

Browns Valley Irrigation District

Post Office Box 6, Browns Valley, CA 95918

December 15, 2010

Staff Report:

The Spring Valley Project Will Serve Letter and Funding Agreement

The Spring Valley Group has requested that BVID renew the Will Serve Letter that recently expired. If approved, this would be the fourth Will Serve Letter issued for the Spring Valley Project during the last 18 years, all for the same quantity of water (4,000 AF/Year). The District is not required to issue a will serve letter to anyone. But it is required to serve water to any landowner in the District when the requested amount of water is available, as it is in this case. Issuing a will serve letter when requested is good stewardship of the District because it keeps BVID's existing water users whole throughout the development process regardless of the outcome. If BVID had not issued the previous Will Serve Letter (and Funding Agreement) in 2005, costs related to the Spring Valley Project, which during the last five years were in excess of \$230,000, would have been passed on to existing District water users. The Will Serve Letter therefore protects existing water users much better than BVID refusing to work with the Spring Valley Group. This makes even more sense in this case because the Spring Valley Project has had several stops and starts and even if built, is years away from completion.

The primary source of water for the Spring Valley Project would be from the District's Yuba River water rights. It is expected that the Project will be required by the California Department of Public Health and BVID to have emergency water supplies made up of stored Yuba River water and/or groundwater wells. Water from Collins Lake would never be used as a regular supply for the Project but might be used in the case of a dire emergency only after planned emergency supplies became completely unavailable. Staff expects that there will not be any infrastructure built as part of this Project to connect water from Collins Lake to the Project's water treatment plant.

There has been discussion in the community about an informal, random telephone poll concerning the Spring Valley Project. While the poll might help Yuba County decision-makers understand what their constituents' feelings are about this Project, whether the Project should be approved is a land use question over which BVID has no control. While it understands that some landowners and water users oppose the Project, BVID is legally required to make water available to any landowner in the District that requests water service as long as the District has sufficient water supplies to support the requested use provided that the costs for the infrastructure are paid by the requesting landowner.