Flood Control Association

Discussed benefits from Melones Dam of flood control to farmers. There would be no effective flood control with a reservoir at the 808 foot level, according to Mr. Hertle.

- (3) Dean Park, SMUD
6201 S Street, Sacramento

Indicated that on March 6 this year, SMUD Board of Directors considered same questions we are covering today and voted 3-1 to oppose HR 4223. A full lake behind the dam would supply additional energy and would drop the cost of purchasing power to SMUD which would reflect directly on costs to SMUD customers in City.

- (4) Ed Feichtmeir, Mayor, City of Ripon
also speaking for Cities of Riverbank and Oakdale

These cities have sewer facilities in the proximity of the river. They purchased and developed land with the understanding that the dam would be used at full capacity. If river is not controlled properly as to flooding, these facilities could not be used. He urged the committee to pass resolution against HR 4223.

- (5) Elmer Bolen, farmer
5507 Haskell Avenue, Sacramento
Representing Sacramento County Farm Bureau

Concurred with all other speakers in opposition to HR 4223. Ultimate end of more stored water in dam would create outflow in Delta and water quality in Delta, all to benefit to our area. Urged committee to oppose HR 4223.

- (6) Bill Martin, U. S. Water & Power Resources Service
2800 Cottage Way, Sacramento

Indicated with regard to the staff report dated March 13 that the statement indicating that the Water & Power Resources Service has no interest in conserving California's natural assets is not true. His department has covered the subject with Secretary of Interior Andrus and has prepared a report entitled "Comparison of Impacts for Alternative Operating Plans for New Melones Reservoir" (copies left to be distributed to Council). Department of Water & Power Resources has not yet decided what their final position will be.

- (7) Gordon Estes, Western Area Power Administration
5625 Caleb Avenue, Sacramento

Discussed published article regarding the large sum of money it will cost to operate the dam's power plant. Indicated if power is not available from New Melones it will have to be purchased from an outside source.

Councilman Pope, Mr. Martin and Mr. Estes then had a lengthy discussion regarding how the dam can be paid for, cost of the dam, power generation and subsidies to farmers.

Mr. Martin indicated that New Melones (which applies to all new dam facilities) is part of the Central Valley Project.

- (8) William A. DuBois, Director Natural Resources
California Farm Bureau Federation
11th & L Building
Sacramento

Spoke to water shortage in California; also the responsibility of the State Water Project and the Central Valley Project to maintain water quality in the Delta. The State Water Project does not furnish subsidized water to agriculture.

FRIENDS OF THE RIVER

- (1) Mark DuBois

Spoke in rebuttal, in general indicating opposition to the facts as presented by prior speakers. He also talked about the relative cost of pumping water out of the ground as opposed to using the surface water that would be available from the dam. His point was that the cost of the water from wells would be less than the cost of surface water if the facts were analyzed correctly. Therefore, the Board would not have the necessary water contracts even in 10 years because nobody would contract for surface water when water could be pumped out of the ground more cheaply. He further stated

that according to an audit performed by the State Resources Board demonstrates that the New Melones Dam would incur a debt of \$11,000,000 in ten years if operated at full capacity, based upon inability to sell water contracts. For that reason, he stated that it would be reasonable to keep the dam from being filled, and thus preserve the whitewater stretch, during that ten year period. Requested that committee recommend support of HR 4223.

FRIENDS OF THE NEW MELONES

(1) Mr. Kramer, Stockton

Stated further that it seemed incredible to say that not filling the dam and not selling the water would make it a more economic unit.

Councilman Douglas Pope:

Indicated he could take no position at this time. It's a very complicated issue and he does not believe that there is sufficient time available to devote to the study of the bill, in view of other pressing issues facing the City at present.

Councilman Blaine Fisher:

Favors recommending opposition to HR 4223; but his second position is to make no recommendation.

HR 4223 will be scheduled for Council meeting of April 1.

Councilman Fisher requested Council members to listen to the tape of the hearing on this bill.

4. Discussion on Joining as Amicus Curiae in Various Cases

(1) Trent Meredith, Inc. v. City of Oxnard

Jim Jackson: Recommends that we join in this case; did not need an answer today.

(2) Clemente v. State of California

This is a case where a state highway patrolman didn't get the name and address of a person who injured another in a motor vehicle accident. Liability was imposed upon the state for this failure. The committee voted to authorize the City to join as amicus.

(3) Arnel Development Co. v. Costa Mesa

Further discussion required.

(4) Music Plus Four v. City of Westminster

The question was whether action should be taken upon a request from Councilman Dan Thompson to enact an ordinance regarding the sale of drug paraphernalia. The committee determined that, in view of the pending state legislation on the subject, no action should be taken at this time.

The meeting adjourned at 5:30 P.M.

FRIENDS OF THE RIVER

Bay Area Office • Bldg. 312, Fort Mason Center • San Francisco, Ca. 94123 • (415) 771-0400

ATTACHMENT C

Request for letter of Endorsement for HR 4223

The Stanislaus River Canyon in California is in imminent danger of being buried alive. Friends of the River, and other conservationists, have labored for years to save this exceptional river canyon from being flooded by the New Melones reservoir. Declared by the State of California "a unique asset to the State and the Nation" it is imperative that this river canyon receive protection. A bill, which would designate the upper Stanislaus River Canyon "wild and scenic", is presently in the U.S. House of Representatives and is supported by a number of U.S. Congressmembers, organizations and other individuals. **YOU AND YOUR ORGANIZATION CAN HELP BY ENDORSING "WILD AND SCENIC" LEGISLATION FOR THE UPPER STANISLAUS RIVER CANYON.**

Flowing from the high Sierra Nevada mountains, the Stanislaus River has carved a majestic limestone canyon possessing hundreds of wild caves. Rich in wildlife, riparian vegetation and habitat, and early California history, the Stanislaus is one of the few remaining wilderness recreation rivers in the State. The Miwok Nation settled in the canyon and numerous petroglyphs and mortar holes dot the shores. Relics from the Gold Rush still remain. Today, the canyon is a major recreation area and educational classroom.

Unique in many ways, the Stanislaus River Canyon is visited by over 100,000 hikers, boaters, cavers and anglers each year. It is one of the most popular river areas in the Nation. Because of easy access the Stanislaus River Canyon is used by more disabled people than any other wilderness area in California, and possibly the Nation. According to the Bureau of Land Management, the destruction of the Stanislaus would "eliminate recreational values which cannot be duplicated anywhere especially within easy access to major urban populations at affordable costs".

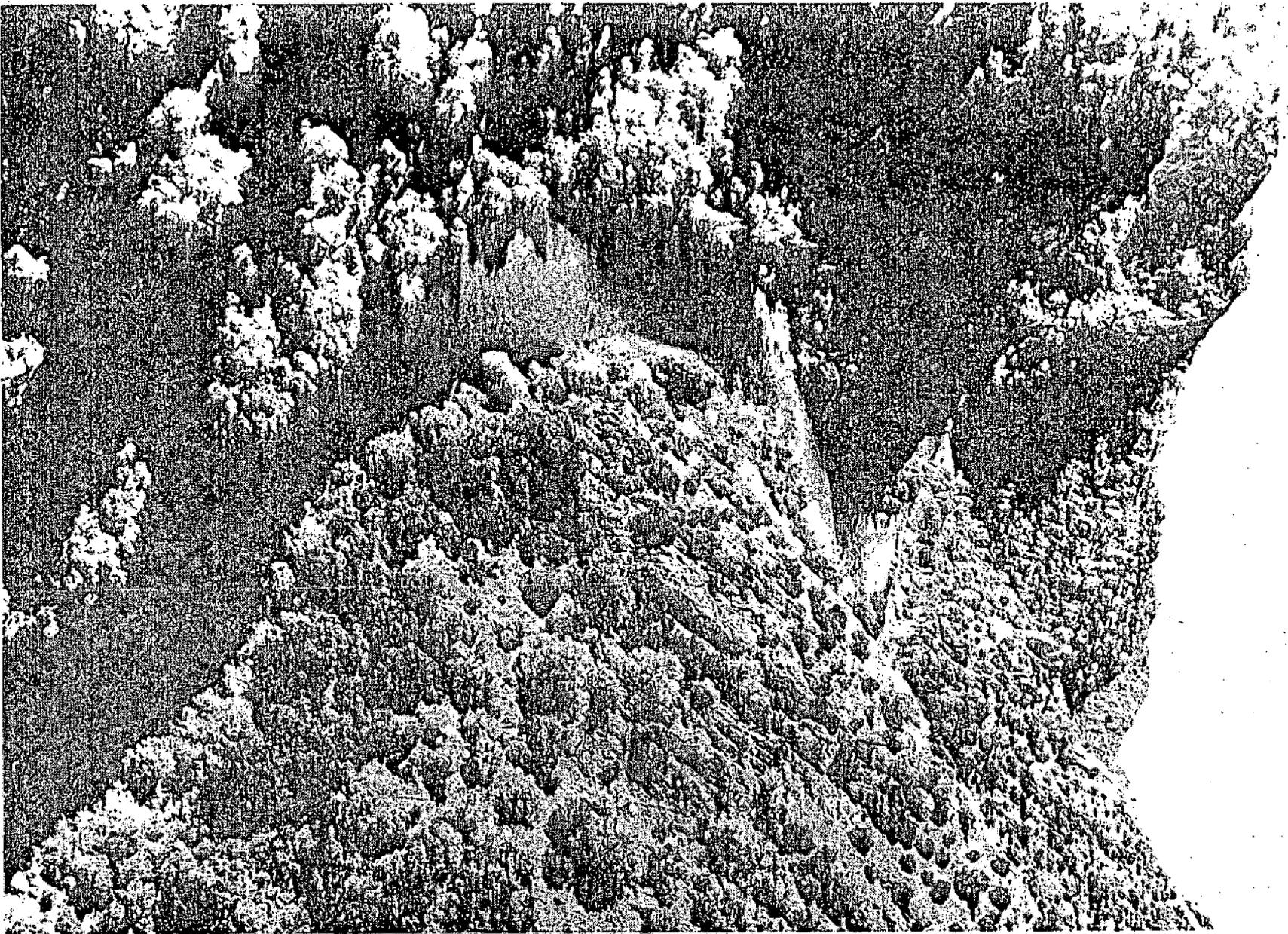
The U.S. Water and Power Resources Service (formerly the Bureau of Reclamation) wants to sacrifice these irreplaceable resources in favor of a miniscule increase in the State's supply of water and energy - an increase of less than 1%. This small increase in supply could easily be attained through conservation. The National Water Commission and the National Academy of Sciences have estimated that the national and state-wide demands for energy and water, in the year 2000, could be met by present supplies, if a moderate but comprehensive program of conservation were instituted soon. In the opinion of the U.S. General Accounting Office nearly half the water used by Central Valley Project (CVP) recipients is wasted because of inefficient application methods and lack of economic incentives to encourage conservation. Furthermore, a recent State audit shows that the heavily subsidized CVP would sink further into debt if New Melones was operated at full capacity.

We can STOP the senseless waste of our natural resources and tax dollars. We ask you to support the Stanislaus River "Wild and Scenic" bill. This legislation allows for New Melones reservoir to be partially filled, increasing water storage 300%, and designates the upper nine miles of the Stanislaus River Canyon a National Wild and Scenic River. This legislation represents the best possible compromise at this time.

We've enclosed a sample letter and sample resolution. Please send a copy of your endorsement letter to your own U.S. Representative, Rep. Phil Burton and Senator Cranston. Please send us at F.O.R. a copy of your endorsement letter also. Thank you very much.

Sincerely,

Tom Huntington



The Stanislaus River, between Camp 9 and Parrott's Ferry

World, Sunday, June 3, 1979

THIS LAND

What the Drama Of New Melones Dam Is About

By Harold Gilliam

IT WOULD be a dangerous mistake to regard the effort of Mark Dubois, who chained himself to a rock to halt the rising waters of New Melones Reservoir, as a one-man stunt. The struggle on the Stanislaus is far more than that.

On New Melones are focused all the forces of California's century-long battles over its most valuable resource — water. In this particular phase of the drama there is a long cast of characters:

- Tens of thousands of people who have made the white-water run on the Stanislaus River and place a very high value on the experience. The river run would be wiped out if the reservoir were completely filled.

- Growers in the Delta who are convinced that releases from a filled New Melones reservoir will be needed to help keep Delta waters from salting up.

- Fish-and-game officials who believe the reservoir is needed to maintain downstream flows the year 'round and restore the salmon runs.

- Agricultural authorities worried about the ongoing deterioration of the San Joaquin Valley's fabulously productive farm land owing to sinking water tables.

- Environmentalists who fear that instead of conserving water, agricultural interests and local officials will demand not only the filling of New Melones but the building of more and more dams on scenic Sierra and Coast Range rivers to supply water that will be wasted.

Dubois called me on the phone just before he chained himself to the rock. He evidently wanted to talk to someone who knew the canyon and could help him get his message out.

I heard the amazingly calm voice of a man who had gone through a time of anguish over his decision but now was absolutely sure that he wanted to lay his life on the line to save the river. It seems that his years on the Stanislaus had given him a well-nigh mystical relation to the river, and his words were spoken with quiet joy and a sense of serenity.

"I have been living with this river for half my life and have been fighting to save it for ten years," he said. "But our message hasn't gotten out, and when I felt the pain of seeing that water begin to destroy the life of the canyon, I knew I had to make a personal statement about it.

"I had thought about doing this for some time, but when I heard how fast the water was rising I panicked and wondered if I could go through with it. I went to the capitol grounds in Sacramento, where we had planted a toyon tree outside the governor's window. When I looked at the tree again and saw how it had grown, it was exciting to feel the life that was there. It gave me strength to do what I need to do."

When I put the phone down I had the feeling that I had been listening to someone with a strong sense of life and great reservoirs of courage.

★ ★ ★

CONSIDER the New Melones conflict in terms of various possible elevations of the reservoir, in feet above sea level.

1068: At this elevation the reservoir would be brim full. The U.S. Bureau of Reclamation, which will operate the reservoir as part of the Central Valley Project after the Corps of Engineers have finished all construction details, wants the right to raise the water to this level.

Filling would wipe out the only stretch of the



GOVERNOR BROWN AND NEW MELONES DAM PROTESTERS

Stanislaus suitable for white-water rafting. But it would provide a full head of power from the generators at the dam, would give downstream users all the water and the flood protection they have been expecting and would probably restore the river's salmon runs.

877: The state Water Resources Control Board tried to work out a compromise that would allow the reservoir to be filled only enough to take care of prior water rights, fish runs, water quality and flood control—not for "new" water storage. The Bureau of Reclamation sued, claiming the state had no authority to limit a federal agency. In what was hailed as a victory for states' rights, the U.S. Supreme Court last year upheld the board's authority to limit the filling, subject to some conditions that are still being determined.

The Bureau of Reclamation has tentatively estimated that a level of 877 feet would satisfy the board's requirements. This level would wipe out nearly one-third of the river run, and two-thirds of it in the event of flooding.

The state board maintains that filling to capacity is not necessary now because the bureau has not proved the power it would generate is currently needed and that the bureau has no contracts to sell the extra water that would be provided.

The bureau replies that it has requests to sell two-and-a-half times the amount of water that would be available. But there has been a long-drawn-out legal and political tangle about who is entitled to the water. So, no contracts yet.

The state presumably would give permission for the reservoir to be filled completely once the bureau had firm contracts for the water. So, under the compromise the canyon would be preserved only temporarily.

808: This is the level the Corps of Engineers says it needs to test the hydro generators at the dam. Dubois



DUBOIS

(and other chained protestors) came out of the canyon when he was assured by Governor Brown's representative that the state would monitor the Corps' commitment not to fill above this level, which is roughly the elevation of Parrott's Ferry, the lower end of the nine-mile raft run.

Corps officials maintain that they never intended to fill above this level, except to control floods from the spring runoff, if necessary. And the flood threat now seems past.

★ ★ ★

IN the coming months we can expect hearings before the state board on how high the reservoir should be raised and hearings in Congress on the bill by eight California Congressmen to make the nine miles above Parrott's Ferry a national wild and scenic river, insuring no further filling.

One point is certain to be made by Friends of the River: The New Melones water above Parrott's Ferry would not be needed if both agricultural and urban users were to conserve water instead of wasting it. Far more than the total New Melones yield of 225,000 acre feet would be made available by more efficient use of existing supplies.

Based on figures supplied by the State Department of Water Resources, it appears that the potential for urban and agricultural conservation statewide is about three million acre feet. Agricultural water could be saved by use of more sprinkler and drip systems instead of furrow or flood irrigation, by more efficient irrigation scheduling, by the use of low-water crops, by lining leaky canals and ditches. Urban water conservation would save even more. Similarly, the vast potential for energy conservation would dwarf the power that could be produced at New Melones Dam.

So there is a good case for not building any more dams—and for holding New Melones at Parrott's Ferry—until California has comprehensive water and energy-saving programs. If more water is then necessary, there are other long-term possibilities, including desalination (which would require energy) and raising Shasta Dam, which would produce more energy and which the Bureau of Reclamation estimates might yield another million to 2.5 million acre feet of water.

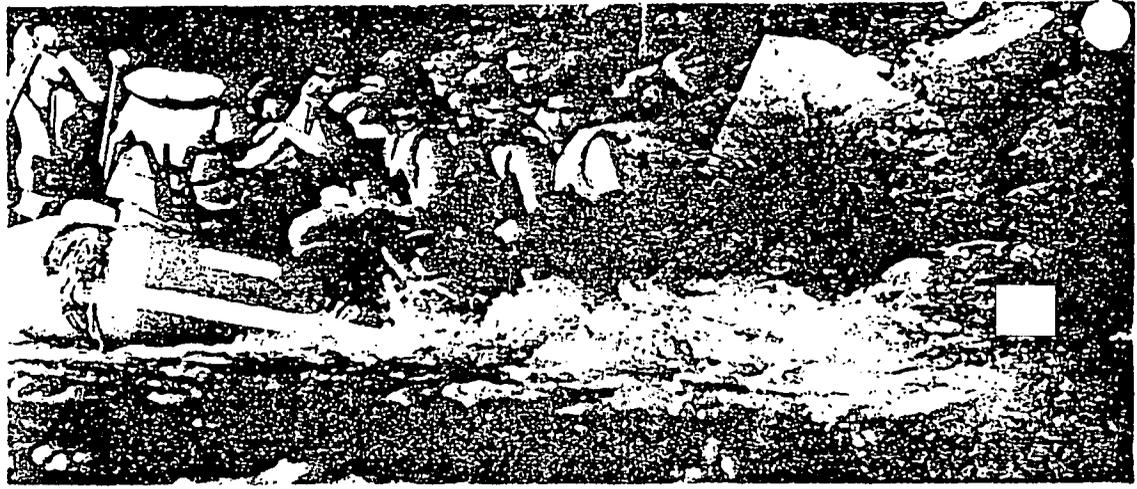
People who have never floated down a river may wonder why there is all this fuss about a few miles of white water (and quiet pools) enjoyed only by some nuts looking for kicks.

I can testify that a float trip is far more than a search for thrills. To go down a river, particularly the Stanislaus, is to have a very moving experience with the living earth. The result is a deeper feeling for the processes of life on this planet and a fuller understanding of yourself and your own part in them. In these times, that is a need not to be ignored.

The issue at New Melones is the value of that canyon versus the value of the water and electricity the full reservoir would provide. Why now destroy a valuable scenic resource in order to continue the egregious waste of water and energy?

This the question that Mark Dubois and Friends of the River have been trying to bring to our attention.

Rafting for the blind



An ETC blind group heads through a rapid on the Stanislaus River, on what for them seemed like a 'rollercoaster' ride.

It's a fun ride for the sightless

By **BRIAN CLARK**
Bee staff writer

CAMP NINE — As the seven-person paddle raft slipped into the top shoot of the Stanislaus River's Widomaker Rapid, 22-year-old Debee Norling gasped with anticipation.

She cocked her head to the side to better hear the roaring water breaking over the boulders.

And as boatman Rick Spittler called out "right turn!" she dug her paddle into the foamy water at her side.

She shivered as the cold spray splashed over the side of the boat and shook from her forehead the blonde whisps of hair the morning breeze had loosened from her braids.

And as the raft eased into an eddy at the bottom of the run, Debee, who has been blind since birth, lifted her face to the sun and smiled.

Her disability did little to dampen her enthusiasm for the river or the excitement of crashing through three-foot waves.

"It's great," she said.

"I guess hearing and feeling the river is much more intense for me," continued the University of California, Berkeley literature student.

"I know it sounds kind of strange, but I am not distracted by all the visual stuff," she said.

"People tell me the canyon is very beautiful, but I really don't know what it is like because I can't see it," she explained.

"But I do know it feels like a roller coaster that is very wet and very fun and I would recommend it to all, especially handicapped people because it helps us overcome our fears."

For Sally Maguire, a legally blind 32-year-old Berkeley resident, riding the waves without the benefit of sight "is like nothing I've ever done before. It is wonderful to work with a group of people like this in the outdoors."

"Except sometimes we do hit rocks and you get knocked into the boat," she said, "but that can be fun, too. It is all part of the experience."

The women made up a four-person blind group trip, organized and run by Environmental Traveling Companions out of Angels Camp.

Founded in 1971 by Marc Dubois and two other river guides, "the program is aimed at people who normally don't get the chance to experience the wilderness and that may be because they are physically, emotionally or financially limited," said director Gracielle Rossi.

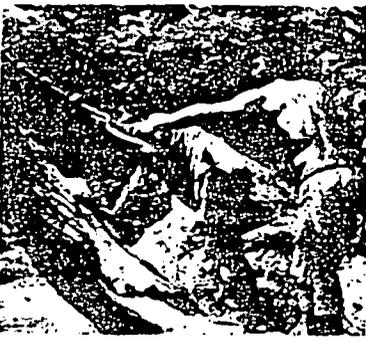
Participants pay only what they can afford, she said, with the remainder of the costs made up through grants of equipment, money and time.

"We are basically a volunteer organization," she said, "but that is how we are able to reach the blind, the deaf, the handicapped, inner city kids or juvenile delinquents. Those are the kind of people who are often poor."

Co-director Spittler, who has been with ETC for six years, also takes groups backpacking and hiking in the summer as well as cross-country skiing in the winter.



Letting go, Debee Norling goes "kerplunk!"



Boatman Rick Spittler helps Debee Norling.



Rick Spittler's feet lead the way.

"The wilderness and rivers are a real good teacher for the disabled," he said, "for it allows them to do things they could not do in an urban setting."

"Here, they can jump off cliffs, swing on ropes, ride through rapids and learn that they can do without bands, roofs and other seemingly necessary things."

"It is incredible what this sort of thing can do for self-images," he said.

"But the river doesn't know who anyone is," he said, "and it can flip a raft with blind people or paraplegics just like anyone else. So that simply means we have to have a little more training."

In one instance, Rossi said, a young blind woman dismissed her aid when she returned home to San Francisco because she realized she could exist on her own.

Rossi is concerned the organization may lose its base on the Stanislaus if the canyon behind the New Melones Dam is filled.

"This place is unique. We do the Stanislaus for a reason and that is because it is more isolated than any other California river that is at this level of skill."

"We are certainly not just a bunch of elitist rafters only out for our commercial interests," she said. "The loss of this canyon would be a loss for the disabled."

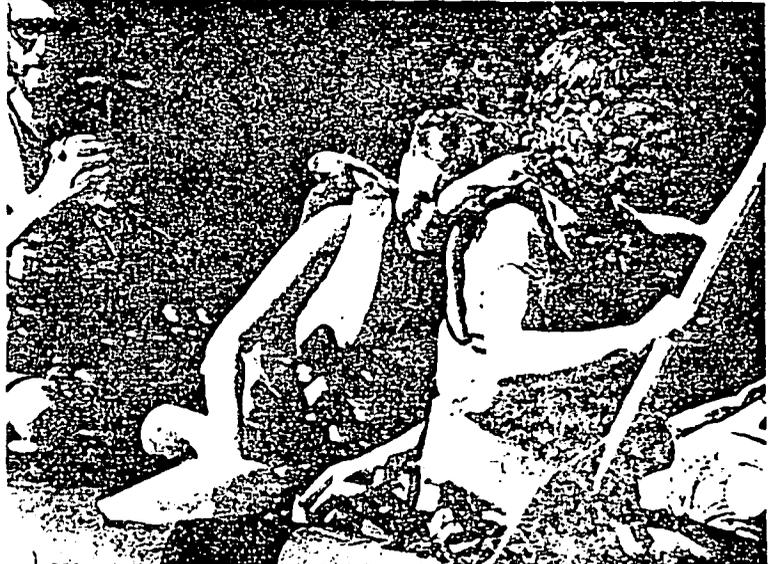


Debee Norling, left, Dan Smith help get lunch.

Bee photos
by
Al Golub



Will Lopex gets dunking.



A playful water fight breaks out on ride down the river.

ENVIRONMENTAL TRAILS

Dams Fought at the Grass Roots

BY MICHAEL FROME

WASHINGTON—It's likely to be a tough fight, but 1979 looks to me like the year when the federal government finally shifts gears from its old course of subsidizing multi-billion-dollar pork barrel boondoggles that dam and destroy rivers and starts seriously to protect and preserve our country's last free-flowing streams.

The basis for optimism is simple. The politics have changed. I don't mean necessarily in Washington, but across the country, at the grass roots. The tide is too strong for worn-out ways to make it much longer.

Rivers hold a magic fascination for scientists, boatmen, fishermen, hikers, hunters, photographers, botanists, bird-watchers, archaeologists—all who love the outdoors—and their voices are being heard.

Add to that influence the power of the surging "taxpayers' revolt."

First Rejection

In 1978 Congress defeated the \$4 billion Omnibus Rivers and Harbors Bill, the first rejection of the annual pork barrel in 20 years. Then President Carter vetoed the \$3.4 billion public works appropriations bill, forcing Congress to cut more than \$1 billion of ecologically and economically unsound projects.

Howard Jarvis, chairman of the American Tax Reduction Movement, had some little something to do with this. In a full page advertisement in the Washington Post one day last October (when it was showdown time in Congress), Jarvis denounced the appropriations bill as a measure that would add bureaucrats (at least 2,300 for the Corps of Engineers and Bureau of Reclamation), bloat big government, fuel inflation, benefit a select few, waste water and waste taxes.

Jarvis combined forces with the Environmental Policy

Center, a Washington lobbying group whose effectiveness extends far beyond its slender resources. In fact Brent Blackwelder, whose specialty at EPC is federal water policy, showed me an editorial from an Arizona newspaper (a backer of the Bureau of Reclamation) complaining that the presidential veto undoubtedly reflected the effort of a highly paid PR man hired by environmental groups at a substantial salary. "If only they knew," Blackwelder said with a smile.

Then he discussed public expression and the shift in politics on dam building.

"The signs are increasingly clear," he said. "Last year the proposed Meramec Park Dam, which would flood out a beautiful river containing caves, bluffs and springs, was soundly rejected by a nonbinding referendum of southern Missouri counties. Following the vote both Missouri senators introduced legislation to deauthorize the project and conservationists are working to develop a river preservation and recreation plan.

"In last November's election the victory in Maine of Rep. William Cohen over Sen. William Hathaway was directly related to the Dickey-Lincoln Project, which would wipe out New England's greatest wilderness river. In the entire Maine congressional delegation Sen. Muskie is now the sole supporter of this project.

"Norman Shumway's victory over Rep. John McFall in California's 14th District ousts a powerful proponent of water projects. While Shumway is not opposed to the New Melones Dam per se, he does support the state's request to fill the dam only to an intermediate level and thus save at least part of the spectacular Stanislaus River Canyon."

Dam fighters still have a long way to go. Although conservation has been declared the cornerstone of President Carter's water resource policy, and dams have been shown

to waste more than they save, the administration is supporting more than 80 projects in the western states alone.

"Water construction projects will continue in the West," according to Interior Secretary Cecil D. Andrus. "We just want to make sure they are good, safe projects." That assumes, of course, that projects may be considered either good or safe. It also recalls that Secretary Andrus while governor of Idaho spurned the pleas of conservationists to block construction of the Teton Dam, which in 1976 collapsed and caused tragic loss of life and property.

One of the most contested boondoggles, the Central Arizona Project, a web of four huge reservoirs and lengthy desert canals, would annually lose through evaporation more than 100,000 acre feet of water. And the Arizona Bureau of Mines has questioned the safety of the major unit, the Orme Dam to be near Phoenix, because the site is over geologic faults.

"The streams to be impounded have aesthetic and recreational qualities which are becoming increasingly rare," the U.S. Fish and Wildlife Service has declared in a field report opposing the Arizona project. "Even though the reservoirs will offer opportunities for mass public use, they will do so at the expense of an environmental type that is irreplaceable."

The Key Point

This to me is the key point. It would be national folly to sacrifice the few remaining moving rivers, which constitute a living, vibrant part of our heritage. Such areas must be left alone, free of engineers, builders and profit-makers, so Americans may go as individuals and develop the sensitivity to inspirational and scientific values found only in undisturbed nature.

How to save these streams? That will be the key question before the annual Conference of Dams, Rivers and National Water Policy in Washington April 6-9 (coinciding with congressional appropriations hearings).

It's a chance to be heard. For details write Brent Blackwelder, Environmental Policy Center, 317 Pennsylvania Ave., S.E., Washington, D.C. 20003.

Frome is a nationally known environmental/travel writer. He lives in Alexandria, Va.

State audit flails at Melones Dam

By Carl Irving

The controversial New Melones Dam on the Stanislaus River may prove so expensive it can never be filled and operated as planned, according to a state audit.

Often a source of angry differences between farmers and rafters and their allies, rural and urban, the huge earthfill project would leave a bill approaching \$1.3 billion.

The last major contribution of the U.S. Bureau of Reclamation to California's water distribution system that involves about 1,200 dams, New Melones was to further enrich farmers in the San Joaquin Valley with cheap water and electricity and shield them with more flood control.

An audit made public yesterday tended to support long-standing arguments by Huey Johnson, state Resources Board secretary, that the New Melones may be wasteful not only of money, but in use of water and energy.

Guy D. Phillips, an assistant, submitted the audit which concluded that:

- The dam, which cost \$340 million, will set back the Central Valley Project — the major federal water system for Central Valley farmers — by \$385 million for operating the dam's hydroelectric power plant.

- The water supply coming from the dam would cost taxpayers \$571 million in subsidies, unless customers — farmers — paid huge sums. To come out even, farmers would have to pay \$68 for an acre-foot of water. That compares with \$3 to \$11 charged by the CVP.

Those grim fiscal facts probably sounded cheery to the groups that have fought bitterly to keep the New Melones from being filled to the brim. At stake are nine miles of the last fast-running river in the Sierra — the last that hasn't been dammed — within easy reach of the Bay Area. The New Melones has been a cause celebre for the younger urban generation in Northern California for five years.

On the other side, farmers look to New Melones for fresh water supplies with growing urgency. The Auburn Dam on the American River probably won't be completed because of earthquake danger.

At the same time, increasing salt problems in the San Joaquin soil and a shrinking water table have caused farmers to look to New Melones eventually for a reservoir that could hold 225,000 acre feet.

The federal bureau leaves no doubt about water demand. Requests for water from the reservoir which is only about 12.5 percent full at present, equal three times a full reservoir.

The state and federal governments have a long-standing dispute over who has the last say. Both sides are waiting for a federal judge in Sacramento to interpret a Supreme Court ruling that the state has the right to make sure the water policies wouldn't run counter to congressional intent.

The bureau believes the intent of Congress is a full reservoir. The state believes it means solid proof that the water is justified. Yesterday, Johnson's agency sought to put a broader definition on proof, beyond mere demand by farmers.

Payment of less than the full price by water customers, Johnson said, "devalues the resource, encourages wasteful use that is counter to the water and energy conservation ethics we should be fostering, and leads only to still further demands for development projects."

The audit said that the current level, which still allows river running, also satisfies fisheries, water quality, flood control and other needs.

(OVER)

COALITION FOR WATER PROJECT REVIEW

1412 16th Street, N.W. • Washington, D.C. 20036 • (202) 797-6816

May 30, 1979

American Forestry Association*
American League of Anglers
American Rivers Conservation Council
Coalition on American Rivers
Defenders of Wildlife
Environment Forum*
Environmental Action
Environmental Defense Fund
Environmental Policy Center
Environmentalists for
Full Employment
Friends of the Earth
Fund for Animals
Izaak Walton League of America
League of Conservation Voters*
National Audubon Society
National Wildlife Federation
Natural Resources Defense Council
Rachel Carson Trust*
Sierra Club
Sport Fishing Institute*
Trout Unlimited
The Wilderness Society*
Wildlife Management Institute*
The Wildlife Society*

Dear Member of Congress:

The Coalition for Water Project Review urges you to co-sponsor H.R. 4223, a bill to protect the Upper Stanislaus Canyon by designating this part of the river a component of the National Wild and Scenic Rivers System. The bill has been introduced by Congressman Don Edwards and co-authored by Congressmen Stark, McCloskey, Van Deerlin, Beilenson, George Miller, Roybal and Dellums.

The Stanislaus River has been wrapped in controversy during this past decade as the New Melones Dam has been built. The State of California and conservationists favor only limited impoundment behind the dam in order to protect the tremendous geological, scenic, scientific and recreation resources of the Upper Canyon. H.R. 4223 would allow the reservoir to fill half full but would protect the natural and cultural treasures in the Upper Canyon above Parrott's Ferry.

New Melones is a classic case of mismanagement of water resources. 13 years after authorization federal agencies still don't know who is going to get the water, what they will pay, and what land will be irrigated. The Army Corps has acted in violation of the Historic Preservation Act of 1966 by filling the Lower Canyon before cultural mitigation work could be properly carried out. The California State Historic Preservation Officer asked the Corps to delay one year in filling so that important mitigation work on historic and prehistoric resources could occur, but the Corps refused.

We urge you to act now to save the resources of the Upper Canyon so that the same fate that has befallen the Lower Canyon does not occur. Please co-sponsor H.R. 4223.

Sincerely,



Edward Osann
Coordinator



RESOLUTION FOR NATIONAL WILD AND SCENIC RIVER PROTECTION FOR THE STANISLAUS RIVER CANYON - THE AREA BETWEEN PARROTTS FERRY AND CAMP NINE.

Whereas, the Stanislaus River Canyon is an extraordinary natural, recreational, scenic and cultural heritage, and is one of the most visited wild river canyons in the world, and has been called by the California State Water Resources Control Board " a unique asset to the State and the Nation", and

Whereas, protecting the Stanislaus above Parrotts Ferry would allow for filling of the New Melones Dam to a level which fulfills those purposes of the dam currently authorized by the State Water Resources Control Board; and

Whereas, conservation and wise water management, and not ever-larger, more expensive water projects, are the ways to meet real water needs in the coming decades, especially when demand for our natural heritage is increasing along with public concern for wise use of tax dollars, therefore be it

Resolved that _____ support H.R. 4223 (Edwards) or other legislation to place the Stanislaus River Canyon between Camp Nine and Parrotts Ferry in the National Wild and Scenic Rivers System; and be it also

Resolved that the President, Secretary of Interior, Governor, State Secretary fo Resources; and the California Congressional delegation be apprised of this position.

Signed _____

Title _____

Date _____

SAMPLE RESOLUTION

THE COMPARATIVE BENEFITS OF A MASSIVE AND A MODERATE RESERVOIR BEHIND NEW MELONES DAM

function of the dam

benefits of a massive reservoir extending to Camp 9

benefits of a moderate reservoir

flood control

\$3.9 million per year of protection to the lower Stanislaus and San Joaquin Basins¹

\$3.9-\$4.1 million per year (This increased protection of downstream lands is due to the increased capacity for control of winter rains: the "flood control space" of a massive reservoir would be reserved for control of spring run-off, and could not be used for control of winter rains.)²

irrigation

\$.65-\$1 million per year (The massive reservoir would yield 180,000 to 200,000 acre-feet per year for consumption.³ 30,000 to 50,000 acre-feet of that yield would return, after irrigation, to the Stanislaus and San Joaquin Rivers. This "return flow" would be heavily polluted with fertilizers, pesticides, and herbicides, and would degrade the quality of the other water in these rivers, thus would lessen the usability of those rivers for consumption further downstream. The net yield of water from the massive reservoir for consumption is thus 150,000 acre-feet. The net worth of water from the dam is \$5/acre-foot: conservation of water by "irrigation scheduling," the cheapest, feasible alternative to a new yield from the dam, costs \$5/acre-foot.⁴)

\$.23 million per year (The 50,000 to 70,000 acre-feet provided by a moderate reservoir for improvement of water quality could be used for irrigation, after passing down the San Joaquin River into the Delta; after the "return flow" is discounted, the net yield for irrigation would be 45,000 acre-feet per year, worth \$5/acre-foot.)

energy

\$1 million per year (The massive reservoir would produce 430 million kwh per year;⁵ probably 100 million kwh per year would be needed to pump the water used for irrigation in the San Joaquin Basin.⁶ The net yield of energy is 330 million kwh per year. Each kwh is worth \$.003: residential conservation of energy, the cheapest, feasible alternative to a new yield from the dam, costs .003/kwh.⁷)

\$.4 million per year (The moderate reservoir would produce 140 million kwh per year.⁸ Since any water available from a moderate reservoir for consumption would be used in the Delta, where no or very little pumping is required to transport the water to the fields, the net yield of energy is 140 million kwh, each worth \$.003.)

recreation

\$.5 million per year (330,000 user-days of recreation per year would occur on the massive reservoir; each user day is worth \$1.50.)⁹

\$2.6 million per year (200,000 user-days of recreation per year would occur on the moderate reservoir; each user-day is worth \$1.50. In turn, 50,000 user-days of recreation per year would occur on the upstream whitewater river; each user-day is worth \$45 to \$50.)¹⁰

fish and wildlife

\$.2 million per year (Because the spring flow would be largely stored, to provide for irrigation during the summer and fall, the downstream salmon fishery would be almost entirely destroyed.)¹¹

\$1.2 million per year (The downstream salmon fishery would be maintained by well-timed releases from the moderate reservoir.)^{12,13}

water quality

\$.1 million per year (Most of the 70,000 acre-feet per year of release for improvement for water quality would be cancelled by the "return flow" from new irrigation; so a massive reservoir would allow a minimal improvement in downstream water quality.)

\$.2 million per year (A moderate reservoir would provide 50,000 to 70,000 acre-feet per year of release for improvement of downstream water quality. Some of this release would be cancelled by the "return flow" from irrigation; so the moderate reservoir would allow a moderate improvement in downstream water quality.)^{14,15}

TOTAL

\$6.5-\$6.7 million per year

\$8.5-\$8.7 million per year

FOOTNOTES

1. Army Corps, "Benefit-Cost Ratio, New Melones Lake," January 1980
2. Dr. Phil Williams, letter to Mr. Guy Martin, Assistant Secretary of the Interior, March 4, 1980
3. H.E. Horton, Bureau of Reclamation, letter to Friends of the River, October 25, 1978
4. General Accounting Office, Better Federal Coordination Needed to Promote more Efficient Farm Irrigation, June 22, 1976
5. Army Corps, Draft Environmental Impact Statement, New Melones Dam, 1972
6. Resources Agency, "Summary Fact Sheet, New Melones Dam," February 1980
7. California Energy Commission, Conservation as an Energy Resource, February 1978
8. Resources Agency, "Summary Fact Sheet"
9. Resources Agency, The New Melones Project, October 1979
10. *ibid.*
11. Department of Fish and Game, Memorandum about New Melones Dam, February 5, 1976
12. Figure of benefit derived from Army Corps, "Benefit-Cost Ratio"
13. Assessment of protection of salmon from Dr. Phil Williams, "An Alternative Approach to Meeting D-1422 Requirements Restricting the Filling of New Melones Reservoir," June 1979
14. Figure of benefit derived from Army Corps, "Benefit-Cost Ratio"
15. Assessment of improvement of downstream water quality derived from Dr. Phil Williams, "An Alternative Approach to Meeting D-1422 Requirements"

February, 1980

WATER: Thirteen reservoirs on the Stanislaus River already impound the remainder of the water supply of the watershed. If the the Stanislaus River Canyon is inundated, the reservoir would hold 2.4 million acre feet, however only 200,000 acre feet of firm yield is available.

WATER: Operating New Melones for irrigation purposes will likely result in a subsidy to the water users from the general public of \$700-\$800 Million over the 50 year repayment period.

WATER: Water is not available for beneficial use. No service area for distribution of water has been designated. No price for the water has been established, no applications for water have been made to the Board and no water contracts are the subject of present negotiations. No delivery systems have been identified nor authorized.

POWER: Operated at full hydroelectric potential, the maximum power produced would be available only 2½ hours per day for 265 days each year. This energy may be unusable because of its infrequent availability.

POWER: Operating New Melones for its full hydroelectric potential will likely cause at least a \$385 Million financial drain on the Central Valley Project, which is already operating at a \$10 Billion deficit.

POWER: The net energy available per year from operating the reservoir with the Stanislaus River Canyon completely filled would only displace the amount of oil California uses in three hours.

POWER: The energy produced by New Melones was primarily intended for CVP project pumping purposes. It was not intended for domestic or industrial use.

FLOOD CONTROL: New Melones project authorized by Congress in 1962 provided for a maximum downstream flood flow of 8000 cfs.

FLOOD CONTROL: Congress required the federal government to purchase flood easements below the dam to avoid flood plain damages. After 18 years, the federal government has failed to purchase these easements.

FLOOD CONTROL: Presidential Executive Order 11988 on Flood Plain Management provides that federal agencies must implement such alternatives that will discourage damages to flood plain. Interior and the Corps have both violated this Executive Order by proposing a 3500 cfs maximum release below Goodwin Dam, thus encouraging downstream riparian owners to cultivate 1500 acres of floodplain. Meanwhile, hundreds, perhaps thousands of acres, in the Public Trust above Parrotts Ferry are in jeopardy of

being flooded, despite the acreage's potential status of wild and scenic river classification.

FLOOD CONTROL: New Melones project authorized by Congress in 1962 provided for a maximum downstream flood flow of 8,000 cfs.

DELTA WATER QUALITY: At a level of Parrott's Ferry all of the water in the Stanislaus would go to the Delta except for the amount that has been historically diverted. If the canyon were filled for irrigation purposes, whatever water that was used for irrigation purposes would likely never get to the Delta.

DELTA WATER QUALITY: There are significant potential water quality detriments associated with additional impoundment. If the water is used for agriculture, it is likely that the fresh water will return to the Stanislaus laden with salts and chemicals, thereby significantly adding to the water quality and fishery problems in the Delta during the Fall.

DELTA WATER QUALITY: AB 2164 severely diminishes State Water Board authority over New Melones and sets the dangerous precedent for potential legislative interference in delicate Delta Water Quality decisions of the Board.

RECREATION: The Stanislaus River is the second most popular whitewater recreation river in the U.S.

RECREATION: Impoundment to Parrott's Ferry will maximize the recreation benefits to the area. It will provide 200,000 user days for flatwater recreation and retain the existing 100,000 user days of river related recreation.

PRIOR WATER RIGHTS: All rights of present water users will be fully protected under the impoundment scenario at Parrotts Ferry

Friends of New Melones

343 East Main Street, Suite 524, Stockton, California 95202 • (209) 464-4586

ATTACHMENT D

NEW MELONES AND H.R. 4223 *

H.R. 4223 would place portions of the Stanislaus River, a Central California waterway, into the national Wild and Scenic Rivers system. The objective of the measure is to preserve a 9-mile stretch of rafting whitewater which will be inundated by the filling of New Melones reservoir.

If H.R. 4223 passes, it will waste \$341 million in taxpayer funds spent for construction of the dam, which was completed last year. It will forego 430 million kilowatt hours of hydroelectric energy annually, equivalent to 780,000 barrels of oil each year, enough electricity to serve a city of 200,000, and it will destroy a model environmental program which depends upon full use of the dam.

H.R. 4223 is the product of the whitewater rafters' 10-year failure to stop construction of New Melones. They were not able to persuade the State to turn down Federal applications for the full amount of water to be stored by the dam. The U.S. Supreme Court rejected their challenge to the environmental impact statement. The voters, in a 1974 state-wide election, turned down their initiative measure, which would have placed the Stanislaus into the State's wild and scenic river system, after every major newspaper in the state called for rejection of the move. The Legislature, 18 months later, rejected a new bid to place the river into the state wild and scenic river system.

The key to such a record of failure in an environmentally aware state like California is in the answer to the basic question posed by these efforts and by H.R. 4223: Should the many benefits of New Melones be sacrificed for the preservation of a single recreational interest?

Friends of New Melones urges a speedy rejection of H.R. 4223 and requests that you carefully read the enclosed material.

* An amendment to the Wild & Scenic Rivers Act, Representative Don Edwards (D - Cal) et al.

Friends of New Melones

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THE PRICE OF H.R. 4223

If H.R. 4223 passes, New Melones dam will not be permitted to store more than 300,000 acre feet of water, or 12% of its 2.4 million acre foot capacity. It will be, in effect, almost as though the dam had never been built. Lost will be:

1. \$341 million in taxpayer dollars voted by Congress which were spent to construct the dam;
2. Hydroelectric generating capacity of 430 million kilowatt hours of energy, equivalent to 780,000 barrels of oil;
3. Power sales revenue of \$5 million, plus \$8 million which must be spent to buy more expensive power from the Northwest to meet Central Valley Project commitments, for a total of \$13 million (1978 dollars) each year;
4. Hydroelectric generation from old Melones, now inundated;
5. The natural king salmon fishery of the lower Stanislaus;
6. The opportunity to restore salmon runs to the Tuolumne and Merced rivers and to rebuild the runs in the Delta;
7. The opportunity to establish steelhead and trout fisheries in the lower Stanislaus;
8. Lower river recreation, especially fishing, canoeing and kayaking;
9. The riparian greenbelt program for 55 miles of river;
10. Lake recreation estimated at three million visitor days;
11. The opportunity to improve flows in the polluted San Joaquin Delta, help recharge overdrawn groundwater tables, and preserve the agricultural viability of one of the largest concentration of small family farms in the nation;
12. Flood control for public and private lands.

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AGRICULTURE AND NEW MELONES

New Melones is vital to an agricultural region which represents an enormous output of essential food for the nation, and also contains one of the largest concentrations of small family farms in the United States.

In San Joaquin County, 81 percent of the farms are smaller than 180 acres, and in Stanislaus County, 45 percent are smaller than 50 acres. A total of 7,766 small farms make up 88 percent of all the farms in the two counties.

In both counties, milk and dairy products, essential for nutrition, are the number one crop. The five leading crops in the two counties include chickens, eggs, cattle, tomatoes and grapes.

Reduced crop yields caused by poor water quality; forced abandonment of raising salt-sensitive products such as beans, peas and sugar beets; loss of topsoil suitable for tomatoes, alfalfa, beets and beans because of flooding -- all mean higher prices to the consumer, because the small farmer has limited financial ability to absorb these setbacks.

Salt degradation of the water is the single most pernicious problem facing the Stanislaus River area, with its impact ranging from reduced crop yields to forcing crops out of production. The farmers of the area are battling salinity not only from River and Delta waters, but even more acutely from the groundwater supply.

As far back as 1965, the U.S. Public Health Service warned that "the quality of the water in the San Joaquin River, below the mouth of the Stanislaus River, is generally poor -- periodic pollution of the lower Stanislaus River waters and perennial pollution of the lower San Joaquin River waters is adversely affecting use of these waters for municipal, industrial, agricultural, fishing and recreation (purposes)..."

Since that time, treatment facilities have reduced some of the pollution and capping of the Tuolumne gas wells cut back a small amount of salt intrusion, but those gains have been offset by higher salinity caused by new diversions of water and greatly increased irrigation drawing salt from the soil and into the rivers.

In the groundwater supply, saltiness is a product of water table overdraft, which allows ancient brackish waters to

Friends of New Melones

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H.R. 4223: "DE-AUTHORIZATION" IN DISGUISE

H.R. 4223 would place into the national Wild and Scenic Rivers system portions of the Stanislaus River in Central California, in order to preserve a 9-mile stretch of whitewater used for rafting.

The bill is a backdoor attempt to de-authorize the recently completed New Melones dam, which is situated downstream of, and will inundate, the whitewater. If passed, H.R. 4223 would restrict the filling of New Melones reservoir and prevent the dam from being operated as Congress directed.

Congress appropriated a total of \$341 million for construction of New Melones, which was completed last year. Of the total, \$228 million -- or 2/3 of the construction dollars -- was requested from Congress by the current State administration, through Governor Brown's appointed Water Commission.

Congress has twice authorized New Melones -- first as part of the Flood Control Act of 1944 and then in 1962 to include additional purposes. At that time, Congress ordered that New Melones also provide storage for irrigation, improved water quality, enhancement of fisheries and wildlife, recreation and hydroelectric power. Subsequently, Congress authorized funds for the project each year starting with November 5, 1963, a total of sixteen consecutive years of annual appropriations.

The size and storage level of New Melones are the physical result of meeting these beneficial purposes. Rather than ask Congress to renounce its objectives and its votes in 1962 and in subsequent appropriations, the dam's opponents hope to achieve a reversal by masking de-authorization in Wild River legislation and effectively raising a barrier against full operation of the dam, now that it is completed.

intrude and be drawn to the surface. In some areas of San Joaquin County, overdraft has reached the crisis stage. A growing concern for years throughout the area, the situation was greatly escalated by dramatic increases in pumping during the drought of 1976-77.

For many of the affected farmers, saline intrusion in the groundwater has meant the forced switching of production from such things as tomatoes, lettuce, beans, melons, squashes and onions to more salt-tolerant crops.

California leads the nation in the raising of 47 food crops, about one-third of which are salt-sensitive. San Joaquin County alone produces 11% of the nation's canning tomatoes on 32,000 acres devoted to this single crop.

The 70,000 acre feet reserved for water quality in the New Melones authorization provides a significant minimum correction for the salt problem in the lower river and South Delta. But the full net conservation yield, plus all the water that can be made to flow into the South Delta from New Melones, is absolutely critical to the concept of good resource management and maximum food production at prices the consumer can afford.

The complexities of water management in one of the most prized farm regions in the country are enormous. New Melones represents a significant step in coping with this issue, which, for the small farmer is a fateful one. The single most urgent requirement is for water to be made available so that Stanislaus-area farmers can reduce their dependence on wells, and over-drawn supplies can be recharged. This pressing situation, coupled with the need for additional supplies to maintain productions of the thirsty basic crops and the need for better water quality to arrest the decline of crop yields, has led to applications from 22 water agencies or districts seeking a total of more than 800,000 acre feet from New Melones -- four times the anticipated net conservation yield.

Of no less importance is the flood control function of New Melones. The full operating design of New Melones was intended to hold river flows to the minimum required for downstream irrigation, fishery, and water quality needs, unless the reservoir contained 1,950,000 acre feet or more. In the winter months these requirements call for flows of only a few hundred feet per second. In 1979-80 flooding, which began with the reservoir holding less than 200,000 acre feet, such an operation would have eliminated damaging flood flows altogether.

Under the authorization, the Secretary of the Army prescribes the regulations for flood control operation. The latest draft of those regulations calls for river flows up to 8,000 c.f.s. when the reservoir content exceeds 1,950,000 acre feet, but such flows will occur rarely.

Flows in excess of 3,500 c.f.s. begin to cause damage to farmland and public parks downstream, and, with increasing rates and duration, begin to cause seepage of the levees and saturation of lands beyond the flood control channel. Damage to crops in their most critical growing period is the result of such flooding.

The reality of a fully operating New Melones is essential to agriculture in the Stanislaus area. It will protect food now being grown and will prevent shifts away from basic crops. By providing surface supplies to replace what is being drawn from underground, it is the key to the effectiveness of any program to restore and conserve groundwater. And, by making those supplies available at prices which, even if gradually raised, remain within the financial ability of the small farmer to pay, it will help keep food prices down for the consumer.

SMALL FAMILY FARMS AND THE CROPS THEY PRODUCE

IN STANISLAUS AND SAN JOAQUIN COUNTIES
(1978)

STANISLAUS COUNTY
(Total Acres In Farms: 790,603)

SAN JOAQUIN COUNTY
(Total Acres In Farms: 833,820)

<u>Size</u>	<u>No. of Farms</u>	<u>Size</u>	<u>No. of Farms</u>
10 - 50 acres	2,063	below 50 acres	2,521
50 - 500 "	2,269	50 to 180 "	913
500 - 1,000 "	86		
1,000 - 2,000 "	48	180 to 2,000 acres	764
2,000 or more "	72	2,000 or more acres	42
Totals	<u>4,538</u>		<u>4,240</u>

<u>CROP</u>	<u>GROSS VALUE</u>	<u>CROP</u>	
Milk / Dairy	\$120,414,000	Milk / Dairy	\$81,384,000
Chickens	63,654,000	Grapes	55,546,000
Eggs	48,324,000	Tomatoes	44,166,000
Cattle	46,397,000	Cattle	32,388,000
Almonds	40,912,000	Walnuts	31,220,000

CROPS IRRIGATED IN STANISLAUS HYDROLOGIC BASIN

TOTALS OF SOUTH SAN JOAQUIN, OAKDALE AND SOUTH DELTA IRRIGATION DISTRICTS
 (Total Acres Irrigated: 239,000)

Fruits & Nuts	39,148
Grains	31,922
Alfalfa	29,356
Private Wells*	19,889
Tomatoes	17,794
Clover	13,559
Sugar Beets	13,000
Corn	12,384
Beans	9,570
Grapes	7,734
Sunflowers	3,700
Melons	2,986

<u>South San Joaquin I.D.</u>		<u>Oakdale I.D.</u>		<u>South Delta I.D.</u>	
Acres Irrigated: 54,021		Acres Irrigated: 59,539		Acres Irrigated: 125,000	
Fruits & Nuts	28,561	Grasses & Forage	38,990	Alfalfa	28,000
Private Wells*	9,668	Private Wells*	10,221	Grains	22,000
Grain	7,065	Clover	4,540	Tomatoes	17,000
Grapes	7,023	Fruits & Nuts	4,387	Sugar Beets	13,000
Clover	5,019	Corn	3,760	Beans & Peas	9,400
Miscellaneous	2,745	Grain	2,857	Asparagus	9,200
Alfalfa	1,217	Miscellaneous	948	Corn	7,700
Corn	925	Grapes	711	Fruits & Nuts	6,200
Tomatoes	794	Melons	349	Clover	4,000
		Alfalfa	139	Sunflowers	3,700
				Garden Vegetables	2,000

* Crops grown on lands irrigated by private wells are not identified but are listed here to underscore the importance of replacing groundwater with new surface water supplies. In the south Delta district, virtually no ground water is in use at the present because of extremely high salinity.

Friends of New Melones

343 East Main Street, Suite 524, Stockton, California 95202 • (209) 464-4586

THE REAL STANISLAUS RIVER STORY

The 139-mile long Stanislaus River has been a domesticated waterway for almost a century. It is a major tributary to the San Joaquin River system and a vital factor in California's Central Valley, one of the nation's most bountiful agricultural regions.

The Stanislaus headwaters are near the crest of the Sierra Nevada. The river flows southwest through the Mother Lode and drops to the floor of the Central Valley. A few miles west of Modesto, it joins the San Joaquin River, which flows another dozen miles northwest into the San Joaquin Delta. The Stanislaus contributes 25 percent of the San Joaquin river volume, and, in several important ways, what happens to the Stanislaus is inseparable from the needs and problems of the Delta.

Once the Stanislaus was remarkable for its salmon resource, plentiful riparian habitat and sparkling water. But time has changed that. The lower 55 miles of the Stanislaus are in serious trouble. The river is diminished and damaged by the effects of 12 dams or diversion structures and the impact of three towns and 35,000 acres of highly developed agriculture on its banks.

When the Government decided to build New Melones dam, environmentalists, farmers and recreationists all realized the project would be critical to the future of the Stanislaus. In the early 1970's, these diverse groups began working together and what emerged was the first project of its kind: designed to do a major environmental repair job; arrest the decline of the river and its ecological systems; and, assure continuing protection to the river's natural resources - even as the State, the Central Valley, and the people who depend on the river begin to come to grips with the management of their limited water supply.

The following is a summary of the problems and New Melones' role in solving them.

WATER QUALITY

The numerous dams and diversion structures on the Stanislaus produce serious water quality problems in the summer and fall, when most of the content of the river is return irrigation water. Thermal pollution, sluggish flows, and, algae growth characterize the river for months at a time. In the South

Delta, intensive San Joaquin River development, compounded by export of Delta water to Southern California, has resulted in dangerously high salinity, particulate pollution and flow reduction so severe that delta inflows from the Sacramento River actually produces a "bathtub effect" in the delta and reverse flows in the San Joaquin.

As a result of studies requested by the Congress to be conducted between the Corps. Of Engineers, U.S. Public Health Service and the Bureau Of Reclamation, an agreement for water quality releases of 70,000 acre feet was reached between the Bureau Of Reclamation (now the Water and Power Resources Service) and the California State Water Resources Control Board. In addition, planned specific fish releases of 98,300 acre feet in normal water years, and 69,000 acre feet in dry years, are to be made on schedules which will also assist in providing water quality control; much of the releases being held back until the summer and fall, the critical months for water quality, as well as fish.

A fully operating New Melones presents the opportunity to put an additional 200,000 acre feet through the river and into the Delta -- if the Interior Department adopts a U.S. Fish and Wildlife Service recommendation that a total of 300,000 acre feet be released annually for fisheries. Moreover, if the Interior Department designates a preference service area that includes the South Delta, delivery of that water will be through the natural river channels to those customers, one of which has applied for 100,000 acre feet, simply to produce desperately needed flow improvement.

FISHERIES

The Stanislaus and the Delta once supported both a spring run of chinook salmon and a fall run of king salmon. The chinook are gone, and the king are disappearing.

Historically, the fall runs numbered from 100,000 to 200,000 fish in the Delta and 8,000 in the Stanislaus. In the past two decades, the number has declined steadily, dropping below 20,000 in the Delta and 1,000 in the Stanislaus. This year, because of unfinished archaeological work, New Melones was held to 300,000 acre feet, creating unplanned operating conditions that H.R. 4223 would mandate, and fewer than 100 salmon spawned in the Stanislaus.

The destruction of the natural salmon resource on the Stanislaus is certain without the development of fresh, cold

water flows in the months they are needed. Cold, high-volume flows must be released for a brief duration in late summer to wash the spawning gravels clean of slime which accumulates in warm, low flows, and to remove summer vegetation which has sprung up in the gravels. Steady flows of cold water are required throughout the fall to assure egg survival after the salmon have spawned. Optimum water temperatures for salmon eggs are between 51 and 55 degrees. Survival is sharply reduced above 56 degrees, and temperatures higher than 58 are lethal to the eggs. New Melones must be filled in order to preserve a supply of cold water at the bottom of the reservoir for fish releases. This year's storage of 300,000 acre feet meant that the dam's lowest outlets had to be opened in July, releasing the cold water and leaving only warm water in October and November. On November 15, water temperatures in the river were 60 degrees.

The California Department of Fish and Game calls New Melones "the only source of unallocated water...the only realistic opportunity" to restore the salmon run to historical levels in the Stanislaus and to attempt a restoration of salmon to the Tuolumne and Merced rivers, which presently have no runs because of conditions in the San Joaquin River to which they also are tributaries.

Citing the Congressional language that New Melones "propagate" and enhance fisheries, the U.S. Fish and Wildlife Regional Ecological Service has spoken strongly for annual releases of 300,000 acre feet for the improvement of fisheries.

The U.S. Fish and Wildlife Service also has determined that a fully operating New Melones will allow establishment of a steelhead run and a trout fishery in the lower Stanislaus. Presently, there is no cold water fishery in the 55 miles of the lower river.

RIPARIAN HABITAT

By the early 1970's, more than 80 percent of the riparian habitat along the lower river had been removed for agriculture. During formulation of the New Melones environmental plan, farmers along the lower river were persuaded by the Government and environmentalists to agree -- as a tradeoff for the agricultural benefits of New Melones -- to grant riparian habitat easements to the Government. Those easements require that all the remaining vegetation be preserved, creating a riparian greenbelt on both sides of the entire 55-mile downstream stretch.

The greenbelt is essential. Native trees and plants not

only afford needed habitat for water-based wildlife, but provide streamside shade necessary to hold down water temperatures along the lower river. After the riparian habitat agreement, farmers voluntarily suspended removal of the streamside vegetation, and, negotiations for the easements began. But in the past year, new actions by dam opponents were seen as seriously indicating that the dam might not be fully used, and many of the farmers broke off negotiations and refused to grant easements. A fully operating New Melones assures that the greenbelt acquisition program will be able to be concluded.

RECREATION

A fully operating New Melones provides three million visitor days of recreation on the lake, and an additional minimum of 70,000 visitor days for the downstream area.

New Melones planners, who were working with environmentalists deeply conscious of the whitewater loss upstream, arrived at a unique program for downstream recreation. By acquiring 11 new sites for overnight camping facilities, carefully spaced along the 55-mile downstream stretch, they created a water trail for canoers and kayakers. The sites are a day's canoe journey apart from each other, allowing as much as a 12-day float trip for those enthusiasts. The concept was a large factor in expanding the environmental support for New Melones, as lower river flows presently leave about 35 miles of the river "unfloatable."

New Melones, fully operating, is the key to the entire downstream program. Several of the new park sites were intentionally disconnected from public access except by water, to assure that space for overnight use would be available to those taking float trips. Additionally, salmon spawning gravel beds and numerous fishing access strips were acquired by the government, in anticipation that the flows from New Melones would produce the salmon and coldwater fishery improvements.

While realizing the loss of the 9-mile rafting run upstream, many environmentalists believe that a fully operating New Melones does not represent as bleak a picture for whitewater as the dam's opponents paint. Not all the whitewater on the upper river will be utterly lost. The Interior Department has determined private sport rafting on the upper river can continue. Presently, non-commercial rafting on the river is estimated to involve about 12,000 visitor days. The Interior Department pegs the private rafting after New Melones is filled at 10,000 visitor days. The length of the remaining upstream run (possibly as short as two to three miles) will cause the loss of the run's

commercial value, but such short runs are not unpopular with whitewater enthusiasts, as for example, in the case of an admired two-mile run on Bear Creek, north of Sacramento, which is rated Class IV water like the Stanislaus.

Whitewater users also have applauded a plan linked to the fully operating New Melones, which would develop a 4-mile whitewater run downstream from the dam. The plan was developed by the Government in 1974 in consultation with former Olympic kayak coach, Tom Johnson. Its implementation depends on the flows being available from New Melones, as well as upon some modifications to the streambed.

WILDLIFE

Downstream wildlife habitat supports a variety of smaller water-based animals and birds, which are driven from their territory regularly by flooding on the Stanislaus. The full operating program for New Melones is intended to hold flows to 3,500 cubic feet per second in most years based on the impact to developed land. But such flow control is essential also for protection of the natural wildlife habitat remaining on the river.

New Melones, without the restrictive use that would be forced by H.R. 4223, is also the only new source of water for the next 20 years that can make water available for flushing marshlands in the California portion of the Pacific Flyway.

New Melones is the only source of emergency water for fighting botulism among waterfowl of the San Joaquin Valley marshlands. This disease approached epidemic proportions two years ago, when dry conditions developed on these marshes, forcing the Government to devise hasty makeshift arrangements for "borrowing" water from distant sources to infuse the threatened habitat. If New Melones is fully operating, its storage will make available water which can be used in an emergency for distribution through existing Delta facilities to the marshes. There is no other new source of such emergency water.

Friends of New Melones

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IS THE STANISLAUS WHITEWATER "UNIQUE?"

The 9-mile Stanislaus whitewater is not "unique" in wilderness values, boating difficulty, popularity or accessibility to urban areas.

The whitewater itself is not unique. Natural flows on the river during summer and fall drop to a trickle, and flows for rafting are created by a Pacific Gas & Electric Co. pipeline stretching from the South Fork to P.G.&E's Camp Nine powerhouse on the main stem. Rafting parties must await the morning startup of the generators before they can begin their excursions.

The California Protected Waterways Plan (California Resources Agency, 1971) lists more than 400 miles of whitewater in the State with scenic quality or boating challenge equivalent to the Stanislaus. They are itemized in the plan under a whitewater ratings section compiled and copyrighted by The Sierra Club. In the plan's various listings of rivers recommended for protection or having special fishery, wild-life, scenic and/or recreation value, the nine miles are not even mentioned.

In urban accessibility, the 9-mile run (located about 150 miles from San Francisco) is not "unique." There are eight whitewater runs within 200 miles of San Francisco. These runs provide 75 miles of comparable whitewater. Those reaches include runs on the Consumnes and south fork of the American (the same distance or closer) and runs on the Tuolumne, the north and middle forks of the American, the north and south forks of the Yuba, and the main stem of the Eel (all from 10 to 60 miles farther than the Stanislaus.)

Nor is the Stanislaus "the most popular whitewater in the country." The Bureau of Land Management states that the amount of rafting on most whitewater rivers in the United States is simply unknown. In the limited statistics gathered, BLM counts more visitor days on at least five other rivers. BLM says that the Stanislaus may be the most congested, because of its heavy commercial use which is tightly squeezed into the 9 miles.

COMPARISON OF IMPACTS FOR ALTERNATIVE OPERATING PLANS FOR
NEW MELONES RESERVOIR

	Full Reservoir as authorized	Wild and Scenic Rivers Alternative Maximum Storage 300,000 acre-feet 1
Flood Control	\$3,600,000 based on 450,000 acre-foot flood control reservation with a maximum downstream condition of 8,000 ft ³ /s.	\$3,600,000 based on 450,000 acre-feet of flood control reservation and a maximum downstream condition of 8,000 ft ³ /s. The pool level would occasionally exceed the 808' elevation during periods of flood flows. Such inundation would be of relatively short duration.
Irrigation	3.6 million - The authorized full reservoir would provide a water supply estimated at 180,000-200,000 acre-feet for year 2020 conditions. This supply would be used to meet present and future agricultural and municipal and industrial water needs. This supply would also alleviate current ground water overdraft conditions in certain areas.	\$0. Supply foregone. With this limited operation there would be no new yield or additional water supply provided to meet the needs within local areas.
Energy	\$22,500,000. With a full reservoir, the marketable dependable capacity of the 279 MW available from New Melones Power Plant is worth \$12,000,000 per year at the present rate of \$42.98/kW year. The associated 455,000,000 kWh of firm energy produced is worth \$10,500,000 at a rate of \$0.0230 per kWh.	\$500,000. At the reduced level, there would not be any marketable dependable capacity. The 19,300,000 kWh of non-firm energy produced is worth \$500,000 at the rate of \$0.0276 per kWh.
Recreation	Reservoir \$1.1 million (net benefits). With recreational facilities would provide about 850,000 recreation days of use annually increasing to 3 million recreation days at full development. Upstream \$0. White water boating area would be inundated. Present recreation use would be foregone.	Reservoir 0.3 million (net benefits). With the provision of recreation facilities it is estimated that initially New Melones Reservoir would provide approximately 204,000 recreation days of use annually increasing to about 1,700,000 recreation days for ultimate conditions. Upstream \$0.5 million. With operation to a maximum conservation pool at elevation 808 feet about 9 miles of the river would be available for white-water boating except during portions of the flood season. This use is presently estimated at 45,000 recreation days and could increase to 65,000 recreation days in the future.

1/ Does not include additional storage for flood control purposes.

Full Reservoir as authorized

Wild and Scenic Rivers Alternative
Maximum Storage 300,000 acre-feet

Fish and Wildlife

Reservoir \$0.3 million. The New Melones Reservoir would sustain a population of game fish capable of providing an estimated average of 125,000 angler days annually of reservoir fishing. There would be a loss of the present upstream trout fishery.

Downstream \$0.8 million. The authorized plan would provide for releases of 98,000 acre-feet annually for fishery purposes. It is estimated that a full run of chinook salmon of about 3,200 spawning adult fish could be provided. The salmon fishery would provide about 5,000 angler days of sport fishing and a commercial harvest of 44,000 pounds annually. An estimated 1,500 angler-days would be spent for the steelhead fishery.

Reservoir \$0.5 million. The reservoir would sustain an estimated average use of 50,000 angler days annually. The upstream trout fishery remaining would be about 50,000 angler days annually.

Downstream \$0.2 million. This plan could provide the 98,000 acre-feet for downstream fishery purposes if deficiencies are taken in critical and dry years. It is estimated that a full run of chinook salmon of about 4,800 spawning adults could be maintained. There would be no downstream steelhead fishery. The salmon fishery would provide a commercial harvest of 67,000 pounds annually and about 5,900 angler days of sport fishing.

Water Quality

\$0.2 million. Up to 70,000 acre feet per year could be used to meet established water quality criteria on the Stanislaus and San Joaquin Rivers. These releases would be utilized to limit the total dissolved solids in the lower San Joaquin River to a mean monthly concentration of 500 p/m for irrigation purposes and to maintain a minimum dissolved oxygen concentration of 5 mg/l at Ripon for downstream fishery purposes.

\$0. Benefits foregone. There would be no storage provided or releases made for water quality purposes.

TOTAL

\$32.1 million

\$5.6 million

Difference

0 million

\$26.5 million

% of authorized Project

100%

18%

Responses to Fact Sheet

1. Water: Thirteen reservoirs on the Stanislaus already impound the remainder of the water supply of the watershed. If the Stanislaus River Canyon is unundated, the reservoir would hold 2.4 million acre-feet, however, only 200,000 acre-feet of firm yield is available.

Response: Further water development is planned on the Stanislaus River. The Calaveras County Water District has filed an application for a proposed North Fork Stanislaus River Project for hydroelectric power development along with providing a water supply to adjacent areas that would be upstream from New Melones Reservoir.

The yield studies for the New Melones Project at full operation show a total yield of about 875,000 acre-feet. The marketable yield after that required for fishery enhancement, prior rights, and water quality is about 180,000-200,000 acre-feet. A full reservoir operation is designed to provide a firm water supply during a critically dry period.

2. Water: Operating New Melones for irrigation purposes will likely result in a subsidy to the water users from the general public of \$700-\$800 million over the 50-year repayment period.

Response: New Melones Project will be operated as an integral unit of the CVP. Some of the irrigators in the CVP do not have the ability to pay their full cost of service and, therefore, pay only to the limit of their repayment capacity. The costs of service that is not repaid by the irrigators is repaid by the power revenues from the project generation. This procedure is provided for under the Reclamation Project Act of 1939. This act specifies that irrigation construction costs are repayable, with no interest charges.

3. Water: Water is not available for beneficial use. No service area for distribution of water has been designated. No price for the water has been established, no applications for water have been made to the Board and no water contracts are the subject of present negotiations. No delivery systems have been identified nor authorized.

Response: Water would be available for beneficial use with full utilization of the 2,400,000 acre-feet New Melones Reservoir. Requests for water service total more than four times the available marketable yield. The Stanislaus River Basin Area determination is required to be made by the Secretary of the Interior and the Supplemental EIS needs to be prepared for use of New Melones water. These documents must be completed before any water service contracts can be executed. The Basin Area and Water Allocations Report and Supplemental EIS, are being prepared and are scheduled for completion in mid-1980.

The price for water from the New Melones has not been established and cannot be determined until the service area and required conveyance

facilities are defined. The cost of water from the project will be based on repayment of construction, operation, and maintenance costs with the present CVP facilities in service.

4. Power: Operated at full hydroelectric potential, the maximum power produced would be available for 2-1/2 hours per day for 265 days each year. This energy may be unusable because of its infrequent availability.

Response: The New Melones Powerplant was sized and designed to operate principally as a peaking facility; meaning it can produce large amounts of capacity for short periods of time without violating the downstream water requirements. This type of operation not only fits well with the annual water requirements which peak in the summer, but also allows the plant to be operated at times in the peak of the area power demand curve in a most efficient manner and permits optimization of the value of this power. The plant will be operated to fit area power needs, which could be as much as 6 to 8 hours during the peak irrigation and power demand periods.

5. Power: Operating New Melones for its full hydroelectric potential will likely cause at least a \$385 million financial drain on the Central Valley Project, which is already operating at a \$10 billion deficit.

Response: The source of the \$385 million figure is apparently the study prepared by the California State Resources Agency entitled, "The New Melones Project, a Review of Current and Environmental Issues." That study did not provide sufficient support or detailed data to determine how the \$385 million figure was derived. In November 1979, rates for wholesale power purchased from the Central Valley Project were increased to an average of 9.76 mills/kWh. The repayment studies made to support the power rate increase demonstrated that the 9.76 mills/kWh average rate was sufficient to repay the CVP power investment including the New Melones Project within a 50-year period as well as provide a subsidy to the irrigation and fish and wildlife functions of over \$400 million.

6. Power: The net energy available per year from operating the reservoir with the Stanislaus River Canyon completely filled would only displace the amount of oil California uses in 3 hours.

Response: The operation of New Melones Powerplant under normal conditions that is the reservoir being allowed to fill and operate as planned, would produce 455 million kilowatt-hours of energy generation. This amount of energy would displace the use of 830,000 barrels of oil annually and meet the annual power needs of a city of approximately 210,000 people. We have no information on how long it would take all of California to consume this amount of energy.

7. Power: The energy produced by New Melonés was primarily intended for CVP project pumping purposes. It was not intended for domestic or industrial use.

Response: The energy required to meet the additional project loads incurred by the operation of the New Melones Project would be less than 5% of the New Melones Project generation.

8. Flood Control: New Melones Project authorized by Congress in 1962 provided for a maximum downstream flood flow of 8,000 ft³/s.

Response: New Melones Reservoir as authorized would provide up to 450,000 acre-feet of storage for flood control purposes and would maintain the downstream condition of 8,000 ft³/s.

9. Flood Control: Congress required the Federal government to purchase flow easements below the dam to avoid flood plain damages. After 18 years, the Federal government has failed to purchase these easements.

Response: Since the late 1960's the Corps of Engineers has been acquiring easements in the flood channel. To date, about 16 percent of the lands for total easement area has been acquired. The Corps tentatively has scheduled completion of the lands acquisition program for September 30, 1980.

10. Flood Control: Presidential Executive Order 11988 on Flood Plain Management provides that Federal agencies must implement such alternatives that will discourage damages to flood plain. Interior and the Corps have both violated this Executive Order by proposing a 3,500 ft³/s maximum release below Goodwin Dam, thus encouraging downstream riparian owners to cultivate 1,500 acres of floodplain. Meanwhile, hundreds, perhaps thousands of acres, in the Public Trust above Parrott's Ferry are in jeopardy of being flooded, despite the acreage's potential status of Wild and Scenic River classification.

Response: In accordance with the project authorization, the Corps of Engineers is required to maintain the lower Stanislaus River channel (from Goodwin Dam downstream to the San Joaquin River) to accommodate a maximum project design release of 8,000 ft³/s, subject to the condition that responsible local interests agree to maintain private levees along the channel and to prevent encroachment on the channel and floodway between the levees.

To accomplish this objective, the Corps is required to obtain flow easements. By definition, all the Corps is obtaining is the right to pass water over the land the easement was obtained and still allows the use of that land for agricultural use. This practice does not "damage the flood plain."

11. Flood Control: New Melones Project authorized by Congress in 1962 provided for a maximum downstream flood flow of 8,000 ft³/s.

Response: Same as Item 8.

12. Delta Water Quality: At a level of Parrott's Ferry all of the water in the Stanislaus would go to the Delta except for the amount that has been historically diverted. If the canyon were filled for irrigation purposes, whatever water that was unused for irrigation purposes would likely never get to the Delta.

Response: In addition to the marketable yield, the project would provide downstream releases for water quality purposes up to 70,000 acre-feet per year. This part of the project yield is to be used to meet established water quality criteria on the Stanislaus and San Joaquin Rivers. These releases would be utilized to limit the total dissolved solids in the lower San Joaquin River to a mean monthly concentration of 500 ppm for irrigation purposes and to maintain a minimum of dissolved oxygen concentration of 5 mg/l in the Lower Stanislaus River for the downstream fishery.

These releases for water quality would be made during the irrigation season when the quality of the water is critical to crop production.

13. Delta Water Quality: There are significant potential water quality detriments associated with additional impoundment. If the water is used for agriculture, it is likely that the fresh water will return to the Stanislaus laden with salts and chemicals, thereby significantly adding to the water quality and fishery problems in the Delta during the Fall.

Response: The impact of New Melones Service Area return flows would not be detrimental to the San Joaquin River flows.

The impact of New Melones water on local ground-water basins would be beneficial. Better quality drainage water would percolate to the local areas.

14. Delta Water Quality: AB 2164 severely diminishes State Water Resources Control Board authority over New Melones and sets the dangerous precedent for potential legislative interference in delicate Delta Water Quality decisions of the Board.

Response: No comment.

15. Recreation: The Stanislaus River is the second most popular white-water recreation river in the U. S.

Response: No comment.

16. Recreation: Impoundment to Parrott's Ferry will maximize the recreation benefits to the area. It will provide 200,000 user days for flatwater recreation and retain the existing 100,000 user days of river related recreation.

Response: The New Melones Reservoir estimated recreation use and master plan for development at New Melones was prepared by the Corps of Engineers in cooperation with the Service. The master plan includes an initial development to provide a use of about 850,000 recreation days on the reservoir within 5 years after the full project is operational, along with plan for future facilities as needed. The ultimate use is estimated at 3,000,000 recreation days. The 9 miles of white water upstream would be inundated with full reservoir operation.

17. Prior Water Rights: All rights of present water users will be fully protected under the impoundment scenario at Parrott's Ferry.

Response: Prior rights can be met with a smaller reservoir but would require the other benefits such as fishery enhancement and water quality to be greatly reduced.

No marketable yield could be developed at this reservoir size.

From the desk of

ANGUS NORMAN MURRAY

March 19, 1980

Mr. William P. Carnazzo
City Hall, 915 I St.
Sacramento, CA 95814

I understand the Law and Legislation Committee of the Council will meet tomorrow on H.R. 4223, the Edwards bill on New Melones.

I understand also that certain erroneous economic data generated by Mr. Guy Phillips of the State Resources Agency may be presented.

In letters, copies attached, I have pointed out many of these errors to Mr. Phillips. The Council's Committee may wish to consider these matters.

A. N. Murray

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MAR 20 1980
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A. N. Murray



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SACRAMENTO, CALIFORNIA

September 21, 1967

Mr. Ray Phillips
Resources Agency
1515 Ninth Street, Room 1211
Sacramento, California 95814

Re: Contracts for New Malones Power Output

Dear Mr. Phillips:

My notes show that at the September 12 workshop of the State Water Resources Control Board you stated, in substance, that the reservoir should not be filled until "water and power contracts have been executed." The thought you advanced seems to be confirmed by the enclosed article in the September 18, Stockton Record which quotes a letter from the Resources Secretary to the State Board:

"Filling the reservoir for water and power requires the corresponding contracts which, if negotiated now, would probably prove detrimental to the CVP, the federal treasury, and the taxpayers." (Emphasis supplied).

For your information, all of the power and energy producible at New Malones has been under contract since July 31, 1967.

Any analysis of CVP financing under Reclamation law and policy will reveal, and common sense confirms, that the CVP, the federal treasury, taxpayers (and preference agency power customers) will be better served if all possible steps are taken to fill New Malones Reservoir to normal power operating levels immediately. This is opposite, of course, to the reported statements of the Resources Secretary.

1. As to CVP, its financial posture is worsened because, under current restrictions on filling, the capacity and energy generation developable at New Malones and saleable to preference agencies under present contract rates must be replaced by more expensive imports from the Northwest.

Mr. Guy Phillips

September 21, 1979

-2-

2. As to the Federal treasury, it has a reported \$341 million investment on which practically no cash return can be realized -- and the latest sale of 26-week T-bills was at an interest rate of more than 10.3%.

3. As to taxpayers, one way or another they will make up the treasury's losses through their taxes.

4. As to the Project's preference agency power customers, they will pay in future billings for the currently-increased deficits due to extra cost of Northwest energy and due to earlier depletion of the capacity and energy banks provided for in the 1967 power contract.

The Record quotations, if accurate, show clearly that Resources Agency personnel do not understand the financing arrangements controlling CVP. Those arrangements are complex. I urge that before commenting on any aspect of them you gain the understanding you lack. This is especially true with respect to power matters.

Sincerely,

A. N. Murray

Encl. Mr. Michael Lippos, 10/1/79
cc: Mr. Michael Lippos, 10/1/79

Melones Filling Delay Urged To Hike Price

Record Capital Bureau
Cannett News Service

SACRAMENTO — Huey Johnson, California's conservation-minded resources secretary, says filling of New Melones Reservoir should be delayed as long as possible to get the most money for the water.

State and federal officials say it may be four years before they can cut through the red tape standing in the way of filling the controversial federally-built reservoir.

In a report expected to be released in the next several days, Johnson's Resources Agency will argue that the state should encourage the U.S. government to delay, at least that long in negotiating contracts for the sale of the water and power from the dam.

The reason, according to the author of the report, is that a longer delay will mean that farmers and utilities will be willing to pay higher prices for the water and electricity. That will encourage strong conservation measures and reduce the chances that taxpayers will have to subsidize the difference between production costs and sales prices, said economist Guy Phillips, a top assistant to Johnson.

The State Water Resources Control Board has imposed strict limits on the filling of the reservoir until

there is a "demonstrated need" for the water in the form of signed contracts for the sale of the additional water it will provide.

The dam on the Stanislaus River has become the focus of an intense battle between groups who want to protect an upstream stretch of whitewater river canyon and downstream water users who want the dam filled as soon as possible.

Johnson, the top environmentalist in the administration of Gov. Edmund G. Brown Jr., has sided firmly with the whitewater enthusiasts, who are opposed to filling the reservoir. He has argued that artificially cheap water prices have resulted in undue depletion of water resources as well as heavy taxpayer subsidies.

In a letter to the state board, Johnson said although the study is not yet complete it suggests that, "Filling the reservoir for water and power requires the corresponding contracts which, if negotiated now, would probably prove detrimental to the CVP (Central Valley Project), the federal treasury and the taxpayers."

In an interview Monday, Phillips said Johnson wants to avoid a repeat of past federal water project contracts under which he said the sales prices fell far short of production costs.

"The best example is the contract that was negotiated

recently for the Westlands Water District," Phillips said.

He said the contract calls for Westlands to pay from \$7.50 to \$11.80 per acre-foot for the water, while the cost of producing it is about \$13 per acre-foot.

Although Phillips would not disclose all the results of the study in advance, he said it concludes that there are developments in the works that are likely to make farmers willing to pay "more realistic" prices for water in the future.

One is the growing pressure being brought by the Brown administration and northern California environmentalists for ground water management requirements designed to discourage the pumping from wells that is depleting the underground water supplies in the San Joaquin Valley.

"We think that farmers are going to look differently at surface water (from sources such as New Melones) if they have ground water management that makes pumping more expensive," Phillips said.

"The same thing is happening with energy costs," he added. "As the costs of (power for) pumping go up, they are going to look differently at surface water."

MURRAY, BURNS AND KIEMLEN

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S. BURNS, M. ASCE
S. BURNS, M. ASCE

SEP 27 1979

Mr. Jay Phillips
Resources Agency
1616 Ninth Street, Room 1311
Sacramento, California 95814

Re: New Malenes Economics

Dear Mr. Phillips:

In view of my letter of September 21 to you on this subject I was astounded to read the Resources Agency "report" bearing your name; the "report" apparently was released yesterday. Surely there was ample time following receipt of my letter to correct at least the one error I pointed out to you.

Having now hurriedly reviewed the "report" released yesterday I am even more astounded. The "report" makes flat mis-statements of fact other than the one I specifically pointed out in my letter. There has been one large (nearly 100%) increase in CVP power rates and another pending; CVP customers have been warned that still another rate increase will be probable in 2-3 years. The second rate increase announced in the July 9, 1979, Federal Register (64 F.R. 40118) will be to almost 10 mills per kWhr not the 5.73 mills you say is "the rate the Bureau would most likely charge for the power."

Today's sec carried the attached article. Your statement on "mothballing" the plant rather than paying its operating cost is ludicrous. Even operating at a D-1422 level of around 600,000 acre feet the plant can produce nearly 200 million kWhr/year. Under full operation it can produce 430 million kWhr/year and 150-250,000 kw of dependable capacity. That's an income of 66-8,000,000 annually at the July 9, 1979, announced rates. No wonder the Bureau and W.A.P.A. personnel were laughing!

I enclose a hastily-prepared preliminary analysis of your "report." I don't object to your disagreeing with the Reclamation law that controls CVP financing. I do object to your misinforming the public as the "report" does.

Sincerely,

A. M. Murray

Encl.

THE SACRAMENTO BEE — Tuesday, October 2, 1970

Resources Chief Hits Melones 'Subsidies'

By Thorne Gray
Sacramento Bee Staff Writer

State Resources Director Huey D. Johnson said Monday that Congress should take a fresh look at New Melones Dam on the Stanislaus River before it is filled, saying taxpayers will end up subsidizing irrigators and power customers too much.

His assistant, Guy Phillips, said no one wants to buy New Melones power and suggested to reporters the best move actually might be for the federal government to "mothball" the 300,000 kilowatt New Melones power plant rather than pay the cost of operating it.

Over 50 years, Johnson and Phillips said, New Melones would cost the taxpayers \$571 million in subsidies to irrigators plus a \$365 million "drag" on the federal Central Valley Project from power sale losses.

Either that, they said, or the water

would have to sell for between \$17 and \$27 per acre-foot, and the power for more than the federal government can get. That price for water is more than any farmers now pay and more than it would cost to pump from underground, they argued.

When officials of the U.S. Bureau of Reclamation and the Western Area Power Administration heard the charges, however, they laughed at some of Phillips' assumptions.

The bureau will operate the \$330 million project, already completed near Jamestown, and the administration will market the power.

Where Johnson and Phillips said New Melones would end up making the taxpayers subsidize both irrigators and power customers, the federal officials said the dam would pay for itself through power sales with some money left over to subsidize irrigation, as Congress intended.

Phillips said the bureau must earn

PRELIMINARY ANALYSIS
OF SEPTEMBER 1979 RESOURCES AGENCY REPORT
ON NEW MELONES PROJECT

By
A. N. Murray

For nearly 40 years I have been directly involved in water resources economics, including those involving the Central Valley Project. I am engaged by major Central Valley Project power customers in connection with recent and proposed power rate increases. I am also engaged by a number of Central Valley Project water customers. For many years I have been engaged by the Stanislaus River Flood Control Association.

I have made many reports similar to those released yesterday by the Resources Agency. As a matter of professional pride I would never have signed such a document. It is filled with mis-statements of fact, distortions and erroneous analyses and obviously is designed to pretend to support a political position that New Melones Reservoir should be operated to a maximum level of Parrotts Ferry Bridge.

While I have had only limited time to review the document I am certain that the staff of the Secretary of the Interior will be able to readily recognize its transparent faults. Detailed analysis undoubtedly would reveal many faults other than those I can identify now. These faults are:

1. Pages 14 and 22 state, in effect, that Central Valley Project power rates never have been raised. I can assure you they were almost doubled effective May 25, 1978. Furthermore,

3. The analysis obviously expresses the distaste of the Resources Agency for the agricultural benefits flowing from the Reclamation Law. Those benefits over the past 35 years have put hundreds of millions of dollars in the pockets of Central Valley farmers and undoubtedly have swelled the coffers of the State Franchise Tax Board and the Internal Revenue Service. It is astonishing to me that the Resources Agency, as in this report and in other public statements, is urging heavy increases in the farmers' cost of doing business -- a cost which certainly is going to be reflected in rising consumer costs.

2. The report states on pages 5 and 6, in effect, that operating New Melones for power and water will pose financial drains and involve heavy taxpayers subsidy. I can only point out that the Federal government has reported 340 million dollars invested in New Melones Dam and Reservoir and it would appear to me that return on that massive investment should be secured as soon as possible otherwise the taxpayers will be out-of-pocket the entire amount.

the July 9, 1979 Federal Register (44 FR 40118) announced another rate increase of about 12-13% over 1978 rates, to be effective October 1, 1979; I understand this effective date has been postponed for one month.

4. The analysis makes much of the subsidy, but I note on page 40 that if the reservoir is held to the 800 foot level favored by the Resources Agency there will be a subsidy to the commercial raft operators on the Stanislaus River of nearly \$3,000,000 each year.

5. On page 22 of the so-called "report" it is asserted "there are no power contracts for the integration of the New Melones plant into the Central Valley Project . . ." I can assure you that all of the energy produced at New Melones during the brief test period in 1979 was sold under contracts which have been in existence for years. All of the energy produceable at New Melones will be sold under contracts already existing with preference agencies and in accord with a power sale and interchange contract executed with Pacific Gas and Electric Company on July 31, 1967. That PGandE contract does not terminate until January 1, 2005

The only remaining element of negotiation under the terms of these contracts is the amount of dependable capacity added to the Central Valley Project by the New Melones plant. That matter has been under active negotiation and also is involved in proceedings now going on before the Federal Energy Regulatory Commission. Whatever the final decision on Dependable Capacity,

a substantial additional income will come to the Central Valley Project. Since there can be no dependable power under D-1422 - because no minimum power head can be accumulated - there doesn't appear to be a vital hurry to complete those negotiations.

6. Pages 22-24 of the so-called "report" carry on a general discussion of unit costs and revenues of New Melones power. What the analysis seeks to do is to identify costs of New Melones power and energy as an isolated plant and not as a part of the Central Valley Project system. In common with all utilities in California, Central Valley Project power costs and rates are set for a project as a whole. A typical error in the analysis is on page 23 where it indicates that 5.73 mills per kwh is "the rate the Bureau would most likely charge for the power." Actually the rate increase announced in the July 9 Federal Register will be ^{to} approximately 10 mills per kwh.

7. The so-called "report" very carefully skirts the matter of flood control but in so doing leaves distinct mis-impressions. The quoted "non-damaging 8,000 cfs maximum downstream flood flow" never was intended to be made until the reservoir reaches a level within 450,000 acre feet of overtopping. In all Corps reports and in all evidence presented to the State Board in connection with Decision 1422 there were no flood releases at all until that reservoir level was reached. This is the 1,970,000 acre feet identified on page 50.

There have been indications in recent Bureau studies of intent to release 8,000 cfs flows any time the reservoir content equals or exceeds about 600,000 acre feet. We believe these studies are in error although the so-called "report" on page 50 calls them "obsolete". We believe these studies are in error because no such flood control operation has ever been contemplated.

Page 50 also parrots a position of Friends of the River that the conservation storage level should be drawn down in other months in anticipation of heavy spring flows. I am seriously concerned about such a proposal inasmuch as in November, December and January of most years we have little or no knowledge of subsequent inflows; if those subsequent inflows prove to be deficient as in a dry year there will be too little water available to meet the needs of prior rights, fishery enhancement and water quality.

8. The primary burden of this so-called "report" is to urge that New Melones Reservoir be operated to a maximum content of 300,000 acre-feet. I can assure you that if it is so operated there will be practically no hydro electric generation; no new water supplies created; prior rights will be jeopardized; the fishery flows urged by the California Department of Fish and Game will not be met; and the needed water quality improvement in dry years in the Lower San Joaquin River will not be provided; and land along the Lower Stanislaus River will be flooded repeatedly, unnecessarily and over longer periods of time than ever has been intended.

Finally I call your attention to the fact that the California Water Commission, as formal representative of the State Administrations, has annually, since 1953, requested appropriation of a total of \$347,080,000 for the construction of New Melones Dam and

Reservoir. These requests include \$222,000,000 dollars made by the Commission since the present State Administration first came into office in January, 1975. The only condition ever put on these official State requests for Federal funds is that the reservoir be operated in accordance with Decision 1422 of the State Water Resources Control Board. The Resources Agency, in urging restriction of storage to about 300,000 acre feet is not even complying with Decision 1422.

MURRAY, HUBBS AND KIENLI

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TELEPHONE (916) 442-1525

October 15, 1979

Mr. Guy Phillips
Assistant Secretary for Resources
Resources Agency
1416 Ninth Street, Room 1311
Sacramento, California 95814

Re: Your September 1979 "Report on New Melones Economics

Dear Mr. Phillips:

I have now had opportunity for more deliberate analysis of your so-called "report" and will follow up my October 2 letter to you and the comment I issued that day to the press.

The following comments are not necessarily in any order of importance:

1. The repeated assertion (pp. 14-18) that CVP power rates have not been raised or have remained essentially constant is in error. The rates were approximately doubled effective May 25, 1978. A further increase was announced in the July 9, 1979, Federal Register (44 FR 49118) and is to be effective November 1, 1979.

2. In the context of the first paragraph on p. 22, you are in error in saying

"there are no power contracts for the integration of the New Melones plant into the CVP . . ."

The error is strengthened in the first sentence of the following paragraph where you say

". . . The CVP system would apparently be much better off delaying signing power contracts until it is in a better negotiating position."

Further strengthening of the error is in two references to alleged actions needed

"before any contracts are signed." (p. 24),

and on p. 47, where you say

"absent firm contracts for water and power . . ."

These statements follow up on your recent press statements and your statement to the State Water Resources Control Board on September 12 that there are no contracts for sale of New Melones power.

All energy producible at New Melones can be sold under long-standing contracts with CVP customers and PG&E. There is no dependable capacity at New Melones under the terms of Decision 1422 and accordingly that aspect of integration cannot become effective at present. In any event, the dependable capacity aspect of New Melones is being negotiated.

3. Throughout your "report" your treatment of New Melones power plant as one separate from other CVP power plants is in error. Like other CVP Congressional authorizations, that of New Melones requires that the project be integrated operationally and financially with other units of the CVP. Moreover, this basic concept of CVP power is totally-consistent with other utility-type operations where costs of the entire system are pooled to determine rates required from revenues derived from entire system output.

4. You have a series of statements that display ignorance of long-standing CVP power output and marketing arrangements. These arrangements on the surface are complex; as I told you in

others, is either directly erroneous or grossly misleading. One
has seen and every one of the above statements, and many

the time." (p. 13).

will only operate approximately ten percent of
percent, which generally means that the plant
This plant has an annual capacity factor of ten

and

capacity and plant factor of the project." (p. 5)

will likely further reduce the dependable
and release requirements for other purposes
"The combination of Stanislaus River hydrology

and

(p. 5).

considered acceptable for its system (32%).
electric plant is lower than even currently
"The low plant factor (10% of the hydro-

and

per day." (p. 21).

about a 255 MW burst of power for 2 1/2 hours
ments or preference agencies which could
" . . . there are no project pumping require-

and

for a maximum of 255 days per year." (p. 5).
only be available about (also) 2 1/2 hours a day
" . . . power produced / at New Melones / would

name are:

misinformation the public. Among these erroneous or misleading state-
Butter-completely is no excuse for official statements that
of them you gain the understanding you lack."
"I urge that before commenting on any aspect

"report":

My letter of September 21 (10 days before you issued your

5. Your tabulation on p. 17 and accompanying text -
ative to the \$385 million drain on CVP" merely illustrates a fact
(as of 1971) : early CVP facilities essentially were second-
cal than later additions. In this sense the Drinity project was
a "drain" on the pre-Trinity CVP. (See the authorizing documents)
Sacramento Valley Canal were a "drain" on the pre-Canal CVP.
Auburn-Folsom South was a "drain" on the pre-Auburn CVP. The
costs of State Water Project water and power yields are far
greater than those of the original CVP on both a constant and
current dollar basis. The Helms Creek project of FSGP is a
"drain" on the FSGP financial structure. In the misleading sense
you use the term, I have no doubt the Peripheral Canal and other
potential additions to the State Water Project would be a "drain"
on that project if constructed.

I can only refer you to contract no. 14-06-203-2248A
between RGE and the United States for interchange, sale and
transmission of electric power and energy, dated July 31, 1967.
There are individuals in the Resources Agency -- especially in
the Energy Division of the Department of Water Resources -- who
can explain this contract to you if you give them time to do it.

It is determined by Stanislaus River hydrology and releases required
for non-power purposes.
The increment added by new machines to CVP dependable capacity
to the lay public, worse than comparing apples with oranges.
the power and energy added to CVP by new machines is, especially
in increments. Comparing this 32% with the 10% capacity factor of
factor of 32% after passing all combined project annual re-
into the Northern California area at a minimum annual capacity
of 32% collectively form a system delivering power and energy

Each of this "drain" is a matter of water and power rates. Certainly, as of 1971 and looking at an after-Project surplus of \$975 million, there was no need to propose major rate increases just to maintain a surplus of \$1 billion. Since 1971, as your "report" should have recognized, there has been a near-doubling of power rates, another is to be effective November 1, 1979, the Western Area Power Administration forecasts other future increases in its 1978 Annual Report and both the current and immediate-past National Administration have proposed upward revisions in rates in new and renewed water contracts.

The fact is that the 1971 data you use is so far out of date as to costs, yields and rates that its presentation in your "report" merely misleads the reader. The emphasis attached to the \$385 million "drain" in Resources Agency press statements certainly misleads the public.

6. Your statement ". . . that the more water stored and released from New Melones Reservoir for power purposes the greater the annual operating deficit on the CVP" simply defies rationality. Obviously if the reservoir content is limited to the 335,000 acre-feet you recommend, there can be no dependable capacity whatever and practically no energy generated at the plant and no new water supplies are available for sale. Under such an operation there could be substantially no costs allocated to power- or water-supply purposes and the general taxpayer is the loser. Under such an operation at least through 1981 relatively inexpensive New Melones power for use by CVP customers will be replaced by power costing 3 or 4 times as much to the financial detriment of both the customers and the CVP.

7. Your statement that

has minimal support in the "report". The primary "support" could be provided

acre-foot of irrigation water per year. It is unlikely a firm yield of 200,000

10. Your statement that

use of 200,000 acre-foot of storage at New Helones, and certainly concedes no right to do so in conjunction with the "for consumptive purposes"

"Intense pressure to use Tullock's storage

In this connection MR speaks of

in your reaction on p. 18 in regard to Tullock's storage. Water Resources in its memorandum of July 11 into a firm yield of

9. You turn the speculative comments of the Department of

that on September 12 which you attended.

report was available to the public and to you at the same time. State Water Resources Control Board, dated August 31, 1979. That

error in not taking into account the opinion of the Chief Counsel, your discussion of prior rights on pp. 48-49 in the

3. \$2,500,000 annually under full operation.

the costs of operation, maintenance and transmission is less than of 5.73 mills per kilowatt hour, which I am sure is quite high.

produce revenues of \$6,600,000 annually. Even at your own figure and since May 25, 1978, the same capacity and energy output would

effective November 1, 1979. Under the schedule in effect now \$7,000,000 annually in revenues under the rate schedule to be

kilowatts of available capacity, the plant can produce 100,000 kilowatts the plant, fully operational, and operating 100,000

"operational costs"

annual basic operations, maintenance and "operational costs from New Helones may not cover

... excess water for new irrigation in one-third of its operating years. It is a fact that in low water years there would be no such excess water since prior rights would take all inflows to the reservoir. This is the reason, of course, why over 1,000,000 acre-feet of storage space is required to provide the 300,000 acre-feet annually (with deficiencies in some years) during a series of dry years.

11. The entire discussion in the "report" on pp. 6-7 and 25-26 is a hodgepodge discussion of subsidies, water rates, interest rates, service areas, and similar matters. There is no question but that the Reclamation Law provides for return only of capital costs allocated to irrigation interest on that capital cost is, and for 77 years has been, considered a justifiable subsidy. Whether this is right or not is a matter of national policy and obviously should be taken up in a broad context rather than in the narrow context of New Melones as an addition to CVP. Certainly if no irrigation water whatever is developed by New Melones, as is urged by your 326,000 acre-foot reservoir or even by the 23,000 acre-foot reservoir now being considered in determining compliance with D-1422, the taxpayers of the nation that have paid the cost of New Melones are going to be stuck. Without agreeing at all with your recreation benefits on p. 40, I note that \$2,777,000 of those "benefits" are commercial rafting revenues. Given the massive Federal investment made at California's official request, is non-use of that investment -- as you urge -- not a subsidy to the rafting companies?

12. Some \$340,000,000 have been invested in the project with the official support of the State of California. Even

Mr. Guy Phillips

October 15, 1979

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the present administration of the State of California, since January 1, 1975, has actively sought \$227,000,000 in appropriations for construction of the project with the only condition thereon being its operation in accordance with Decision 1422. At the time of that Decision, the document itself shows, the State Board thought 650,000 acre-feet would be required for prior rights, water quality and fishery. Latest State Board staff estimates are that 623,000 AF will be required. Under this circumstance, who is being subsidized and at whose expense if your recommendation is followed?

Conclusion.

In deference to accurately informing the public, I believe you or the Resources Secretary should call another press conference. As a minimum, you should send another letter to Secretary Andrus withdrawing the report and its accompanying letter as containing gross errors and demonstrating gross prejudice. I hope at least this latter course will be taken. In case not, I will furnish Secretary Andrus with a copy of this letter.

Sincerely,

A. M. Murray

cc. Honorable Cecil D. Andrus,
Secretary of the Interior



CITY OF SACRAMENTO

Harry for 42
Agenda 4-1-80

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March 27, 1980

Honorable City Council
Council Chamber
City Hall
Sacramento, California 95814

RE: H.R. 4223 (Edwards), and Act to add
certain segments of the Stanislaus
River as a component of the National
Wild & Scenic River System

Members in Session:

SUMMARY

The effect of this bill, copy of which is appended as Attachment A, and which is presently pending before the House Committee on Interior and Insular Affairs, would be to prevent filling of the New Melones Dam on the Stanislaus River, thereby preventing the inundation of an upstream nine-mile section of the river.

BACKGROUND INFORMATION

Friends of the River, represented by Mark Dubois and others requested City endorsement of H.R. 4223. The matter was referred by the City Council to the Law & Legislation Committee for review, and it was placed on the committee's regular agenda for March 20, 1980.

The minutes of that meeting are appended as Attachment B, as a summary of the presentations made by the various interests present.

Appended also are the following attachments:

Attachment C: material submitted by Friends of the River.

Attachment D: material submitted by Friends of New Melones.

Attachment E: material submitted by the Department of Water & Power Resources

March 27, 1980

Attachment F: material submitted by A. W. Murray, a private consulting engineer.

At present, the California Water Resources Board has limited filling of the dam beyond the 808 foot mark, until all of the dam's water capacity when full is sold under contracts. The California Legislature is considering overruling the Board with two separate measures: AB 2164 (Waters) and AJR 58 (Waters).

COMMITTEE POSITION

After closing the public hearing, the two committee members stated their position as follows:

Councilman Pope stated that the City should take no position on the matter.

Councilman Fisher stated that the City should oppose HR 4223, and recommend filling the dam, but that as a second choice he would favor not taking any position on the matter.

FINANCIAL DATA

The measure appears to have no direct financial impact upon the City itself. A representative from Sacramento Municipal Utility District testified that power costs to City users would decrease, due to the fact that C.V.P. would not be required to purchase as much higher-cost power from other entities. Apparently any such savings would be passed on to the consumer.

RECOMMENDATION

None.

Very truly yours,

JAMES P. JACKSON
City Attorney

WILLIAM P. CARNAZZO
Deputy City Attorney

WPC:mb